

LOUISIANA COMMUNITY DEVELOPMENT NEWSLETTER



Funding Community Development

Community development involves creating an environment that encourages economic expansion through job growth and capital investment. Job growth usually occurs through a combination of efforts to attract and retain employers and nurture entrepreneurship. These tactics often result in businesses creating new employment opportunities while also diversifying the local economy. The mix and range of economic development initiatives pursued by communities are often articulated as part of a strategic or community plan.

At its most fundamental level, a development strategy is a collection of opportunities that have been selected and assigned importance because they represent something that will help the community better itself in some way.

To begin building your community support network, click [here](#) to visit our partners page.

In the world of entrepreneurial finance, a true business opportunity is one that has the ability to attract both debt and equity capital. The same can be said for economic development opportunities that are intended to benefit the community at large. To be considered viable, these opportunities must attract sufficient financial capital from a variety of sources to sustain development and ongoing operations within a competitive market.

One thing must be understood at the onset of searching for funding: Some communities and their leaders have social connections they may lean on when securing funding, but most do not. So it is imperative for community leaders to understand that community development lending and investment activity is financial, not social. In short, the project must “pencil out,” or be a fundamentally feasible investment. If it is not, then the project may still represent a good idea, but it is not an opportunity that can effectively attract capital.



Community development finance has emerged as an industry unto itself over the past 30 years with the growth of programs created to fill funding gaps. Although most of these programs are rooted in legislative initiatives at the federal, state and local levels, they are embraced and used by community development players in both the private and nonprofit sectors. It is important to familiarize yourself with the different types of funding sources that may include governmental or nonprofit grants, loans, initiatives and programs.

Make sure to connect with your local and regional economic development organizations as they may know of available resources that you are unaware of or have not considered. It is important to remember that when looking for funding sources it is best not to box yourself into one sector, but rather look at all funding sources possible to optimize the amount of funding you receive to fill any gaps you may have in funding.

When researching funding opportunities, visit LED's [Louisiana Community Network](#) for a list of resources and partners that can be beneficial in your search for finding the right funding for your next community project.