

## **EDA Leveraging Goals for Private Sector**

Section 603(b)(2) of the Public Works and Economic Development Act of 1965, as amended, requires EDA to include in its Annual Report to Congress a discussion of private sector leveraging goals set for investments awarded to (a) rural\* and urban economically distressed areas; and (b) highly distressed areas.\*\*

The following information is provided to respond to those requirements.\*\*\*

### **(a) EDA's private sector leveraging goal with respect to grants awarded to rural and urban economically distressed areas:**

EDA has consistently shown sound results in attracting private capital investment in both rural and urban distressed communities. In FY 2013, EDA invested 67 percent of its infrastructure and RLF funds in rural areas which grantees expect will leverage over \$2.6 billion in private investment; 33 percent of the funds were invested in urban areas which grantees expect will leverage over \$150 million in private investment.

### **(b) EDA's private sector leveraging goal with respect to grants awarded to highly distressed areas:**

EDA recognizes that importance of private capital investment for successful economic development and recognizes that importance of maintaining significant flexibility to assist those communities that are taking the first steps toward economic growth. Therefore, EDA often makes prudent investments in areas where leverage ratios are lowest.

In FY 2013, EDA invested 37 percent of all its funds in highly distressed areas, and the infrastructure and RLF funds invested in highly distressed areas are projected to generate over \$1 billion in private investment, based on recipient-estimated projections.

\*Rural includes investments made to Indian tribes.

\*\*For an area to qualify as being highly distressed, one of the following criteria must be met: (a) a 24 month unemployment rate of at least 200 percent of the national average, (b) per capita income not more than 60 percent of the national average, or (c) a catastrophic disaster.

\*\*\*U.S. Department of Defense reimbursable investments and disaster supplemental investments are not included in these calculations.