



Economic Revitalization Guide for CDBG-DR Grantees





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I. Introduction

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The mission of the Department of Housing and Urban Development (HUD) is to create strong, sustainable and inclusive communities. Community Development Block Grant (CDBG) funds advance HUD's mission by supporting state and local governments to provide quality housing, create livable neighborhoods and expand economic opportunities, especially for [low- and moderate-income \(LMI\) residents](#).

Community Development Block Grant – Disaster Recovery (CDBG-DR) funds follow the CDBG framework with resources aimed at rebuilding communities after disasters. State, local government and tribal [grantees](#) use CDBG-DR funds to address a wide range of disaster recovery needs related to housing, infrastructure and [economic revitalization](#).

Through a series of case studies, this Guide describes strategies for economic revitalization, funded by CDBG-DR, that advance recovery and resilience in [underserved communities](#). These strategies promote the upward mobility of LMI residents and enhance the quality of life in underserved communities by supporting local businesses, driving job growth and training residents to access quality jobs.

*“Families and individuals living in **underserved communities** experience greater inequity and . . . are also often more vulnerable to extreme weather events and natural disasters resulting from changing climate.”*

– HUD Strategic Plan for FY2022-2026



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A. Purpose of this Guide

This Guide provides CDBG-DR grantees with the tools and resources to design and implement economic revitalization activities that promote economic recovery, improve long-term economic resilience and address the needs of underserved communities and vulnerable populations.

This Guide aims to:

- Provide an overview of effective economic development strategies that support historically underserved communities
- Guide grantees on aligning disaster recovery activities with local and regional economic development strategies
- Present ideas for pre-disaster planning and post-disaster program design and implementation efforts, including engagement of residents and businesses in underserved communities

This Guide encourages grantees to leverage the flexibility of CDBG-DR funds and undertake creative economic revitalization programs that both respond to urgent needs and support long-term economic development strategies.

*“A **vulnerable population** is a group or community whose circumstances present barriers to obtaining or understanding information or accessing resources. These include, but are not limited to, women, racial or ethnic minorities, low-income individuals and families, individuals who are or have been incarcerated, individuals with disabilities, individuals with mental health conditions, children, youth and young adults, seniors, immigrants and refugees, Limited English Proficiency (LEP) persons, and LGBTQIA+ communities, or combinations of these populations. These groups or communities are also, in large part, further defined by the local and regional disasters.”*

– **Citizen Participation & Equitable Engagement (CPEE) Toolkit**

B. Economic Development Strategies that Work

Economic development improves the overall standard of living in a community, as measured by indicators such as employment and income. Economic development strategies focus on attracting, creating and retaining businesses that provide jobs to residents. At their most effective, strategies include analyzing the local economic context; identifying economic opportunities and resources; and collaborating with industry, government, academic and community stakeholders. Completing this work both before and after a disaster is crucial to effectively utilize resources such as CDBG-DR to both advance existing strategies and address new challenges that arise as a result of the disaster.

CDBG-DR funds support economic development activities in [low- and moderate-income \(LMI\) communities](#) and activities that benefit LMI individuals. This section summarizes four effective economic development strategies that align with the CDBG-DR framework. The case studies in Part II of the Guide illustrate them in further detail.

Further Reading

For an expanded list of time-tested strategies, grantees should consult the Small Business, Microenterprise, Job Training and Infrastructure sections of the [Economic Recovery and Resilience Toolkit](#).

1. Small Business Strategies to Drive Job Growth

Small businesses—including the smallest microenterprises—[make up 99% of American businesses](#) and [employ approximately half of all working Americans](#). Microenterprises include many community-based retail and service businesses as well as new startups. LMI residents often establish microenterprises as a first step up from less formal business operations. With financial and technical assistance that empowers them to succeed, LMI entrepreneurs can build up their businesses and create jobs for themselves and others.

After a disaster, one available strategy for CDBG-DR grantees is to offer working capital grants and loans to impacted small businesses. The funds can finance inventory, payroll and other necessary expenditures to restart operations and rehire employees. These types of programs are often facilitated by specialized organizations such as Small Business Development Centers (SBDCs), Community Development Financial Institutions (CDFIs) or other Community-Based Development Organizations (CBDOs). These organizations may also provide technical assistance in business management; sales and marketing; as well as accounting and legal issues.



Photo courtesy of Pexels (pexels.com).

"Economic development and small business are the drivers of the economy by creating jobs, providing goods and services, and facilitating commerce."

– [Federal Reserve Bank of San Francisco](#)

2. Workforce Strategies to Match Residents with Job Opportunities

Effective economic development strategies combine incentives for business expansion with customized training programs that enable residents to access new jobs. The [Upjohn Institute for Employment Research](#) found that the availability of new, higher-skill jobs can create pathways to upward economic mobility in underserved communities, provided that residents have access to the necessary training.

Workforce development programs should align with the community's overall economic development strategy, focusing on the same industries targeted for business recruitment and expansion. Many CDBG-DR grantees invest in both training programs and the construction of new training facilities, often in collaboration with local community colleges and universities. To engage LMI residents and overcome potential barriers to participation, programs often include outreach to local schools and community organizations; flexible online, nighttime, or weekend options for courses; and “wrap-around” services such as childcare or transportation.



Photo courtesy of Pixabay (pixabay.com).

“Customized training programs help broaden the pool of who gets the jobs from economic development programs.”

– [Upjohn Institute for Employment Research](#)

3. Infrastructure Strategies to Anchor Economic Activity

Infrastructure extends beyond the essential roads, electrical lines and pipes necessary for residential and commercial development. Traditional industrial infrastructure, such as ports and railroads, continue to serve as the foundation of many local economies, and they can play a vital role supporting jobs in LMI communities. CDBG-DR grantees can use funds to repair major commercial and industrial infrastructure, including newer categories of infrastructure, such as:

- **Broadband infrastructure** necessary for businesses in commercial districts or industrial zones to sustain competitiveness and job growth
- **Energy infrastructure** to increase employer resilience to future disasters and mitigate climate change
- **Shared specialized facilities** that serve a particular industry or small businesses broadly, such as shared commercial kitchens or business incubators

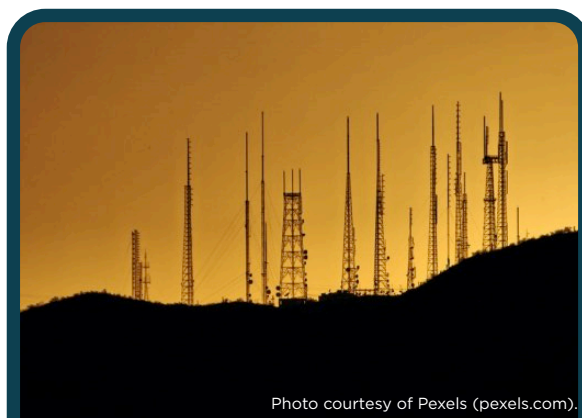


Photo courtesy of Pexels (pexels.com).

“Investment in energy, telecommunications and transport networks directly impact growth, as all types of infrastructure represent an essential input in any production of goods and services.”

– [World Bank](#)

4. Tourism Marketing Strategies to Attract Customers to Local Businesses

Economic development agencies often invest in marketing strategies and materials to attract businesses and customers to their regions. While marketing is not defined as an [Eligible Activity](#) under CDBG-DR, some grantees receive [waivers](#) to conduct marketing campaigns that encourage customers, and especially tourists, to visit their regions after a disaster ([CDBG-DR Policy Bulletin](#)). In coastal communities and elsewhere, tourism often supports local retail and service businesses, many of which employ LMI residents. While marketing alone does not foster upward economic mobility, it can contribute to increased business revenue and employment income during the disaster recovery period.

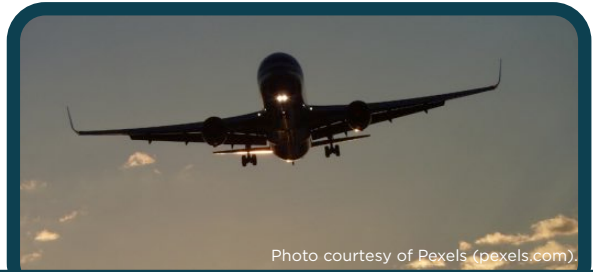


Photo courtesy of Pexels (pexels.com).

"Given its importance as a major export category ... and recognizing its role as a source of employment and economic development, the [tourism] sector's recovery is expected to drive growth in every world region."

– [United Nations World Tourism Organization](#)

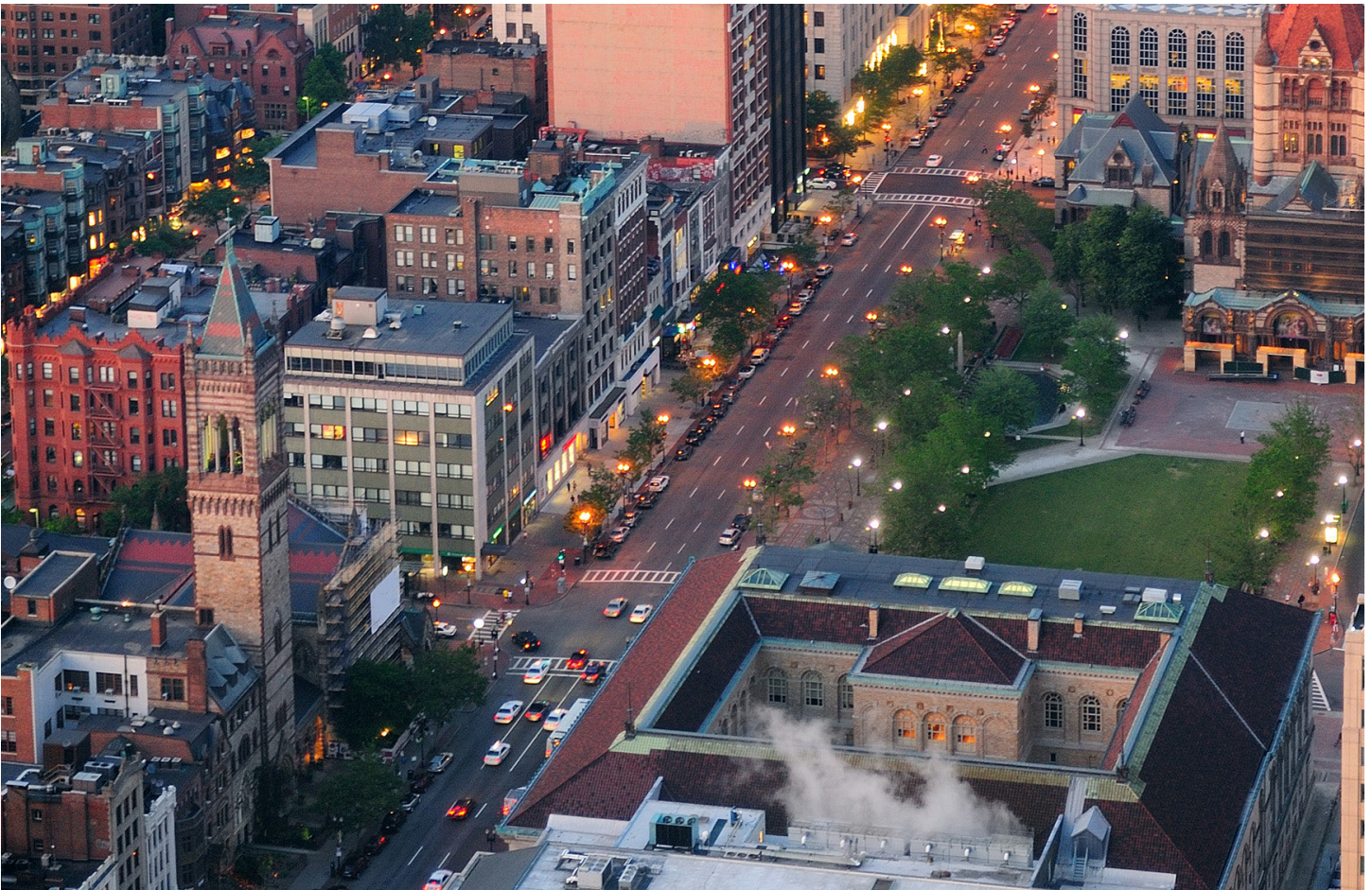


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C. CDBG-DR 101

Congress allocates CDBG-DR funds through supplemental emergency appropriations. Following an appropriation, HUD publishes a [Federal Register notice \(FRN\)](#) that governs the use of the funds. The *Federal Register* notices specify the allocation of funds to the [Most Impacted and Distressed \(MID\) Areas](#) based on recovery needs.

The notices also describe any waivers or alternative requirements applicable to the appropriation. The HUD Secretary can waive or specify alternative requirements for any provision of any statute or regulation that the Secretary administers, except for requirements related to fair housing, nondiscrimination, labor standards and the environment. Grantees should review the notices that apply to their disaster year, and any updates as HUD amends them over time, on the “[CDBG-DR Laws, Regulations, and Federal Register Notices](#)” website.

CDBG-DR funds are subject to the Housing and Community Development Act (HCDA) of 1974 ([42 U.S.C. § 5301 et seq.](#)), which is the original authorizing legislation for CDBG. The funds are also subject to Title 24 of the Code of Federal Regulations Part 570 on Community Development Block Grants ([24 CFR Part 570](#)), which guides the implementation of CDBG.

Section 3

[Section 3](#) of the Housing and Urban Development Act requires that employment and other economic opportunities created by activities funded by CDBG-DR are directed to low- and very low-income persons. For detailed guidance on Section 3, grantees can review HUD’s [Section 3 Guidebook](#) and the applicable FRN ([85 FR 61524](#)).

Action Plan Development

In the aftermath of a disaster, CDBG-DR grantees must move quickly to develop disaster recovery programs that both respond to urgent needs and establish a foundation for long-term economic growth. The HUD document titled “[Key Things to Do When You Receive CDBG-DR Funds](#)” assists grantees in launching successful programs and avoiding common pitfalls. As the document describes, the first step is to review the applicable FRN, and the second is to develop the [Action Plan](#).

The Action Plan describes the specific programs and activities that will be funded by CDBG-DR. To create the Action Plan, grantees must engage impacted residents and stakeholders to assess unmet recovery needs. HUD’s [Citizen Participation & Equitable Engagement \(CPEE\) Toolkit](#) guides grantees on how to effectively engage residents in underserved communities and center equity in the planning process.

The planning process should also align with the region’s existing economic development strategies. Grantees can achieve this by engaging economic development stakeholders, reviewing existing plans and analyzing business and employment data. The regional [Comprehensive Economic Development Strategy \(CEDS\)](#) is a key component of pre-disaster planning and an important source of information post-disaster. The CEDS is typically drafted by a regional agency with substantial data analysis and input from a range of stakeholders.

Activity Eligibility

Each activity included in the Action Plan must fulfill a CDBG [National Objective](#) and qualify as a CDBG Eligible Activity or an activity eligible under a waiver or alternative requirement. The activities must also demonstrate [tie-back](#) to the disaster with a description of the specific disaster-related impacts that each activity addresses.

For economic revitalization activities, common measures to demonstrate tie-back are loss of businesses and business revenue as well as loss of jobs and wages due to the disaster. In the case studies in this Guide, grantees also use data on outmigration and loss of the civilian labor force; as well as specific local sources of data, such as the loss of students and school closures in Puerto Rico and the reduction in vessels, cargo and revenue at the Port of Gulfport in Mississippi.

Grantees can establish baseline data from the CEDS or the U.S. Census Bureau and Bureau of Labor Statistics. Grantees can gather post-disaster data from their state's [Labor Market Information Center](#), which may provide aggregate data on unemployment claims and business filings. Alternatively, grantees can conduct more in-depth assessments of disaster-related economic losses and damages, as demonstrated in the Louisiana case study.

Further Reading

For a complete list of eligible activities by type of grantee, grantees should consult the CDBG [Guide for State Grantees](#) and [Guide for Entitlement Communities](#).

Data from the Comprehensive Economic Development Strategy (CEDS)

- Data on baseline employment
- Projected demand for specific occupations
- Data on targeted growth industries
- Distress indicators such as business closures and significant outmigration



Photo courtesy of Pixabay (pixabay.com).

Pre- and Post-Disaster Planning

Grantees are encouraged to assess local economic conditions and proactively plan for impactful projects before a disaster strikes so that they can more effectively utilize resources after a disaster. The following steps outline how to prepare for and then quickly react to a disaster. The case studies in this Guide describe additional steps that grantees can take for different kinds of economic revitalization programs.

Pre-Disaster Planning

- Participate in the regional Comprehensive Economic Development Strategy (CEDS) process
- Strengthen connections between economic development stakeholders through ongoing initiatives
- Maintain data on local companies, jobs and employment
- Engage LMI residents in economic development plans and projects in their neighborhoods
- Research the types of small businesses that are owned or staffed by LMI residents
- Identify workforce development opportunities that build a skilled workforce
- Attract and retain businesses that enable LMI residents to access quality jobs
- Identify opportunities to upgrade commercial and industrial infrastructure to support quality jobs

Post-Disaster Planning & Implementation

- Coordinate with local and regional government agencies
- Conduct outreach to assess the impacts of the disaster on businesses and jobs
- Select programs and activities for the Action Plan based on unmet needs and alignment with regional strategies
- For each activity: document tie-back, identify partners for program delivery and develop a realistic budget and goals
- Track overall economic activity in the MID areas to assess program impact, particularly the growth of high-value industries and creation of higher-wage jobs
- Showcase the upward mobility of LMI residents enrolled in workforce development programs funded by CDBG-DR



Activity Review

Grantees must review all of the programs and activities included in the Action Plan, following the *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* ([2 CFR Part 200](#)), which address cost allowability, cost allocability and cost reasonableness. In sum, all expenses must meet the eligibility requirements for CDBG-DR funds, directly contribute to the proposed activity and be reasonably priced in comparison to similar goods or services in the local area.

Grantees are also responsible for developing guidelines for their programs and activities to prevent the **duplication of benefits (DOB)**. DOB occurs when a person, household, business or other entity receives disaster assistance from multiple sources for the same recovery purpose, and the total assistance received is more than the total need. Grantees can refer to the FRN on DOB to learn more about the general principles and steps involved in a DOB analysis ([84 FR 28836](#)).

Other potential sources of assistance that may result in DOB include the Federal Emergency Management Agency (FEMA), the Small Business Administration (SBA), insurance providers, local government and charitable organizations. To verify DOB, grantees can obtain FEMA data from HUD under a data sharing agreement; and they can collect data directly from the SBA, insurance providers and other organizations. Grantees can also collect information from potential recipients of CDBG-DR assistance through application forms that include:

- Documentation of need
- Documentation and description of other assistance received and its purpose
- Certification that the application is accurate

Example of a DOB Process Flow from the Louisiana Small Business Loan Program

The grantee is the State of Louisiana and the subrecipient is a Community Development Financial Institution (CDFI) selected by the grantee to lend CDBG-DR funds to small businesses impacted by the disaster.

Process	Amount
1. The Subrecipient identifies the applicant business' total need based on the Program guidelines and underwriting process	\$200,000
2. The Subrecipient identifies all assistance available as reported by the business in the Program Application, including a \$30,000 working capital loan from the SBA and \$5,000 from insurance for damages to equipment	\$35,000
3. The Grantee excludes assistance that is for a different purpose (\$5,000 from insurance for equipment) and identifies the assistance that is duplicative (\$30,000 working capital loan for the same purpose)	\$30,000
4. The Subrecipient calculates the unmet need (Step 1 minus Step 3)	\$170,000
5. Maximum Program Benefit (or program cap)	\$150,000
6. Maximum Loan Award Amount (lesser of Step 4 or Step 5)	\$150,000



Photo courtesy of Freepik (freepik.com).

Underwriting

In addition to conducting the other levels of review, grantees must follow HUD's guidance on underwriting for programs and activities with a Special Economic Development purpose. [Special Economic Development Activities](#) encompass many types of assistance to for-profit businesses. By assessing the business, its owners and its finances, the underwriting process ensures that Special Economic Development Activities successfully use Federal investment to achieve CDBG National Objectives.

The Code of Federal Regulations sets the underwriting objectives for Special Economic Development Activities with a focus on project feasibility and risk ([24 CFR 570 Appendix A](#)). Grantees may also use the underwriting process to determine investment terms and conditions, such as the loan amount or type of collateral.

For major loans or grants, typically greater than \$250,000, grantees may conduct extensive due diligence, including a detailed review of the business plan, financial history and projections, and the experience and credibility of the owners and managers. Grantees may also conduct site visits and interviews and engage industry experts, customers and suppliers in the due diligence process. For smaller loans or grants, as in the Louisiana case study, grantees or [subrecipients](#) may streamline the review process by focusing on key aspects of due diligence. This may include reviewing the business profile or plan, examining the financial statements and verifying the owners' identity and credit score.

For programs funded by CDBG-DR, grantees or their subrecipients must request and review documentation that establishes the business's eligibility for the funds. For example, a lease can provide proof of address in a MID area; a tax return from the year of the disaster can provide proof of operations; and an insurance report can provide proof of a qualifying loss.

Grantees can design an underwriting process that complies with Federal guidelines and ensures accessibility for businesses in underserved communities that may not have access to traditional banking services or financial products. For example, grantees can review financial statements in place of tax returns and establish reasonable credit score requirements.

Examples of Special Economic Development Activities

- Funding operating expenses for a medical office that reopens after completing repairs to disaster-related damages
- Constructing public infrastructure that supports job creation by businesses, such as improved drainage in a retail district
- Building a business incubator that provides office space and services to startups in target industries
- Providing training in forklift operation to qualify LMI individuals for jobs at a warehouse rebuilt with CDBG-DR funds



Activity Review

APPLICABLE TO ALL CDBG-DR ACTIVITIES

COST PRINCIPLES

2 CFR 200 Subpart E

Reasonableness Expenses reflect prices for similar goods or services in a grantee's region.

Allocability Expenses meet the requirements of CDBG-DR and are necessary to achieve the objectives of the activity.

Applicable to all CDBG-DR Special Economic Development Activities
Special Economic Development Activities provide assistance to for-profit businesses.

Underwriting Requirements

24 CFR 570.482(e) for States and 24 CFR 570.209(a) for **Entitlements**

- The activity is financially feasible and the costs are reasonable
- All other sources of financing are committed
- CDBG funds do not substitute for **non-Federal sources of financing**
- CDBG funds assume risk equivalent to other sources of financing
- Return on the owner's equity investment is not unreasonably high

Public Benefit Standards

24 CFR 570.482(f) for States and 24 CFR 570.209(b) for **Entitlements**

Benchmarks to assess the societal benefit of an activity, ensuring that the cost of the activity does not outweigh the benefit to the public, and especially LMI residents and communities.

HUD regularly provides alternative requirements to the **Public Benefit Standards**. Review 87 FR 31636 II.D.3 for specific requirements.

- A maximum dollar amount of CDBG-DR funds allocated to the activity per job created or per LMI person served by the activity

D. Who Can Use this Guide

This Guide is intended for CDBG-DR grantees and subrecipients as well as their partners at the state, county, tribal, and municipal levels. HUD recognizes that grantees and their partners may benefit from guidance on economic revitalization strategies, and especially those strategies that support historically

underserved communities to recover after a disaster. CDBG grantees that are less familiar with CDBG-DR may also benefit from the introduction to CDBG-DR and the additional resources referenced in this Guide.

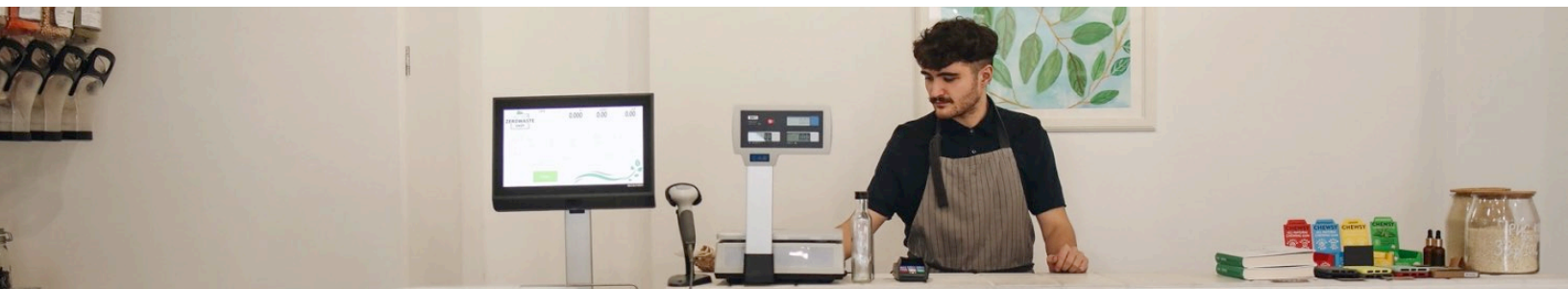


Photo courtesy of Pexels (pexels.com).

E. How to Use this Guide

Part II of this Guide includes four sections with case studies that offer lessons from past and current CDBG-DR grantees on Assistance to Business, Workforce Development, Tourism Promotion, and Infrastructure for Commercial and Industrial Development. The case studies are intended to stimulate ideas and dialogue on creative ways to use CDBG-DR appropriations to promote economic revitalization and recovery in the wake of a disaster. When identifying the appropriate case studies to review:

- Grantees interested in using CDBG-DR to **provide direct assistance to businesses** that have closed or that are experiencing challenges to growth after a disaster should refer to the case study under “Assistance to Business”
- Grantees focused on supporting LMI residents to **qualify for and obtain higher-wage jobs** should consult the case studies under “Workforce Development”
- Grantees seeking to **reactivate their region’s tourism sector** after a disaster should refer to the case study under “Tourism Promotion”
- Grantees aiming to **rebuild infrastructure** in order to attract high-wage jobs should review the case study under “Infrastructure for Commercial and Industrial Recovery”





II. Case Studies

Photo courtesy of Pexels (pexels.com).

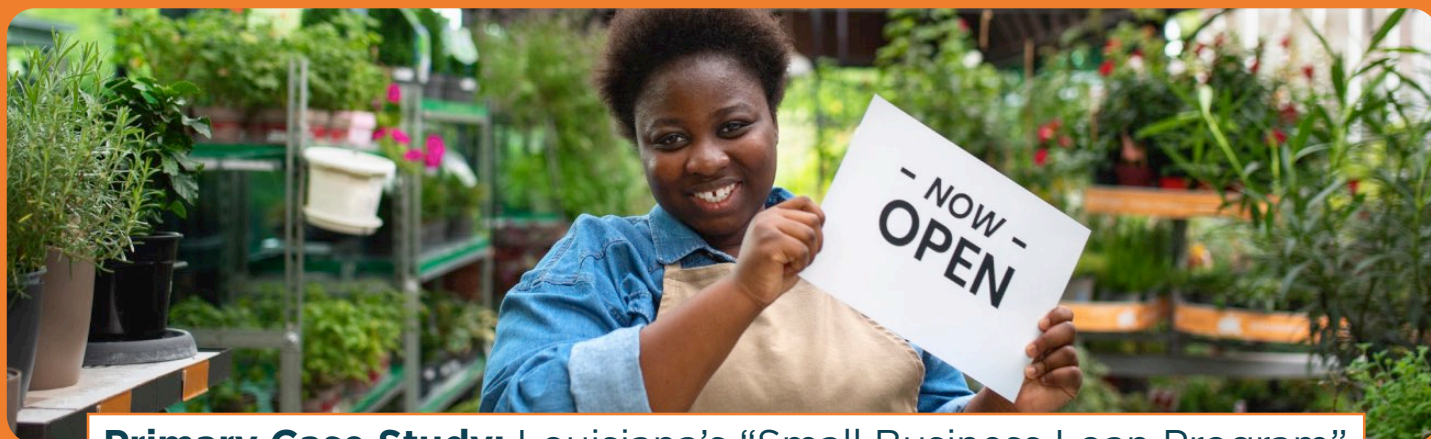
A. Table: Case Studies by Key Characteristics

The table below highlights the key characteristics of a successful CDBG-DR economic revitalization program, as illustrated by the case studies featured in this Guide. These characteristics are described in more detail in the case studies, with the “Mini” case studies complementing the content of the “Primary” case studies.

CATEGORY	TYPE	CASE STUDIES	Tie-Back to Disaster	Underwriting	Alignment with Economic Development Plans	Leverages Additional Funds	Strategies for Engaging Underserved Communities	Resilient Infrastructure	High-Wage Jobs and Growth Industries
									
Assistance to Businesses	Primary	Louisiana’s “Small Business Loan Program”	✓	✓			✓		
Workforce Development	Primary	Puerto Rico’s “Workforce Training Program”	✓		✓		✓		✓
Workforce Development	Mini	Mississippi’s “Jackson County Maritime Training Facility”	*	*	✓		✓		✓
Workforce Development	Mini	Mississippi’s “Mississippi Gulf Coast Community College Nursing School and Simulation Center”	*	*	✓			✓	✓
Tourism Promotion	Primary	Puerto Rico’s “Tourism and Business Marketing Program”	✓			✓			✓
Infrastructure	Primary	Mississippi’s “Port of Gulfport Restoration Program”	✓		✓	✓	✓	✓	✓


* These characteristics are not described in the “Mini” case studies.

B. Assistance to Businesses



Primary Case Study: Louisiana's "Small Business Loan Program"

Photo courtesy of Freepik (freepik.com).

AT A GLANCE	DESCRIPTION
Disaster	Hurricane Laura, Hurricane Delta, Hurricane Zeta
Year	2020
Grantee	State of Louisiana
Subrecipient	Participating non-profit lenders, credit unions and community development financial institutions
Period	September 2022 – September 2028
Amount	\$100.5 million
National Objective	Subrecipients determine the National Objective for each loan. The National Objective may be LMI Job Creation or Retention, LMI Area Benefit or LMI Limited Clientele.
Eligible Activity	<p>Subrecipients determine the Eligible Activity for each loan. The Eligible Activity may be:</p> <ul style="list-style-type: none"> Assistance to Non-Profit Development Organizations HCDA Section 105(a)(14), HCDA Section 105(a)(15) Assistance to For-Profit Business HCDA Section 105(a)(17) Microenterprise Assistance HCDA Section 105(a)(22), 2 CFR 570.203(b), 2 CFR 570.482(c)(1)
Underwriting	 This is a Special Economic Development Activity and therefore subject to underwriting requirements.

Overview

- The State of Louisiana implemented the Small Business Loan Program (SBLP) in response to multiple disasters and improved the program design with each iteration based on prior successes and challenges
- The State set loan terms and requirements that are accessible for businesses led by Socially & Economically Disadvantaged Individuals (SEDI)
- To reach underserved communities, the State partnered with local non-profit financial institutions and with a statewide organization that supports minority-owned businesses



Photo courtesy of Freepik (freepik.com).

Background

Over the years, the State of Louisiana received multiple CDBG-DR allocations for devastating storms and floods. Beginning with Hurricanes Katrina and Rita in 2005, Louisiana offered a Small Business Loan Program (SBLP) to address the impact of the disasters on businesses. With each disaster, the State improved the program based on feedback from both lenders and small businesses. This case study focuses on the most recent version of the program, which is included in the [2022 Laura-Delta-Zeta Action Plan](#).

Tie-Back



Following each storm, the State assessed the business impacts. For the Laura-Delta-Zeta Action Plan, the State contracted with an economic consulting firm, which found that in 2020 Hurricane Laura disrupted the operations of 34,740 businesses, representing nearly 28% of all businesses in Louisiana. This disruption impacted 479,975 workers and resulted in an estimated \$2.8 billion in structural damage, \$1.1 billion in equipment loss and \$1.9 billion in operational costs. Small businesses with limited resources were especially vulnerable to closure after losses from the disaster.



Photo courtesy of Unsplash (unsplash.com).

Program Design

As part of the ongoing effort to support small business recovery, the Laura-Delta-Zeta SBLP is designed to simplify the loan process for both lenders and businesses. The program offers a range of loan sizes, with the maximum loan amounts determined through straightforward formulas based on working capital, equipment or furniture needs. To support businesses in their recovery, the loans carry zero interest and the first payment is deferred for six months. For the lenders, the program simplifies the loan forgiveness process and provides mechanisms for managing loan defaults more efficiently.

Loan Terms

- **Eligible Uses:**
 - Up to 6 months of working capital, including rent or mortgage costs, wages and benefits, utilities and inventory costs
 - Moveable equipment and furniture
- **Loan Amount:** \$10,000 to \$150,000 with exceptions up to \$250,000
- **Interest Rate:** 0%
- **Loan Forgiveness:** 40% forgiven upon repayment of 60% of the total loan amount
- **Loan Period:** 6 months of no payments, then, beginning in the 7th month, 60% of the loan amount is amortized over 7 years or less
- **Collateral:** Personal guarantee required of all owners with 20% or more ownership

To qualify for a loan, the business must be a for-profit, or a non-profit with earned revenue from secular operations, located in a HUD-designated Most Impacted and Distressed (MID) area. The business must have been operating at the time of the disaster; and it must have experienced a loss due to the disaster, either physical damage or a decline in revenue. Among the other qualifications, the business must have at least one employee and pre-storm annual gross revenue of at least \$25,000. These guidelines and the low credit score requirement of 600, are designed to be accessible to businesses in underserved communities, many of which are microenterprises that rely on credit cards to pay for expenses rather than formal loans or lines of credit.

According to the [SBLP Program Guidelines](#), the State of Louisiana prioritizes businesses that “spur economic opportunities for underserved communities that were economically distressed before the disaster.” The program guidance defines underserved communities as the Treasury’s Community Development Finance Institutions’ (CDFI) [Fund Investment Areas](#). And it defines underserved business owners as Socially & Economically Disadvantaged Individuals (SEDI) because they “have had their access to credit on reasonable terms diminished as compared to others in comparable economic circumstances” due to factors such as race, gender, veteran status or disability. The program also prioritizes industries that provide essential goods or services such as grocery stores, health clinics and residential construction companies.

Program Implementation

Local non-profit lenders, CDFIs, and credit unions apply to implement the SBLP as CDBG-DR subrecipients. The SBLP Program Guidelines describe a preference for lenders "that have experience working with small businesses that have difficulty securing loans from traditional lending sources." The selected lenders are responsible for all lending activities, including application intake, underwriting and loan servicing.

In the Laura-Delta-Zeta program, the lenders are also responsible for outreach and must establish physical locations that are convenient for business owners in the designated areas. The lenders can budget up to 15% of their allocation for activity delivery costs. The lenders can also apply the loan proceeds towards a revolving loan fund for small businesses in the designated areas.

The lender with the largest allocation is the South Central Planning & Development Commission (SCPDC), a regional planning commission. The SCPDC has administered disaster-related loan programs since Hurricane Andrew in 1992. In addition to their experience with disaster recovery, the SCPDC brings significant organizational capacity as well as strong relationships with regional planning commissions and local leadership across the state. Under the current Action Plan, the SCPDC actively engages in robust outreach with offices in every metropolitan area in the state, as well as underserved rural areas, where their local staff connect with business owners and provide support throughout the application process.



In addition to outreach by the lenders, the State contracts with the Louisiana Chamber of Commerce Foundation (Chamber Foundation) to support implementation of the Laura-Delta-Zeta SBLP. The Chamber Foundation is dedicated to serving minority-owned businesses across Louisiana through a network of local minority business chambers. The Chamber Foundation's scope of work includes outreach to the most impacted communities, and especially underserved rural communities; direct technical assistance (TA) to small business owners to help them prepare their loan applications; and coordination with the lenders to ensure the applicants' success.

In carrying out their work, the Chamber Foundation leverages their relationships with local stakeholders to market their services. They select convenient locations with internet access, which is important for rural areas, for meetings with business owners. And they offer intensive TA through their roster of subject matter experts in accounting, legal, finance, insurance and human resources. SEDI business owners are less likely to bank with traditional financial institutions and are therefore less likely to have the legal and financial documentation to receive a loan from the SBLP. For this reason, the Chamber Foundation's TA focuses on preparing the documents required for the loan application process.



Program Impact

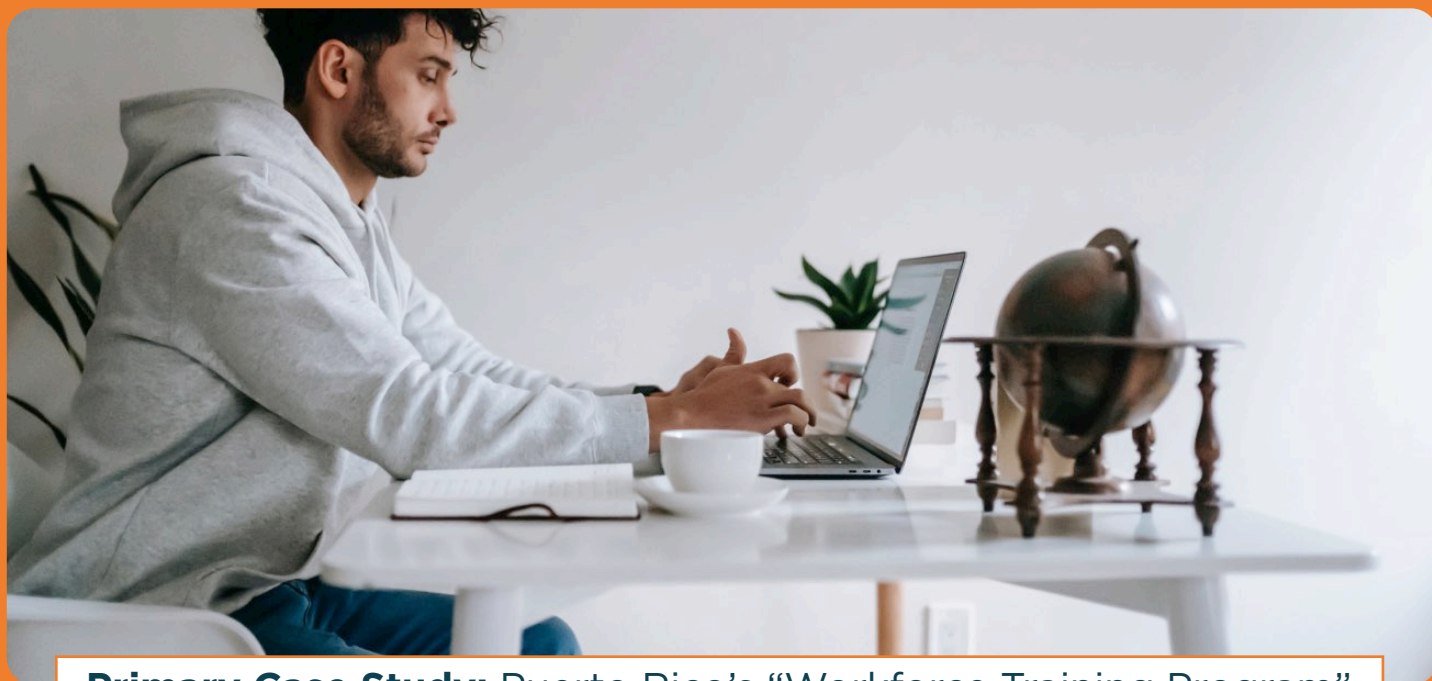
The key performance measures for the SBLP are the number of businesses served, the number of jobs created or retained and the number of LMI individuals employed in the jobs.

- The outcomes for the \$100.5 million Laura-Delta-Zeta program are not yet available.

The State reported on outcomes for earlier programs.

- The outcomes from 2017 to 2022 for the \$39 million Floods program, following two severe flood events in Louisiana in 2016, are:
 - **503 businesses** served
 - **1,181 jobs** created or retained
 - **1,103 jobs** held by LMI individuals
- The outcomes from 2007 to 2012 for the \$88 million Katrina-Rita program are:
 - **3,200 businesses** served
 - **7,490 jobs** created or retained
 - **4,027 jobs** held by LMI individuals

C. Workforce Development



Primary Case Study: Puerto Rico's "Workforce Training Program"

Photo courtesy of Pexels (pexels.com)

AT A GLANCE	DESCRIPTION
Disaster	Hurricane Irma, Hurricane Maria
Year	2017
Grantee	Puerto Rico Department of Housing
Subrecipient	University of Puerto Rico, Rio Piedras Campus*
Period	September 2018 - September 2026
Amount	\$1.99 Million
National Objective	LMI Limited Clientele
Eligible Activity	<ul style="list-style-type: none"> Provision of Public Services (Workforce Development) HCDA Section 105(a)(8), 24 CFR 570.201(e), 24 CFR 570.482(c)(2) Assistance to Institutions of Higher Education HCDA Section 105(a)(21)
Underwriting	This is not a Special Economic Development Activity and therefore not subject to underwriting requirements.

* The University of Puerto Rico, Rio Piedras Campus is one of several subrecipients under Puerto Rico's Workforce Training Program.

Overview

- The University of Puerto Rico's Workforce Training Program is designed to upskill and reskill underemployed and unemployed LMI individuals to support their economic mobility
- The Program focuses on industries and skills that are essential to disaster recovery, such as general construction and management of Federal funds
- The courses are offered online and on a mobile application so that participants without computers or internet connections can complete coursework on their cell phones



Photo courtesy of Pexels (pexels.com).

Background

Hurricanes Irma and Maria both made landfall in Puerto Rico in September 2017. Strong winds, floods and landslides caused catastrophic damage to homes, businesses and essential infrastructure. For months after the hurricanes, most of the island did not have electricity or water and sewer service. The storms displaced tens of thousands of residents. Many relocated to states such as Florida, Massachusetts, Connecticut and New York.

Tie-Back



In total, 132,000 people left Puerto Rico for the continental United States in the year following the hurricanes, leaving a significant gap in the island's workforce at a time when more workers were needed to assist with recovery efforts. The impact extended to the education sector, with 38,700 students leaving the school system that year. As a result, Puerto Rico's Department of Education announced the closure of 283 schools across the island, reducing access to educational opportunities for many of the remaining students. To address these challenges, Puerto Rico created the Workforce Training Program (WTP) to provide accessible pathways for LMI residents, ages 16 and older, to gain skills, access jobs and advance recovery on the island.



"It is essential to train our workforce, both for the immediate demand and for the different labor scenarios we will face in the future. This University of Puerto Rico program opens the door to countless opportunities to foster the competencies, skills and abilities necessary for a competitive and cutting-edge working class."

**- Manuel Cidre, Puerto Rico
Secretary of Economic
Development and Commerce**

Program Design

The University of Puerto Rico, the island's largest public university, leads a WTP that trains residents for jobs in both recovery-related and high-growth industries, with skills that can be used for employment or entrepreneurship. The program offers courses for jobs in the construction industry with topics such as health and safety, reading blueprints, and project management. Other courses related to disaster recovery include the administration of Federal funds as well as Federal grant development; and management and compliance for non-profit organizations that operate recovery programs.



The courses targeted towards growth industries and entrepreneurship opportunities include tourism and hospitality, customer service and financial education. The courses are intended to offer practical skills for those who want to "upskill" and access higher paid jobs in their current industry or for those who want to "reskill" for employment opportunities in new industries.

Program Implementation



Residents of Puerto Rico who earn less than \$28,000 per year can easily register for the free courses. The course content is available on-demand through a cell phone application called Moodle. This approach is critical because many LMI residents lack access to a computer or internet connection but have access to a cell phone and cellular service.

To implement the program, the University of Puerto Rico partners with government agencies and businesses. The Puerto Rico Department of Education and six municipal governments across the island market the program. The target participants include unemployed and underemployed people, young adults who have not completed their high school degree and teachers that were impacted by the school closures and want to reskill and enter new industries.

The University also partners with employers to create direct pathways to jobs for people who complete the courses and earn certifications. In addition to connections with individual businesses in growth industries, the University also collaborates with Spartan Staffing Solutions, an employment agency that specializes in developing a robust workforce pipeline for the construction industry.

Program Impact



The outcomes of the Workforce Training Program are not yet available. However, preliminary reports on the first year of the program show that:

- More than **10,000 people** registered for courses
 - **78% of registrants** were LMI
 - **30% of registrants** were unemployed
- **1,050 people** completed coursework and received certifications



Mini Case Study: Mississippi's "Jackson County Maritime Training Facility"

Photo courtesy of Ingalls Shipbuilding.

AT A GLANCE	DESCRIPTION
Disaster	Hurricane Katrina
Year	2005
Grantee	Mississippi Development Authority

Subrecipient	Mississippi Gulf Coast Community College
Amount	\$18.4 Million

National Objective	LMI Job Creation and Retention
Eligible Activity	<ul style="list-style-type: none"> Assistance to Non-Profit Development Organization for an Economic Development Activity HCDA Section 105(a)(14), 24 CFR 570.204(a)(2) Public Facilities and Improvements HCDA Section 105(a)(2), 24 CFR 570.201(c)



Photo courtesy of Ingalls Shipbuilding.

Program Description

In the aftermath of Hurricane Katrina, Mississippi Gulf Coast Community College (MGCCC) partnered with local employer Ingalls Shipbuilding to establish the Maritime Training Academy. Today, the Academy offers 12 apprenticeship programs that provide both college credit and paid job opportunities. The programs include trades such as carpentry, electrical, welding, machining and pipefitting.



Shipbuilding is a major industry in southern Mississippi, and Ingalls Shipbuilding is the region's largest employer with more than 10,000 employees. Many residents were displaced by the hurricane, and local employers, including Ingalls, lost workers. As part of the regional planning process post-disaster, housing programs were designed to rebuild residents' homes, while the Academy and other workforce programs were designed to increase residents' access to quality jobs.

Program Innovation



The Academy supports LMI residents by offering them employment opportunities at Ingalls Shipbuilding while they participate in the program, including semi-annual wage increases. The Academy also provides access to social services and free transportation. These supports enable participants to explore various trades and gain valuable hands-on experience, while receiving a steady income. Upon completion of the program, participants have the option to continue to work at Ingalls or explore opportunities with other regional shipbuilders, manufacturers or construction companies.

Program Impact

With the new facility, the Academy has successfully trained more than **400 people** each year. The last performance report in December 2019 counted **474 apprentices** who completed one or more classes with 88% of the apprentices qualifying as low- and moderate-income.





Community College Nursing School and Simulation Center”

Photo courtesy of Ingalls Shipbuilding.

AT A GLANCE	DESCRIPTION
Disaster	Hurricane Katrina
Year	2005
Grantee	Mississippi Development Authority
Subrecipient	Mississippi Gulf Coast Community College
Amount	\$12 Million
National Objective	LMI Job Creation and Retention
Eligible Activity	<ul style="list-style-type: none"> Public Facilities and Improvements HCDA Section 105(a)(2), 24 CFR 570.201(c)



Photo courtesy of Mississippi Gulf Coast Community College.

Program Description

After Hurricane Katrina, the State of Mississippi advanced economic and workforce programs that would support LMI residents and communities while enhancing the coastal region's resilience to future storms. Developed with CDBG-DR funds, Mississippi Gulf Coast Community College's (MGCCC) new Nursing School and Simulation Center contributes to both of those goals.



The Nursing School consolidates MGCCC's nursing programs, which were previously spread across multiple campuses, into a new state-of-the-art facility 10 miles north of the coast near Tradition Parkway. The location is significant because the Parkway is a State-designated Health Care Industry Zone; and the corridor was developed with the necessary underlying infrastructure to support a new residential and employment center further from the coast.

In addition to the Nursing School, the corridor successfully attracted William Carey University's new campus with Bachelor of Nursing and Doctor of Pharmacy programs as well as a diabetes research institute. These institutions collaborate with the Nursing School and create a dynamic environment for students.

Program Innovation



The storm exacerbated a nursing shortage in Mississippi that the State had already prioritized for investment. Today, MGCCC's Nursing School is a state-of-the-art training facility with a six-bed hospital simulation center that gives students and practitioners low-risk, hands-on opportunities to practice healthcare skills. MGCCC has designed multiple pathways for current healthcare workers to train to become nurses, offering evening and weekend classes for students that work on weekdays

"We really look across the spectrum and want to make sure that we train individuals that reside in our district and we train them for positions that are so well needed and just so important for the Mississippi Gulf Coast."

- Mary Graham, President, Mississippi Gulf Coast Community College



Program Impact

Annually the Nursing School **serves more than 500 students** pursuing various educational pathways. Students can obtain a Certified Nursing Assistant Certificate (CNA), an Associate Degree in Nursing (ADN) or a Practical Nursing Prelicensure; or students can participate in career transition programs to become a Licensed Practical Nurse (LPN) or Registered Nurse (RN).



D. Tourism Promotion



Primary Case Study: Puerto Rico's "Tourism and Business Marketing Program"

Photo courtesy of Pexels (pexels.com)

AT A GLANCE	DESCRIPTION
Disaster	Hurricane Maria
Year	2017
Grantee	Puerto Rico Department of Housing
Subrecipient	Discover Puerto Rico*
Period	September 2018 – February 2021
Amount	\$16 million
National Objective	Urgent Need
Eligible Activity	<ul style="list-style-type: none"> Tourism Marketing (Waiver in 87 FR 7862)
Underwriting	This is not a Special Economic Development Activity and therefore not subject to underwriting requirements.

* Discover Puerto Rico is one of two subrecipients under Puerto Rico's Tourism and Business Marketing Program.

Overview

- Disasters negatively impact potential visitors' perceptions of tourism destinations such as Puerto Rico, leading to trip cancellations, job losses and business closures
- Discover Puerto Rico, a Destination Management Organization, conducted surveys to better understand the preferences of potential visitors and design the tourism marketing campaign
- By advertising strategically on television and online, the campaign attracted tourists who stayed longer and spent more on lodging than the average visitor during that period



Photo courtesy of Pexels (pexels.com).

Background

Alongside the challenges posed by Hurricanes Irma and Maria, Puerto Rico has faced a series of additional obstacles since 2016, including a debt crisis, earthquakes and public health challenges stemming from the Zika and COVID-19 viruses. These multiple challenges severely impacted the island's tourism industry, which is an important source of employment for residents. To bolster the industry and drive economic growth, the government of Puerto Rico awarded CDBG-DR and other public funds to Discover Puerto Rico (Discover PR), a non-profit Destination Management Organization (DMO), to market the island to potential tourists.

Tie-Back



Prior to the hurricanes, tourism in Puerto Rico generated nearly \$4 billion annually in economic activity on the island. Based on data collected by Discover PR, the storms resulted in vacation, conference and event cancellations due in part to uncertainty about the pace of recovery on the island. Moreover, a survey of likely travelers found that more than half of the respondents had negative perceptions of Puerto Rico as a travel destination due to media coverage of the hurricanes. In light of this evidence, Puerto Rico requested a waiver from HUD to use CDBG-DR funds to implement a marketing campaign aimed at improving public perception, attracting visitors and businesses and creating new jobs for the island's residents.



Photo courtesy of Unsplash (unsplash.com).

Program Design

To design the campaign, Discover PR surveyed Puerto Rico's key markets to better understand people's perceptions of the island as a tourist destination. The survey focused on markets with a high volume of travelers to Puerto Rico, including New York City, Philadelphia and Boston, as well as promising new markets such as Atlanta and Dallas that offer direct flights to the island. Its findings revealed that most people in Discover PR's target markets were not familiar with tourism opportunities in Puerto Rico.

With this information, Discover PR crafted a campaign to increase awareness about tourism in Puerto Rico and motivate people to act on their new awareness by making inquiries, booking trips and visiting the island. The campaign also sought to promote economic development and job creation in underserved communities by introducing people to tourist attractions across the island.

Market Research

In addition to the campaign design process, Discover Puerto Rico engages in continual market research to identify potential visitors and understand visitor interests, preferences and choices.

Program Implementation

For the campaign, Discover PR curated high-quality video content designed to inspire people to book travel to the island. The advertisements broadcast on television networks in target markets, aiming to raise awareness of tourism opportunities in Puerto Rico and capture the attention of potential visitors. Online, the campaign optimized search engine results and advertised on social media platforms and relevant websites to encourage people to immediately book or plan for future trips.

To enhance the online experience, Discover PR updated its website, incorporating content that highlighted the unique offerings of each of the 78 communities across the island. Through daily optimization of its online marketing strategies, Discover PR continuously refined its approach to effectively reach likely travelers and maximize the campaign's impact.



In addition to the CDBG-DR campaign, Discover PR received funding for two complementary campaigns. With \$15.8 million in *Coronavirus Aid, Relief and Economic Security (CARES) Act* funds, the DMO promoted health and safety measures for visitors during the early stages of the COVID-19 pandemic in 2020. Additionally, with \$50 million in *American Rescue Plan (ARP) Act* funds, the DMO continues to widely promote the island's attractions, ensuring the sustained visibility of Puerto Rico as a premier tourist destination.



Program Impact

Discover Puerto Rico used several methods to assess the effectiveness of their CDBG-DR marketing campaign on the local tourism industry. A tourism data company provided information on hotel occupancy; the San Juan Airport provided passenger traffic data; and the Puerto Rico Department of the Treasury shared information on tax collections for hotel rooms and short-term rentals. By leveraging online marketing tools, Discover PR was also able to track individual consumers who were exposed to the campaign, monitoring their online bookings and their locations during their travels to the island.

The CDBG-DR marketing campaign launched in March 2021. According to the February 2022 performance report, the campaign generated:

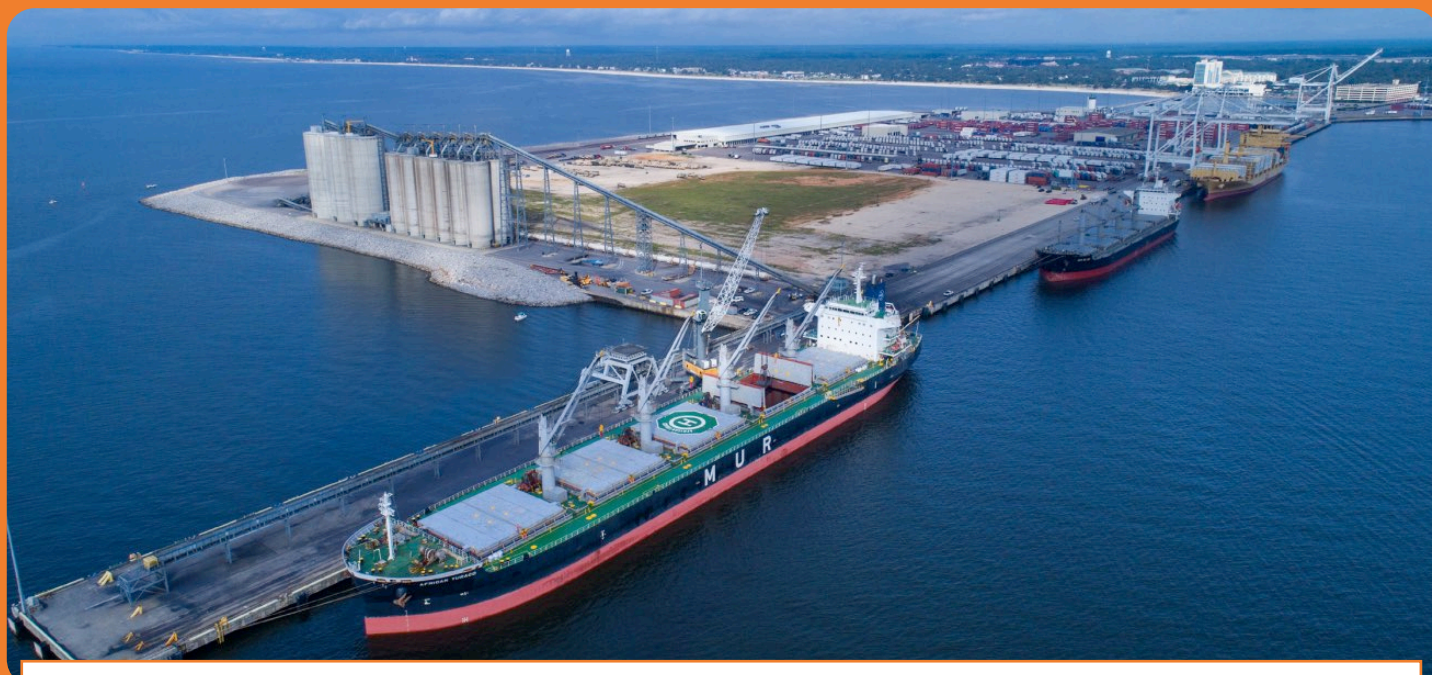
- **100,000 flight bookings**
- **300,000 hotel bookings**, including nearly one million hotel room nights and \$321 million in hotel revenue
 - Visitors paid **28% more** per night than average
 - Visitors stayed **45% longer** than average
- **\$100 million in lodging** tax collections

By February 2022, while employment in tourism industries in the United States was still 9% below February 2020 pre-pandemic levels, Puerto Rico surpassed its previous employment numbers with a 4% increase in tourism industry employment, reaching a total of 84,300 jobs.



Photo courtesy of Unsplash (unsplash.com).

E. Infrastructure for Commercial and Industrial Recovery



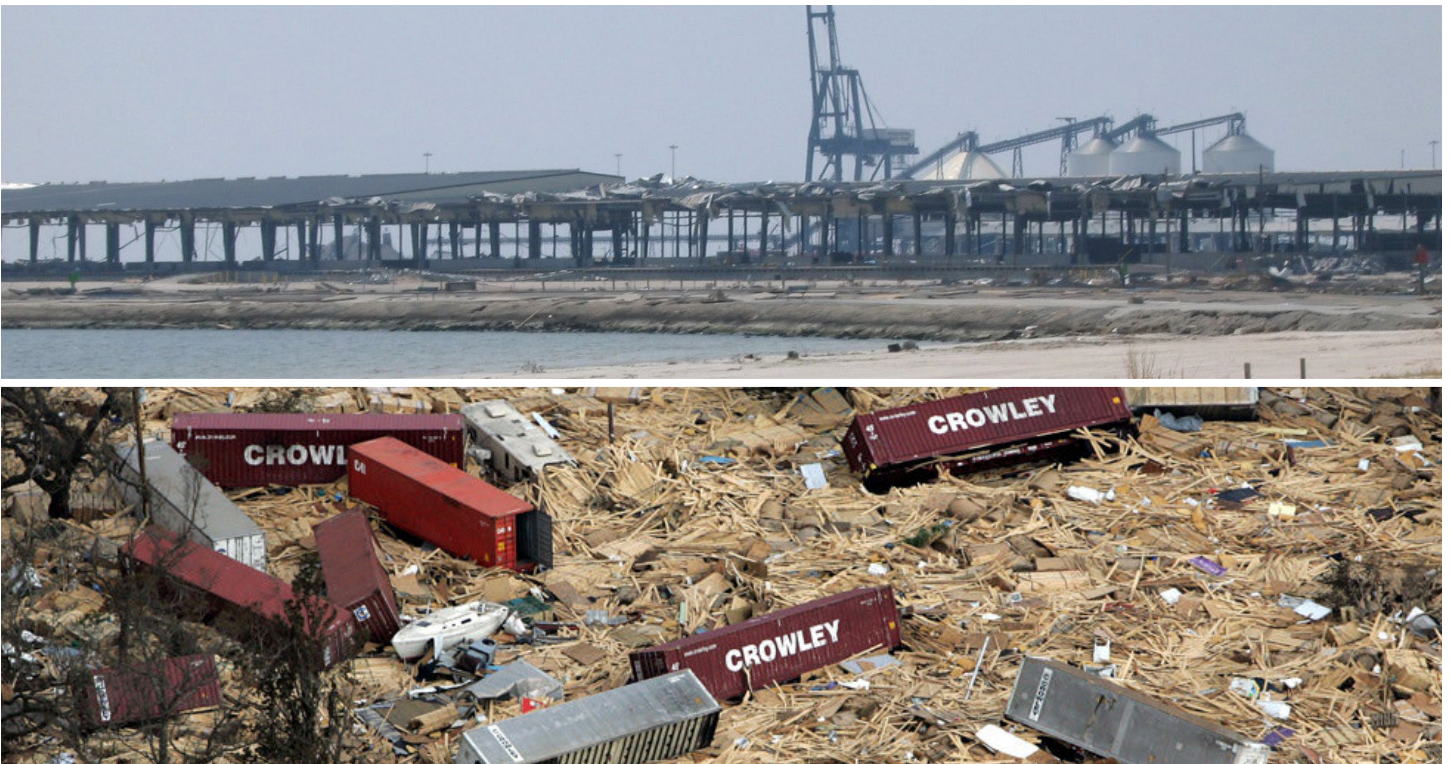
Primary Case Study: Mississippi's "Port of Gulfport Restoration Program"

Photo courtesy of the Port of Gulfport.

AT A GLANCE	DESCRIPTION
Disaster	Hurricane Katrina
Year	2005
Grantee	Mississippi Development Authority
Subrecipient	Mississippi State Port Authority
Period	September 2008 - December 2022
Amount	\$566.5 Million
National Objective	LMI Job Creation and Retention
Eligible Activity	<ul style="list-style-type: none"> Assistance to Non-Profit Development Organization for an Economic Development Activity HCDA Section 105(a)(14), 24 CFR 570.204(a)(2) Public Facilities and Improvements HCDA Section 105(a)(2), 24 CFR 570.201(c)
Underwriting	This is not a Special Economic Development Activity and therefore not subject to underwriting requirements.

Overview

- The State of Mississippi's Port of Gulfport Restoration Program improved the Port's resilience by redeveloping port infrastructure to withstand future storms and by attracting a more diverse mix of businesses in line with regional economic development plans
- Through partnerships with university, government and community stakeholders, the Program created pathways for local LMI residents to access quality jobs



Photos courtesy of the Port of Gulfport.

Background

In August 2005, Hurricane Katrina made landfall on the Gulf Coast, bringing with it high winds and a storm surge of high waters. In southern Mississippi, the City of Gulfport's marine port experienced significant damage, including the destruction of the wharf, storage facilities and basic infrastructure. In response, the Mississippi Development Authority partnered with the Mississippi State Port Authority to design and implement the Port of Gulfport Restoration Program.

Tie-Back



Due to its significant role in the state economy and location in Gulfport, the state's second largest city, the State prioritized the Port in the recovery process. The residents of Gulfport are predominantly low- and moderate-income, and post-Katrina data indicated a decline in the local labor force and an increase in unemployment rates. Prior to the storm, the Port offered 3,200 direct, induced and indirect jobs; two years later, only 2,000 jobs remained. The loss of jobs corresponded with a decrease in traffic, cargo and revenue at the Port.

Program Design

Soon after the storm, Mississippi's Governor formed a "[Commission on Recovery, Rebuilding and Renewal](#)" that engaged thousands of Mississippians through public forums, online platforms and phone consultations over a three-month period. Twenty committees, led by 500 volunteers, drafted recommendations for recovery based on public input, stakeholder interviews, pre-existing plans and expert guidance.

The Governor's Commission put forth a recommendation to develop a comprehensive plan for rebuilding the Port and maximizing the growth potential of Mississippi's marine economy. Up until that point, the Port was a major importer of bananas from Central America and ore for manufacturers, while also serving as an exporter of poultry and forest products, primarily sourced from Mississippi.



The process for updating the Port's Master Plan included a review of prior planning efforts and updated maritime cargo forecasts; mitigation strategies for future storms based on the impacts of Hurricane Katrina; and interviews with tenant businesses to understand their trajectories and challenges. With this information, the Port developed a plan to restore the wharf and storage facilities, while implementing measures to mitigate future storm impacts. The plan also added buildings in partnership with the University of Southern Mississippi with the goal of diversifying away from the banana port model and improving the cargo mix, tenant mix and job mix at the Port.

Program Implementation



CDBG-DR funded the restoration of the wharf and facilities, with all critical infrastructure built 10- to 14-feet above sea level to withstand future storm surges. In addition, CDBG-DR funds supported improved security features, a hurricane evacuation site, new university buildings and three ship-to-shore gantry cranes. The Port and the University of Southern Mississippi also contributed funds towards the improvements. Construction began in 2009 with the majority of work successfully completed by 2019.

There were significant challenges throughout the project, including litigation by a construction contractor and temporary loss of a major tenant to New Orleans, and other difficult circumstances for shipping in the Gulf with the 2008 Recession and the 2010 Deepwater Horizon oil spill. The decade also brought opportunities, such as the expansion of the Panama Canal, and collaborative efforts by the Port and other local stakeholders.



In particular, the Port collaborated with the University of Southern Mississippi (USM), as well as local and regional economic development agencies, to foster an inclusive blue economy in southern Mississippi. The [Gulf Blue Initiative](#) (GBI) is "an industry-driven approach to grow the region's blue economy innovation sector" to diversify the coastal economy from primarily tourism and to create high-wage jobs in science, technology, and engineering. GBI aligns with regional economic development plans, which cite projections that ocean-based industries will outperform the broader economy in the coming decades.

"Having the might of USM behind us, not to mention access to its gleaming facilities—the Roger Wicker Center for Ocean Enterprise, the Marine Resource Center, and the Gulf and Ship Island Building coworking space, to name but a few—is also invaluable."

– **Alessandra Bianchi, Communications Director, SeaTrac, a Gulf Blue Initiative accelerator participant**



Photo courtesy of the Port of Gulfport.

At the Port, GBI currently serves as an accelerator for companies that focus on marine technology, known as Bluetech, and as a training facility for the Bluetech workforce. To advance the initiative, USM operates three newly constructed buildings at the Port: the Marine Research Center, the Roger F. Wicker Center for Ocean Enterprise and the Gulf & Ship Island Building. These facilities offer classrooms, laboratories, offices, storage areas and a fabrication shop, as well as marine testing sites and three oceanographic research vessels that provide resources for both university research and business ventures. The initiative focuses on Bluetech innovation clusters, such as uncrewed maritime systems (underwater drones), precision aquaculture and maritime data analytics.



As the major regional university in southern Mississippi, USM plays a crucial role in providing students with training opportunities in marine research and technology through the newly established facilities. In addition, USM partners with high schools and community colleges to introduce their students to educational and career pathways in the marine economy. For example, USM leverages philanthropic resources for an initiative with local public high schools called [GenSea](#). The initiative engages with students in their classrooms and through tours of the Port facilities. It also offers paid summer internships to students and provides professional development activities to teachers with continuing education credits.

Pathways to the Port Jobs Program



The Port designed the [Pathways to the Port Jobs Program](#) to maximize the number of new jobs filled by LMI residents. Led by a committee of key stakeholders, the program pursues four strategies:

1. Public outreach on job opportunities through community-based organizations, public libraries and digital marketing
2. Partnership with the Mississippi Department of Employment Security's Gulfport WIN Job Center to support LMI applicants
3. Memorandum of Agreements (MOAs) with Port tenants, vendors and contractors to interview LMI applicants first and report on the LMI status of all new hires
4. Partnerships with local community colleges and the new Maritime Ship Building Academy to engage LMI residents in certificate programs in relevant fields



Program Impact

As a result of the reconstruction efforts, the Port has retained or regained major companies that were present prior to Hurricane Katrina. Notably, fruit companies Chiquita and Dole have committed to multi-decade leases, ensuring their continued operations at the Port. Additionally, chemical company Chemours made significant investments in a new production facility nearby that employs 1,200 people. The Gulf Blue Initiative continues to attract major new partnerships, including the Federal government's National Oceanic and Atmospheric Administration (NOAA) as well as Ocean Aero, a growth company in uncrewed maritime systems that has renovated a warehouse at the Port and created 40 jobs.

According to a 2018 [economic impact study](#), the restoration of the Port created:

- **1,759 construction jobs**
- **1,121 direct, permanent jobs** at the Port, including:
 - **903** in maritime services
 - **218** in manufacturing and fabrication
- **1,343 indirect, permanent jobs** at suppliers and vendors of the Port

According to the Port's December 2020 performance report, the Port created:

- **1,432 direct, permanent jobs**
 - **78% or 1,118** of the jobs were filled by LMI residents

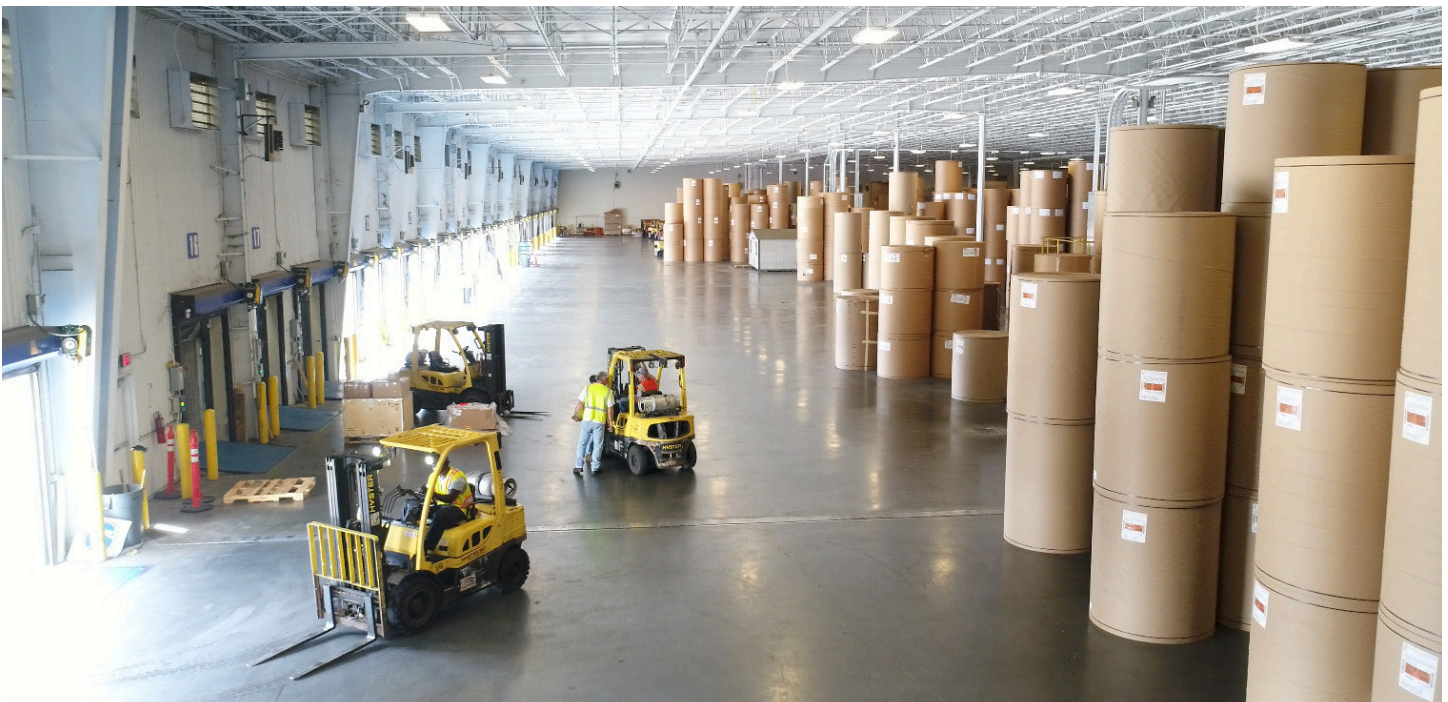


Photo courtesy of the Port of Gulfport.



III. Glossary of Terms

This glossary offers brief descriptions of key CDBG-DR terms. For comprehensive definitions, grantees should refer to the relevant regulations as well as the resources on [HUD's CDBG Disaster Recovery website](#).

Action Plan - The Action Plan describes the specific programs and activities that a grantee proposes to implement with CDBG-DR funds. The Action Plan identifies the intended use of funds, in conformance with the applicable *Federal Register* notices and [Consolidated Notice](#). For each program or activity, the Plan documents the eligibility and tie-back, or how the activity addresses long-term recovery needs in the Most Impacted and Distressed areas.

Consolidated Notice - The Consolidated Notice describes each phase of the CDBG-DR grant process, including pre-award grantee submissions; grantee steps and timelines; and Action Plan development, submittal and implementation. The Notice also outlines comprehensive and uniform requirements that may govern subsequent allocations of CDBG-DR funds. HUD issued a Consolidated Notice in January 2023 ([88 FR 3198](#)) that combines and updates requirements from several different *Federal Register* notices and HUD notices that govern CDBG-DR funds. HUD may publish additional updates as appropriate.

Duplication of Benefits (DOB) - A duplication of benefits occurs when a person, household, business or other entity receives disaster assistance from multiple sources for the same recovery purpose, and the total assistance received for that purpose is more than the total need. The amount of the DOB is the amount received in excess of the total need for the same purpose. The *Robert T. Stafford Disaster Relief and Emergency Assistance Act* (Stafford Act) ([42 U.S.C. § 5121-5207](#)) and CDBG-DR appropriations acts require HUD and its grantees to coordinate with other Federal agencies that provide disaster assistance to prevent the duplication of benefits. The Stafford Act's prohibition on DOB aims to ensure that Federal assistance serves only to "supplement insurance and other forms of disaster assistance." ([42 U.S.C. §5170](#), [84 FR 28836](#)).

Economic Revitalization - Economic revitalization includes any CDBG-DR Eligible Activity that demonstrably restores and improves the local economy through job creation and retention or by expanding access to goods and services.

Eligible Activity (or Activity) - Grantees can undertake any CDBG Eligible Activity, including economic development activities, authorized under Title I of the *Housing and Community Development Act* (HCDA) of 1974 ([42 U.S.C. 5301 et seq.](#)) or allowed by waiver and alternative requirement in a *Federal Register* notice that governs the use of CDBG-DR funds. Examples of economic development activities include loans and grants to businesses, job training, infrastructure improvements to commercial districts and other efforts to attract or retain workers.

Entitlement Community (Entitlements) - CDBG Entitlement Community refers to a city or county that receives CDBG funds directly from HUD on an annual basis. The allocation amounts for these communities are determined by a formula. Communities that do not qualify as Entitlements may still be eligible to receive CDBG and CDBG-DR grants from their respective states.



Federal Register Notice (FRN) - The *Federal Register* is a daily publication that contains Presidential proclamations and Executive orders, Federal agency regulations with general applicability, proposed agency rules and documents required to be published by statute. HUD publishes the regulations for each CDBG-DR supplemental appropriation in the *Federal Register* as well as any updates to the regulations. Newer *Federal Register* notices take precedence over older notices, including Consolidated Notices. CDBG-DR grantees should review the *Federal Register* notices that apply to their disaster year, as well as any updates that HUD publishes over time, on the “[CDBG-DR Laws, Regulations, and Federal Register Notices](#)” website.

Grantee - A grantee is any state, unit of general local government or Indian tribe that is a direct recipient of CDBG-DR funds from HUD.

Low- and Moderate-Income Area (LMA) - To use the Low- and Moderate-Income Area National Objective, the grantee must determine that an activity is available to provide benefit to all residents of a defined service area; that the area is primarily residential; and that at least 51% of the residents of the service area qualify as LMI persons.

Low- and Moderate-Income Jobs (LMJ) - To use the Low- and Moderate-Income Job Creation or Retention National Objective, the grantee must determine that at least 51% of the jobs created or retained are held by, or made available to, LMI persons. In [87 FR 6375 II.D.2](#), HUD permits CDBG-DR grantees to document LMI Jobs with annual wage, age or salary data collected from the employer rather than total family size and income data collected from the individual employees.

Low- and Moderate-Income Person (LMI) - A low- and moderate-income person is a member of a household with a total annual income equal to or less than HUD’s published income limits. The total annual income includes the combined income of all adults in the household over the 12 months leading up to the effective date of the income determination. HUD’s income limits for a low- and moderate-income household are equal to or less than 80% of the area median household income.

Most Impacted and Distressed (MID) Areas - The Most Impacted and Distressed areas are those that have experienced the most concentrated damage to housing or other assets as a result of a disaster. HUD may designate an entire jurisdiction or a single zip code as MID. Grantees are required to use 80% of all CDBG-DR funds to benefit the HUD-identified MID areas. Grantees may identify additional MID areas for the remaining CDBG-DR funds based on quantifiable and verifiable data.

National Objective - Section 104(b)(3) of the *Housing and Community Development Act* (HCDA) of 1974 ([42 U.S.C. 5301 et seq.](#)) requires that each funded activity meets one of three National Objectives for CDBG funds. The three objectives are identified as: Benefiting Low- and Moderate-Income Persons, Preventing or Eliminating Slums or Blight, and Meeting Urgent Needs.

Non-Federal Match - Many agencies involved in emergency response, including FEMA, require local jurisdictions to match the amount of their support with non-Federal funds. CDBG-DR funds can be considered local funds for the purposes of matching Federal grants as long as the activity is eligible for CDBG-DR ([87 FR 6364, II.C.3](#)).

Programs - Programs are major initiatives described in the Action Plan for housing, infrastructure and economic revitalization that are implemented by grantees or subrecipients.

Public Benefit Standards - Public Benefit Standards are benchmarks to assess the societal benefit of an activity. The benchmarks are a maximum dollar amount in CDBG funds allocated to the activity per job created or per LMI person served by the activity. The Public Benefit Standards for States are described in [24 CFR 570.482\(f\)](#), while those for Entitlements are described in [24 CFR 570.209\(b\)](#). HUD may provide waivers or alternative requirements to the Public Benefit Standards. Grantees should refer to the applicable *Federal Register* notice for specific requirements.



Section 3 - Section 3 of the Housing and Urban Development Act applies to housing and public construction projects that receive \$200,000 or more in CDBG-DR and other HUD funds. Section 3 ensures that economic opportunities, most importantly employment, generated by CDBG-DR and other HUD assistance, are directed to low- and very low-income persons, particularly those who are residents of public housing or residents of the community where the funds are spent. In [87 FR 6376 II.D.4](#), HUD requires CDBG-DR grantees to report on Section 3 outcomes.

Special Economic Development Activity - Special Economic Development Activities encompass various forms of assistance to for-profit business. According to the Entitlement CDBG regulations ([24 CFR 570.203](#)), Special Economic Development Activities include: 1) the acquisition, construction, reconstruction, rehabilitation or installation of commercial or industrial buildings, structures and other real property equipment and improvements; 2) the provision of assistance to a private for-profit business, including, but not limited to, grants, loans, loan guarantees, interest supplements, technical assistance and other forms of support; and 3) services in connection with activities eligible under this section, including outreach efforts to market available assistance; screening of applicants; reviewing and underwriting applications for assistance; preparation of all necessary agreements; management of assisted activities; and the screening, referral and placement of applicants for employment opportunities generated by CDBG-eligible economic development activities, including the cost of providing necessary training for persons filling those positions. The State CDBG Program does not have an equivalent regulatory citation. State grantees should defer to [Section 105\(a\)\(17\)](#) of the HCDA for guidance.

Subrecipients - Subrecipients are public, non-profit or for-profit entities authorized under [24 CFR 570.201\(o\)](#) that carry out programs and activities on behalf of grantees. Subrecipients include organizations referred to as subgrantees in other HUD programs.

Tie-Back - To access CDBG-DR funds, grantees must demonstrate that each activity described in the Action Plan addresses a direct or indirect impact of the disaster, unless the activity is intended to mitigate future disasters. Direct impacts may include damage to buildings, and indirect impacts may include job losses, business closures or higher unemployment or poverty rates.

Underserved Communities - Underserved communities are populations that share a particular characteristic, as well as geographic communities that have been systematically denied a full opportunity to participate in aspects of economic, social and civic life. Underserved communities that were economically distressed before a disaster include, but are not limited to, those areas that were designated as a Promise Zone, Opportunity Zone, a Neighborhood Revitalization Strategy Area, a tribal area or those areas that meet at least one of the distress criteria established for the designation of an investment area of a Community Development Financial Institution ([88 FR 3215](#)).

Underwriting - Underwriting is the process of reviewing programs and activities to ensure that they are financially viable and an effective use of CDBG-DR funds. Grantees must follow HUD's underwriting guidance for all programs and activities with a Special Economic Development purpose that provide assistance to for-profit businesses or activities that could be carried out under that category but are instead under the category of community economic development ([24 CFR 570 Appendix A](#)).

Waivers - Generally, the Congressional appropriations acts that govern CDBG-DR funds allow the Secretary of Housing and Urban Development (HUD) to waive, or specify alternative requirements for, any provision of any statute or regulation that the Secretary administers in connection with the obligation by the Secretary or the use by the recipient of these funds (except for requirements related to fair housing, nondiscrimination, labor standards, and the environment), if the Secretary finds that good cause exists for the waiver or alternative requirement and such waiver or alternative requirement would not be inconsistent with the overall purpose of Title I of the *Housing and Community Development Act* (HCDA) of 1974 ([42 U.S.C. § 5301 et seq.](#)). HUD publishes waivers and alternative requirements in *Federal Register* notices.



Working Capital - Working capital is the short-term assets on a business's balance sheet less any short-term liabilities, such as mortgage payments, wages or taxes due. Working capital provides cash for these short-term liabilities, but not for any renovation or construction-related expenses. To reopen and operate successfully, businesses must have working capital, and that type of financing is generally not provided by FEMA, SBA or other Federal agencies.



IV. Resources

1. General

Program Overview

https://www.hud.gov/program_offices/comm_planning/cdbg-dr

HUD's Office of Disaster Recovery (ODR) maintains a comprehensive webpage on CDBG-DR with direct links to a program overview presentation, a short fact sheet, relevant laws and regulations, and recent *Federal Register* Notices.

Policy Bulletins

https://www.hud.gov/program_offices/comm_planning/cdbg-dr/policy_bulletins_and_FAQs

Grantees needing guidance on more complex issues may consult a separate webpage with policy bulletins and FAQs on CDBG-DR.

Grantee Training

https://www.hud.gov/program_offices/comm_planning/cdbg-dr/training

ODR maintains a listing of recent and upcoming grantee trainings, with links to archived webinars.

Additional Resources on HUD Exchange

<https://www.hudexchange.info/programs/cdbg-dr/>

Grantees can find additional CDBG-DR resources at a wide range of detail on the main HUD website at HUD Exchange.

Additional Resources on Comprehensive Economic Development Strategy

<https://www.cedscentral.com/resilience.html>

Resilience Planning, Webinar Recordings/Videos

2. Consolidated Notice

CDBG-DR Consolidated Notice Guidebook

<https://www.hudexchange.info/resource/6706/cdbg-dr-consolidated-notice-guidebook/>

Grantees should read the content on this guide that explains more about economic revitalization, its underwriting and legal context. In the web landing page of this Guidebook, grantees can go directly to the Consolidated Notices published in the *Federal Register* at [87 FR 6364](#) and [87 FR 31636](#).

3. Related Guides and Toolkits

Economic Recovery & Resilience Toolkit

<https://files.hudexchange.info/resources/documents/Economic-Recovery-and-Resilience-Toolkit.pdf>

Grantees should consult this toolkit to explore, and learn from, additional strategies and frameworks about recovery and resilience.



4. Economic Development Focus

Cross-agency Integration of Economic Development Activities

<https://www.eda.gov/strategic-initiatives/economic-development-integration/resource-alignment>

EDA's advice on alignment of economic development activities with HUD.

Economic Development Logic Model

<https://www.eda.gov/sites/default/files/filebase/archives/2021/files/performance/ED-Logic-Model.pdf>

EDA's top-level summary of longer study on data/metrics to evaluate economic development activities post-disaster and beyond.

5. Ideas on Best Practice in Economic Development and Revitalization

International Economic Development Council

<https://restoreyoureconomy.org>

Best practices in disaster recovery, sponsored by EDA.

National Governors Association Center for Best Practices

<https://www.nga.org/bestpractices/>

Best practices in infrastructure, workforce development and economic policy.

SmartGrowth America

<https://smartgrowthamerica.org/resources/made-in-place/>

Case studies highlighting the role of small-scale manufacturing in community revitalization.

6. Economic Data for Pre-Disaster Planning and Action Plan Strategy

StatsAmerica

<https://www.statsamerica.org/Default.aspx>

A data aggregation site managed by Indiana University for EDA.

U.S. Census Data

<https://data.census.gov>

The authoritative source of U.S. statistical data available at virtually all geographical levels.

National Economic Research and Resilience Center

<https://www.anl.gov/dis/national-economic-research-resilience-center>

Databases produced by Argonne National Lab of the U.S. Department of Energy.

7. Funding Sources Outside of CDBG-DR

EDA Disaster Supplemental Funding

<https://www.eda.gov/strategic-initiatives/disaster-recovery/supplemental>

Example of the type of funding, outside of CDBG-DR, that grantees can leverage to enhance the impact of their economic development activities.

8. Other Resources to explore for Underwriting Guidance

Section 108 Underwriting Guidelines for Income-Producing Projects

<https://files.hudexchange.info/resources/documents/Section-108-Underwriting-Manual-Income-Producing-Properties.pdf>

Underwriting Guidelines for Business Loans For Section 108 Loan Guarantee Recipients

<https://files.hudexchange.info/resources/documents/Section-108-Underwriting-Guidelines-for-Business-Loans-for-Section-108-Recipients.pdf>

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Economic Revitalization Guide for CDBG-DR Grantees