

119TH CONGRESS
1ST SESSION

H. R. 3585

To amend the Public Works and Economic Development Act of 1965 to establish the Capacity Building for Business Districts Pilot Program, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

MAY 23, 2025

Mr. EZELL (for himself and Mr. CARTER of Louisiana) introduced the following bill; which was referred to the Committee on Transportation and Infrastructure, and in addition to the Committee on Financial Services, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

A BILL

To amend the Public Works and Economic Development Act of 1965 to establish the Capacity Building for Business Districts Pilot Program, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Capacity Building for
5 Business Districts Pilot Program Act of 2025”.

6 **SEC. 2. FINDINGS.**

7 Congress finds the following:

1 (1) Vibrant and prosperous business districts
2 are vital components of thriving communities, pro-
3 viding critical commercial goods and services to com-
4 munity residents.

5 (2) Business districts contribute to the vitality,
6 character, and identity of urban neighborhoods,
7 small towns, and rural and Native communities.

8 (3) Business districts drive entrepreneurship,
9 local business ownership, economic growth, and job
10 creation.

11 (4) Business districts are an essential part of
12 the economic development ecosystem for towns, cities
13 and rural communities, helping to attract con-
14 sumers, visitors, new residents and new businesses
15 to those communities and neighborhoods.

16 (5) Locally based business district organizations
17 are well positioned to provide technical assistance
18 and support to small and underserved businesses,
19 while also helping to attract customers for those
20 businesses by shaping and nurturing the physical en-
21 vironment of the business districts.

22 (6) Locally based business district organizations
23 need technical assistance and flexible capital to sup-
24 port their ongoing operations, and cannot readily ac-
25 cess these funds from existing programs at the Eco-

1 nomic Development Administration due to the rel-
 2 atively small scale and highly local scope of their op-
 3 erations.

4 (7) There exists a substantial number of inter-
 5 mediary organizations that are well positioned to re-
 6 ceive and responsibly deploy funding from the Eco-
 7 nomic Development Administration to currently
 8 unserved or underserved business district organiza-
 9 tions for capacity building grants, technical assist-
 10 ance, training, and dissemination of best practices.

11 **SEC. 3. CAPACITY BUILDING FOR BUSINESS DISTRICTS**
 12 **PILOT PROGRAM.**

13 Section 207 of the Public Works and Economic De-
 14 velopment Act of 1965 (42 U.S.C. 3147) is amended—

15 (1) in subsection (a)(2)—

16 (A) by redesignating subparagraph (I) as
 17 subparagraph (J); and

18 (B) in subparagraph (H) by striking the
 19 “and” at the end and inserting the following:

20 “(I) carrying out the pilot program estab-
 21 lished under subsection (c); and”; and

22 (2) by adding at the end the following:

23 “(c) CAPACITY BUILDING FOR BUSINESS DISTRICTS
 24 PILOT PROGRAM.—

1 “(1) IN GENERAL.—Within the program au-
2 thorized under subsection (a), the Secretary shall es-
3 tablish a pilot program, to be known as the ‘Capac-
4 ity Building for Business Districts Pilot Program’.

5 “(2) GRANTS.—The Secretary may award to
6 specified recipients Capacity Building for Business
7 Districts Pilot Program grants, on a competitive
8 basis, to carry out place-based initiatives that pro-
9 vide specialized technical assistance, capacity build-
10 ing, and related services to eligible subrecipients that
11 support business district revitalization in low-income,
12 rural, minority and Native communities.

13 “(3) MULTIPLE AWARDS.—In providing assist-
14 ance under this subsection, the Secretary shall make
15 multiple awards to multiple organizations.

16 “(4) ADMINISTRATION.—The Secretary may
17 not carry out this subsection through a regional of-
18 fice.

19 “(5) PRIORITIZATION.—The Secretary shall en-
20 sure a broad geographic distribution of award activi-
21 ties, and give priority to an applicant—

22 “(A) that would serve a distressed commu-
23 nity in an area described under section 301(a),
24 including rural communities and Indian Tribes;
25 and

1 “(B) that has the demonstrated capacity to
2 serve multiple States or multiple geographies
3 within a State.

4 “(6) REPORTING.—Specified recipients shall
5 submit to the Secretary (at such time and in such
6 manner as the Secretary may prescribe, but no more
7 frequently than annually) a report specifying—

8 “(A) the names and addresses of eligible
9 subrecipients receiving services and support
10 from the specified recipient;

11 “(B) the use of funds by the specified re-
12 cipient, including direct technical assistance and
13 pass-through grant funds;

14 “(C) the use of funds by the eligible sub-
15 recipients, including internal operations, direct
16 services to businesses, and district revitalization
17 activities;

18 “(D) the specific geographic areas served
19 by the eligible subrecipients;

20 “(E) the name, address, and industry as
21 determined by the North American Industry
22 Classification System, of each entity receiving
23 assistance from eligible subrecipients;

24 “(F) the total number of jobs created and
25 retained during the reporting period; and

1 “(G) any other information as the Sec-
2 retary considers appropriate consistent with the
3 findings under section 2 of the Capacity Build-
4 ing for Business Districts Pilot Program Act of
5 2025.

6 “(7) TERM.—The term of an initial grant shall
7 be for a period that the Secretary determines appro-
8 priate for the proposed activities but not less than
9 2 years.

10 “(8) DEFINITIONS.—In this subsection:

11 “(A) BUSINESS DISTRICT.—The term
12 ‘business district’ means a geographic area,
13 which may have been designated as a business
14 district by a State, county, regional or local
15 unit of government, that is characterized by
16 dense development, efficient land use, and a
17 concentration of small businesses, economic ac-
18 tivity, and employment opportunities or an area
19 that could contain such concentration, including
20 a rural main street or neighborhood commercial
21 corridor.

22 “(B) BUSINESS DISTRICT ORGANIZA-
23 TION.—The term ‘business district organiza-
24 tion’ means a public or nonprofit entity located
25 in a business district and established to provide

1 services to the business district to promote the
2 district, attract private investment and create
3 jobs, and enhance the physical environment
4 through property development and planning ac-
5 tivities.

6 “(C) CAPACITY BUILDING.—The term ‘ca-
7 pacity building’ means training, education, sup-
8 port, advice, and the provision of operating
9 grants to enhance the technical and administra-
10 tive capabilities of business district organiza-
11 tions.

12 “(D) ELIGIBLE SUBRECIPIENT.—The term
13 ‘eligible subrecipient’ means a business district
14 organization that—

15 “(i) is an organization that—

16 “(I) is described in paragraph
17 (3), (4), (5), or (6) of section 501(c)
18 of the Internal Revenue Code of 1986
19 and is exempt from taxation under
20 section 501(a) of such Code; or

21 “(II) is a public entity; and

22 “(ii) provides services to a business
23 district located in an area described under
24 section 301(a) to support economic devel-
25 opment, including providing business sup-

1 port services and physical space enhance-
2 ments to such district.

3 “(E) SPECIFIED RECIPIENT.—The term
4 ‘specified recipient’ means an organization
5 that—

6 “(i) is described in paragraph (3), (4),
7 (5), or (6) of section 501(c) of the Internal
8 Revenue Code of 1986 and is exempt from
9 taxation under section 501(a) of such
10 Code;

11 “(ii) operates, including through affili-
12 ates, membership networks or partnerships
13 with third party entities, in multiple geo-
14 graphic areas served by multiple regional
15 offices of the Economic Development Ad-
16 ministration; and

17 “(iii) has experience and expertise in
18 providing technical assistance and exe-
19 cuting capacity building programs in sup-
20 port of business district organizations and
21 similar community-based organizations
22 that focus on revitalizing business districts
23 and commercial corridors, including

1 through support of underserved small busi-
2 nesses.”.

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