



HCD Anti-Pirating Policy

Section 588 of the Quality Housing and Work Responsibility Act of 1998 prohibits States and local governments from using CDBG funds for employment relocation activities or “job pirating.” Job pirating refers to the use of federal funds to lure or attract a business and its positions from one community to another community. CDBG funds may not be used to assist for-profit businesses, including expansions, infrastructure improvement projects or business incubators which are designed to facilitate business relocation IF:

- The funding will be used to directly assist in the relocation of a plant, facility or operation; and
- The relocation is likely to result in a significant loss of jobs in the labor market area from which the relocation occurs.

The following are definitions that will assist in determining if a business location falls under these provisions:

- Labor Market Area (LMA): An economically integrated geographic area within which individuals can live and find employment within a reasonable distance or can readily change employment without changing their place of residence.
- Operation: A business operation includes, but is not limited to, any equipment, employment opportunity, production capacity or product line of the business.
- Significant Loss of Jobs: A loss of jobs is significant if the number of jobs to be lost in the LMA in which the affected business is currently located is equal to or greater than one-tenth of one percent of the total number of persons in the labor force of that LMA; OR, in all cases, the loss of jobs is 500 or more.
 - A job is considered lost due to the provision of CDBG assistance if the position is relocated within three years of the provision of assistance to the business. Notwithstanding the above definition, a loss of 25 positions or fewer does not constitute a significant loss of positions.

The grant agreement with the Grantee shall provide for reimbursement of any assistance provided to, or expanded on behalf of, the business if the assistance results in a relocation prohibited under this policy.

HCD can help the Grantee or business calculate whether the project is likely to result in a significant loss of jobs in the Labor Market Area as defined by HUD and this policy.

Before directly assisting a business with CDBG funds, the Grantee must receive the signed Anti-pirating certification from the assisted business.



HCD Anti-Pirating Policy Certification

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I hereby certify that the activity assisted with CDBG funds will not result in the relocation of any industrial or commercial plant, facility, or operation from one Labor Market Area to another, and, if it does, the number of jobs that will be relocated does not result in significant job loss as defined in this rule. In the event that assistance results in a relocation prohibited under this section within three years of the grant contract date, I will reimburse any assistance provided to or expanded on behalf of the business.

_____, (business name)

By: _____

Name:

Title:

Date: _____