



EDA - Economic Adjustment Assistance

Objectives:

'To assist State and local interests design and implement strategies to adjust or bring about change to an economy. Program focuses on areas that have experienced or are under threat of serious structural damage to the underlying economic base. Such economic change may occur suddenly or over time, and generally results from industrial or corporate restructuring, new Federal laws or requirements, reduction in defense expenditures, depletion of natural resources, or natural disaster. Aids the long-range economic development of areas with severe unemployment and low family income problems; aids in the development of public facilities and private enterprises to help create new, permanent jobs.'

Uses and Restrictions:

Strategy Investments help organize and carry out a planning process resulting in a Comprehensive Economic Development Strategy (CEDS) tailored to the community's specific economic problems and opportunities. Implementation Investments support one or more activities identified in an EDA-approved CEDS.

Eligible activities may include: the creation/expansion of strategically targeted business development and financing programs such as: Revolving loan funds, infrastructure improvements, organizational development, and market or industry research and analysis.

Applicant Eligibility:

Eligible applicants include economic development districts; States, cities or other political subdivisions of a State or a consortium of political subdivisions; Indian tribes or a consortium of Indian tribes; institutions of higher learning or a consortium of such institutions; or public or nonprofit organizations or associations acting in cooperation with officials of a political subdivision of a State. Applicants using EDA supplemental disaster assistance will generally be restricted to disaster-impacted areas.

Beneficiary Eligibility:

Geographic areas, usually counties or groups of counties, which meet one of the following criteria: 1) An unemployment rate that is, for the most recent 24 month period for which data are available, at least one percent greater than the national average unemployment rate; 2) per capita income that is, for the most recent period for which data are available, 80 percent or less of the national per capita average income; or 3) a special need, as determined by EDA, arising from actual or threatened severe unemployment or economic adjustment problems resulting from severe short-term changes in economic conditions. Special need criteria are listed in the Agency's annual NOFA.

Credentials/Documentation:

Applicants for assistance to develop a CEDS must identify the actual or anticipated adjustment problem and indicate how the strategy will be developed. Implementation investments applications must be consistent with an approved CEDS.

Examples of Funded Projects:

Investments awarded under the Economic Adjustment Program include: (1) strategy for recovery from plant closure and major permanent job loss; (2) rehabilitation of vacant industrial facility for multi-tenant use or as an incubator; (3) revolving loan funds or recapitalization of revolving loan funds.