

**Section IIB:**

**Request for applications for the Office of Community Services'**

**FY 2003 Community Economic Development Program**

**SUMMARY:** The Administration for Children and Families (ACF), Office of Community Services (OCS), announces that competing applications will be accepted for new grants and cooperative agreements pursuant to the Secretary's Community Economic Development authority under Sections 680(a)(2) of the Community Services Block Grant Act of 1981, as amended, (P.L. 105-285). The Office of Community Services is particularly interested in receiving applications from faith-based community development corporations.

**Dates:** The closing time and date for receipt of applications is 4:30 p.m. (Eastern Time Zone), August 11, 2003. Mailed or hand carried applications received after 4:30 p.m. on the closing date will be classified as late.

**Departmental Goals:** This announcement is particularly interested in supporting the Departmental goal of strengthening the American family and promoting self-sufficiency. Community Economic Development programs are designed to increase the access of low-income people to employment and business development opportunities, and improving the integration, coordination, and continuity of the various HHS (and other Federal Departments') funded services potentially available to families living in poverty. Faith-based organizations are eligible to apply for grants under this program if they are private, non-profit organizations that are community development corporations.

**Catalog of Federal Domestic Assistance Number:** 93.570. The Community Economic Development Program has seven priority areas. These priority areas include:

## Abbreviations

Priority Area 1. Community Economic Development (Operational Projects)	OP
Priority Area 2. Community Economic Development (Incremental Development Projects)	IDP
Priority Area 3. Community Economic Development (Native American Tribes, Incremental Development Project)	NAT
Priority Area 4. Community Economic Development (Developmental Projects)	DP
Priority Area 5. Community Economic Development (Planning Projects)	PP
Priority Area 6. Community Economic Development (Administrative Management)	AM
Priority Area 7. Community Economic Development (Training and Technical Assistance).	UT

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## **TABLE OF CONTENTS**

### **Part A – Application Pre-Requisites**

1. Legislative Authority
2. Eligible Applicants
3. Availability of Funds
4. Project and Budget Periods
5. Mobilization of Resources
6. Program Beneficiaries
7. Number of Projects in Application
8. Multiple Submissions
9. Sub-awarding or Delegating Projects
10. Third Party Agreements
11. Funding Considerations
12. Prohibited Activities

### **Part B – Application Requirements, Program Priority Areas, Evaluation Criteria and Definitions**

1. Program Goals
2. Program Scope
3. Program Focus
4. Community Empowerment and Collaboration
5. Types of Funding & Priority Areas and Estimated Funding

## 6. Evaluation Criteria

- a. Criteria for Review and Evaluation of Applications Submitted Under Priority Area 1,2,3, and 4
- b. Criteria for Review and Evaluation of Applications Submitted Under Priority Area 5.
- c. Criteria for Review and Evaluation of Applications Submitted Under Priority Area 6.
- d. Criteria for Review and Evaluation of Applications Submitted Under Priority Area 7.

## 7. Definition of Terms

## **Part A – Application Pre-Requisites**

### *1. Legislative Authority*

The Community Services Block Grant (CSBG) Act of 1981, as amended, (Section 680 of the Community Opportunities, Accountability, and Training and Educational Services Act of 1998), authorizes the Secretary to make grants to provide technical and financial assistance for economic development activities designed to address the economic needs of low-income individuals and families by creating employment and business ownership opportunities.

### *2. Eligible Applicants*

Eligible applicants for the Community Economic Development Program are private, non-profit Community Development Corporations (CDCs), including faith-based organizations. A CDC is a private, non-profit corporation, governed by a board of directors consisting of residents of the community and business and civic leaders, that has a principal purpose of planning, developing, or managing low-income housing or community development projects.

Any non-profit organization submitting an application must submit proof of its non-profit status in its application at the time of submission. The non-profit agency can accomplish this by providing:

- a. A reference to the applicant organization's listing in the Internal Revenue Service's (IRS) most recent list of tax-exempt organizations described in the IRS Code;
- b. A copy of a currently valid IRS tax exemption certificate;

- c. A statement from a State taxing body, State attorney general, or other appropriate State official certifying that the applicant organization has a non-profit status and that none of the net earnings accrue to any private shareholders or individuals;
- d. A certified copy of the organization's certificate of incorporation or similar document that clearly establishes non-profit status;
- e. Any of the items in the paragraphs immediately above for a State or national parent organization and a statement signed by the parent organization that the applicant is a local non-profit affiliate.

Applications that do not include proof of non-profit status will be disqualified.

Private, non-profit organizations are encouraged to submit with their applications the optional survey located under "Grants Manuals & Forms" at:

**[www.acf.hhs.gov/programs/ofs/forms.htm](http://www.acf.hhs.gov/programs/ofs/forms.htm)** .

In addition to non-profit status, each priority area within the Community Economic Development Program has additional eligibility requirements. These requirements are identified in the narrative descriptions of each priority area found in Part B of this announcement.

### *3. Availability of Funds*

Approximately \$ 14,000,000 is available for FY 2003. The maximum funding level for each award is described under each priority area description in Part B, item 5.

#### *4. Project and Budget Periods*

For priority areas 1,2,3, and 4, applicants with projects involving construction may request a project period of up to five (5) years and a budget period of up to three (3) years. Applicants for non-construction projects under these priority areas may request project periods of up to three (3) years and budget periods of up to 17 months.

For priority area 5, applicants may request project and budget periods of up to 1 year.

The project and budget period for Priority Areas 6 and 7 cannot exceed 17 months each.

#### *5. Mobilization of Resources*

OCS encourages and strongly supports leveraging of resources through public/private partnerships that can mobilize cash and/or third-party in-kind contributions.

#### *6. Program Beneficiaries*

Projects proposed for funding under this announcement must result in direct benefits to low-income people as defined in the most recent annual revision of the Poverty Income Guidelines published by DHHS.

Attachment A to this announcement is an excerpt from the Poverty Income Guidelines currently in effect. Annual revisions of these guidelines are normally published in the Federal Register in February or early March of each year. Grantees will be required to apply the most recent guidelines throughout the project period. These revised guidelines may be obtained at public libraries, Congressional offices, or

by writing the Superintendent of Documents, U.S. Government Printing Office (GPO), Washington, D.C. 20402. Also, grantees may contact the OCS Operations Center to obtain a copy of the guidelines. No other government agency or privately defined poverty guidelines are applicable for the determination of low-income eligibility for these OCS programs.

Note, however, that low-income individuals granted lawful temporary resident status under Sections 245A or 210A of the Immigration and Nationality Act, as amended by the Immigration Reform and Control Act of 1986 (Public law 99-603), may not be eligible for direct or indirect assistance based on financial need under this program for a period of five years from the date such status was granted.

#### *7. Number of Projects in Application*

All priority area applications shall contain only one proposed project except for Priority Area 5. Applicants that are not in compliance with this requirement may be disqualified. Under priority area 5, applicants may address a number of ideas or activities that promote planning or development of projects.

#### *8. Multiple Submissions*

There is no limit to the number of applications that an applicant can submit under this announcement as long as each application contains a different project. However, an applicant can receive only one grant or cooperative agreement under the Community Economic Development Program.

### *9. Sub-awarding or Delegating Projects*

OCS does not fund projects where the role of the applicant is primarily to serve as a conduit for funds through the use of sub awards to other organizations. In cases where the applicant proposes to make one or more sub awards, it must retain a substantive role in the implementation and operation of the project for which funding is requested.

### *10. Third Party Agreements*

Applicants submitting an application for funding under Priority Area One (1) or Four (4) that proposes to use some or all of the requested OCS funds to enter into a third party agreement in order to make an equity investment, such as the purchase of stock or a loan to an organization or business entity (including a wholly-owned subsidiary), are required to submit the signed Third Party Agreement in the application, along with the business plan, for approval by OCS.

Applicants submitting an application for an Incremental Development Project are not required to have a signed Third Party Agreement when the application is submitted. For this priority area an applicant may establish a third party agreement during the developmental phase but before the operational phase of the project. However, it should be noted that the portion of a grant that will be used to fund project activities related to a third party agreement will not be released (in any instances) until the agreement has been approved by OCS.

If the Third Party Agreement is not available when the Incremental Development Project application is submitted, the applicant must include as part of the narrative as

much of the information below as possible in order to enable reviewers to evaluate the application.

A third party agreement covering an equity investment must contain, at a minimum, the following:

- Purpose(s) for which the equity investment is being made
- Cost per share
- The type of equity transaction (e.g. stock purchase)
- Number of shares being purchased
- Percentage of ownership of the business
- Term of duration of the agreement
- Number of seats on the board, if applicable
- Signatures of the authorized official of the grantee and third party organization

A third party agreement covering a loan transaction must contain, at a minimum, the following information:

- Purpose(s) for which the loan is being made
- Rates of interest and other fees
- Terms of loan
- Repayment schedules
- Collateral security
- Default and collection procedures
- Signature of the authorized official of the lender and borrower

All third party agreements must include written commitments as follows:

From third party (as appropriate):

- Low-income individuals will fill a minimum of 60 percent of the jobs to be created from project activities as a result of the injection of grant funds.
- The grantee will have the right to screen applicants for jobs to be filled by low-income individuals and to verify their eligibility.
- If the grantee's equity investment equals 25 percent or more of the business's assets, the grantee will have representation on the board of directors.
- Reports will be made to the grantee regarding the use of grant funds on a quarterly basis or more frequently, if necessary.
- Procedures will be developed to assure that there are no duplicate counts of jobs created.

Detailed information will be provided on how the grant funds will be used by the third party by submitting a Source of Use of Funds Statement. In addition, the agreement must provide details on how the grantee will provide support and technical assistance to the third party in areas of recruitment and retention of low-income individuals.

From the grantee:

Detailed information on how the grantee will provide support and technical assistance to the third party in areas of recruitment and retention of low-income individuals.

All third party agreements should be accompanied by a signed statement from a Certified or Licensed Public Accountant as to the sufficiency of the third party's financial management system in accordance with 45 CFR 74, to protect adequately any Federal funds awarded.

Financial statements for the third party organization for the prior three years (If not available because the organization is a newly formed entity, include a statement to this effect.)

The third party agreement will specify how the grantee will provide oversight of the grant-supported activities of the third party for the life of the agreement. Also, the agreement will specify that the third party will maintain documentation related to the grant objectives as specified in the agreement and will provide the grantee and HHS access to that documentation.

The grantee is responsible for ensuring that grant funds expended by it and the third party are expended in compliance with Federal regulations of 45 CFR, Part 74 and OMB Circular A-122.

### *11. Funding Considerations*

In cases where an application ranks high and is competitive, the following may apply:

- a. Previous performance of the applicant is an important determining factor in the grant award decision.
- b. OCS may conduct a pre-award site visit to assess an applicant prior to making a final determination on the grant award.

Applicants proposing Incubator or Micro-Enterprise Type Projects should note that OCS plans to fund only 5 such projects from all priority areas.

Also, Applicants awarded a FY 2003 Incremental Development Project (IDP) grant cannot receive a second IDP grant until the first grant is significantly complete and has met most of its proposed goals and objectives. Particular attention will be paid to satisfying all job creation commitments.

Furthermore, applicants that have not completed a previously awarded IDP grant are not eligible to receive another IDP grant during the one-year period following the end of the project period of the last IDP grant award.

## *12. Prohibited Activities*

OCS will not consider applications that propose the establishment of new Small Business Investment Corporations or Minority Enterprise Small Business Investment Corporations.

OCS will not fund projects that have a primary purpose of providing education and training activities. In projects where participants must be trained, any funds that are proposed to be used for training purposes must be limited to providing specific job-related training to those individuals who have been selected for employment in the grant supported project which includes new business startups, business expansions, development of new service industries, and/or other newly-undertaken physical and commercial activities.

Projects involving training and placement for existing vacant positions will be disqualified from competition.

Projects that would result in the relocation of a business from one geographic area to another with the possible displacement are discouraged.

## **PART B – Application Requirements and Program Priority Areas**

### *1. Program Goals*

Projects must further the Departmental goals of strengthening American families and promoting their self-sufficiency. OCS is particularly interested in receiving applications that involve public-private partnerships that are directed toward the development of economic self-sufficiency for low-income people and distressed communities through projects that focus on providing employment and business ownership opportunities for low-income people through business startups, business expansions, development of new services, and/or other newly-undertaken physical and commercial activities.

### *2. Project Scope*

OCS encourages each applicant to describe the project scope that includes the low-income community served, the business activities undertaken, and types of jobs to be created. The business activities should be described by the North American Industry Classification System (NAICS) and jobs by occupational classifications. This information is published by the U.S. Department of Commerce in the current Statistical Abstract of the United States, or updated revisions. Also, applicants may use the material included in *Attachment J* to identify industrial areas and occupational classifications.

### *3. Program Focus*

The focus of this program is to encourage the creation of projects intended to create jobs and provide employment and business ownership opportunities for low-

income people through business, physical, or commercial development. Generally the opportunities must aim to improve the quality of the economic and social environment of TANF recipients, low-income residents including displaced workers, at-risk teenagers, custodial and non-custodial parents particularly those of children receiving TANF assistance, individuals residing in public housing; individuals who are homeless, and individuals with developmental disabilities. Grant funds under this program announcement area are intended to provide resources to eligible applicants but also have the broader objectives of arresting tendencies toward dependency, chronic unemployment, and community deterioration in urban and rural areas.

#### *4. Community Empowerment and Collaboration*

Eligible organizations, including faith-based community development corporations located in Empowerment Zones, Enterprise Communities and rural areas are urged to submit applications. Likewise, applicants are encouraged to foster partnerships with child support enforcement agencies to increase the capability of low-income non-custodial parents, particularly those children receiving TANF assistance, to fulfill their parental responsibilities. Such applicants may request funds for a business development project or a project that demonstrates innovative ways to create jobs for low-income persons in the targeted group or community.

#### *5. Types of Funding & Priority Areas and Estimated Funding*

The types of funding are grants and cooperative agreements. Operational projects, developmental projects, and planning projects will be supported through grants. Incremental development projects, Native American Tribes Incremental

Development Projects, Administrative Management and Training and Technical Assistance Projects will be supported through cooperative agreements.

A cooperative agreement is Federal assistance in which substantial Federal involvement is anticipated. Responsibilities of Federal staff and the successful applicants are negotiated prior to an award.

The duties and responsibilities of the applicant and ACF/OCS in fulfilling the Cooperative Agreement during each phase will include the following:

*Responsibilities of the grantee:*

- To implement activities described in the approved project description;
- Develop and implement work plans that will ensure that the services and activities included in the approved application address the goals and objectives of the approved project in an efficient, effective and timely manner;
- Submit regular semi-annual Financial Status (Standard Form 269) and progress reports that describe activities including, at a minimum, a) information about the actions taken to implement the proposed project, and b) the proposed plan for outcomes measurement and program evaluation of the activities supported with Federal funds;
- Work cooperatively and collaboratively with ACF officials, other Federal agency officials conducting related activities, and other entities or organizations contracted by ACF to assist in carrying out the purposes of the Community Economic Development Program; such cooperation and collaboration shall include, but not be limited to, providing requested financial and programmatic information, creating opportunities for interviews with agency officials and staff,

and allowing on-site observation of activities supported under the cooperative agreement;

- Notify the Office of Community Services Project Officer if revisions are needed to the cooperative agreement;
- Consult with the Office of Community Services project officer in implementing the activities on an ongoing and frequent basis during each phase of the project;
- Comply with Community Economic Development Program regulations (unless otherwise expressly waived in the approved application) and all other applicable Federal statutes and regulations in effect during the time the applicant is receiving grant funding;
- Notify the Federal Project Officer of any key personnel changes in writing;
- Ensure that the executive director and/or project director, and the evaluator attend a two-day national workshop in Washington, DC. The workshop will be scheduled shortly after the effective date of the grant award. Additionally, the project director should plan annual meetings with their program and grants management specialists each year, thereafter, during the life of the grant. The evaluator should also attend a final evaluation workshop to be held at the end of the project period. Project budgets must include funds from the OCS award for travel to and from these meetings and workshops; and
- Submit applications for continuation funding by May 30, 2004 of the current budget period if an applicant expects to receive a continuation grant during FY 2004.

*Responsibilities of ACF/OCS:*

- To provide consultation to the grantee with regard to the development of the work plan, approaches to address problems that arise, and identification of areas needing technical assistance;
- To consult with and to provide the grantee the data collection requirements of OCS, and to keep the grantee informed of policy developments as they affect the implementation of the project;
- To provide timely review, comment, and decisions on significant project documents;
- To work with the grantee to address issues or problems with regard to the grantee's ability to carry out the full range of activities included in the approved application in the most efficient and effective manner;
- To promptly review written requests for approval of deviations from the project description or approved budget. Any changes which affect the terms and conditions of the grant award or revisions/amendments to the cooperative agreement or to the approved scope of activities will require prior approval by the ACF Grants Management Officer; and
- To notify the grantee of planned site visits or monitoring reviews prior to such trips and to share reports of monitoring and site visits in a timely fashion.

The program priority areas and the estimated level of funding available under each area are:

1. Operational Projects (OP) - \$7,000,000

2. Incremental Development Projects (IDP) - \$2,100,000 (Additionally, approximately \$8.5 Million will be made available to fund the second increment of the FY 2002 IDP grantees.)
3. Native American Tribes (NAT) Incremental Development Projects; \$280,000. (First increment will be funded in FY 2003. Second increment will be considered in FY 2004 or FY 2005. Funding of the second increment is subject to the availability of funds for this program.)
4. Developmental Projects (DP) - \$3,000,000
5. Planning Projects (PP) - \$750,000
6. Administrative Management (AM) - \$500,000
7. Training and Technical Assistance (UT) - \$270,000

Applicants applying for priority areas 1, 2, 3, or 4 must show that the proposed project:

- a. Creates full-time permanent jobs except where an applicant demonstrates that a permanent part-time job produces actual wages that exceed the HHS poverty guidelines. At least 60 percent of the jobs created must be filled by low-income residents of the community and must also provide for career development opportunities. Project emphasis should be on employment of individuals who are unemployed or on public assistance, with particular emphasis on those that are at-risk teenagers, TANF recipients, low-income custodial and non-custodial parents (particularly those of children receiving TANF assistance), individuals residing in public housing, individuals with developmental disabilities, and individuals who are homeless. While projected employment in future years may be included in the application, it is essential that the

focus of employment projects concentrate on those permanent jobs created during the duration of the OCS project period; and/or

b. Creates a significant number of business ownership opportunities for low-income residents of the community or significantly aids such residents in maintaining economically viable business; and

c. Assists low-income participants to become self-sufficient.

d. Applicants proposing Incubator or Micro-Enterprise Type Projects should note that OCS plans to fund only 5 such projects from all priority areas.

In addition, favorable consideration in the review process will be given to applicants that develop linkages and agreements or demonstrate their intention to coordinate services with the local TANF offices and/or other employment education and training offices and child support enforcement agencies that serve the proposed area. The offices and agencies should serve TANF recipients, at-risk youth, public housing tenants, displaced workers, homeless and low-income individuals (as defined by the annual revision to the Poverty Income Guidelines published by DHHS) including custodial and non-custodial parents. Applicants should submit a written agreement from the applicable office or agency that indicates what actions will be taken to integrate/coordinate services that relate directly to the project for which funds are being requested. The agreement should include the goals and objectives (including target groups) that the applicant and the office and child support enforcement agencies expect to reach through their collaboration. It should describe the cooperative relationship, including the specific activities and/or actions each of these entities proposes to carry out in support of the project, and the mechanism(s) to be used in coordinating those activities if the project is

funded by OCS. Documentation that illustrates the organizational experience of the employment education and training office should also be included.

Applications must include provision for an independent, methodologically sound evaluation of the effectiveness of the activities carried out with the grant and their efficacy in creating new jobs and business ownership opportunities. There must be a well-defined process evaluation, and an outcome evaluation whose design will permit tracking of project participants throughout the proposed project period. The evaluation must be conducted by an independent evaluator, i.e., a person with recognized evaluation skills who is organizationally distinct from, and not under the control of, the applicant. It is important that each successful applicant have a third-party evaluator selected, and implement their role at the very latest by the time the work program of the project is begun, and if possible before that time so that he or she can participate in the design of the program, in order to assure that data necessary for the evaluation will be collected and available.

The executive director and/or project director, and the evaluator must attend a two-day national workshop in Washington, D.C. The workshop will be scheduled shortly after the effective date of the grant award. Additionally, the project director should plan annual meetings with their program and grants management specialists each year, thereafter, during the life of the grant. The evaluator should also attend a final evaluation workshop to be held at the end of the project period. Project budgets must include funds from the OCS award for travel to and from these meetings and workshops.

## **Priority Area 1. Operational Projects (OP)**

An applicant for an operational project must have in place written commitments for all projected non-OCS funding required for their project. Written proof of commitments from third parties must be submitted with the application. Immediately after the business start-up period, that is a period that is relatively a short time after the effective date of the OCS grant, an operational project should start its operational phase. The operational phase is defined as the time interval when business, commercial or other activities are in operation and employment or business ownership opportunities are provided for low-income persons.

An eligible applicant must propose a project that provides employment and business ownership opportunities for low-income people through business, physical, or commercial development at the local level. Applicants should submit a work plan or business plan that complies with the test of economic feasibility. Attachment K is a guideline for the work plan or business plan.

The cost-per-job for low-income persons in OCS funds may not exceed \$15,000. Unless there are extenuating circumstances, OCS will not fund projects where the cost-per-job for low-income persons in OCS funds exceeds \$15,000.

The maximum award of OCS funding for each Operational project funded cannot exceed \$700,000 per award.

Applicants must be aware that projects funded under this priority area must be operational by the end of the project period, i.e., business must be in place, and low-income individuals actually employed in those businesses.

Applicants proposing Incubator or Micro-Enterprise Type Projects should note that OCS plans to fund only 5 such projects from all priority areas.

## **Priority Area 2. Incremental Development Projects (IDP)**

IDP Projects will be funded in two increments including (1) a developmental phase and (2) an operational phase. IDP applicants should submit a comprehensive, written business plan or work plan. OCS intends to support an IDP project under a cooperative agreement. A cooperative agreement is an award instrument of financial assistance when substantial involvement is anticipated between the awarding office and the recipient during performance of the contemplated project. OCS will outline a plan of interaction with the grantee for implementation under the cooperative agreement. (See Part B,5.) A schedule of tasks will be developed and agreed upon in addition to any special conditions relating to the implementation of the project. An applicant for IDP has the same requirements as Priority Area 1:Operational Projects except for the following:

- a) All written commitments to complete the project need not be in place;
- b) All non-OCS funding necessary to complete the project need not be in place;
- c) A third party agreement need not be in place (if applicable); and
- d) Acquisition or site control of the proposed site and similar activities need not be in place.

An applicant requesting funding for an IDP project must request the total amount of OCS funding at the initial submission of their application. However, the project will receive OCS funding in two increments: (a) the first increment will be provided to begin the development phase. During the developmental phase, the grantee will be granted initial funding up to but not to exceed 20 percent of the total OCS funding requested for the entire project period. Documentation of completed tasks must be submitted to the Office of Grants Management in accord with terms and requirements of the cooperative agreement to be reviewed by OCS prior to the project's

operational phase being funded. Applications for continuation grants funded under these beyond the initial budget period but within the approved project period will be entertained on a noncompetitive basis, subject to the availability of funds, satisfactory progress of the grantee and a determination that continued funding would be in the best interest of the Government.

Funding will be provided in no more than two increments as follows:

The first increment will not exceed 20 percent of the anticipated total OCS grant award.

The budget and project period for this phase can be no longer than one (1) year.

The second increment is for the balance of OCS funds. The maximum combined budget period for the first and second increment can be no longer than two (2) years for non-construction project and three (3) years for construction projects. The maximum combined project period for the first and second increment cannot exceed three (3) years for non-construction and five (5) years for construction type projects.

The cost-per-job for low-income persons in OCS funds may not exceed \$15,000. Unless there are extenuating circumstances, OCS will not fund projects where the cost-per-job for low-income persons in OCS funds exceeds \$15,000.

The maximum award of OCS funding requested for the entire project period can be no more than \$700,000 per award. The maximum amount of the first incremental award cannot exceed \$140,000 or 20 percent of the total OCS funding (whichever is lower).

Applicants proposing Incubator or Micro-Enterprise Type Projects should note that OCS plans to fund only 5 such projects from all priority areas.

Applicants awarded a FY 2003 Incremental Development Project (IDP) grant cannot receive a second IDP grant until the first grant is significantly

complete and has met most of its proposed goals and objectives. Particular attention will be paid to satisfying all job creation commitments.

Furthermore, applicants that have not completed a previously awarded IDP grant are not eligible to receive another IDP grant during the one-year period following the end of the project period of the last IDP grant award.

### **Priority Area 3. Native American Tribe, Incremental Development Project, (NAT)**

Funds will be provided to two private, non-profit, 501(c), community development corporations that enter into agreements with an eligible Native American tribe to carry out business development activities, i.e. business startups, business expansions, development of new services industries, and/or other newly-undertaken physical and commercial activities, on reservations. An eligible Native American Tribe is one of the 42 tribes that currently operate a Temporary Assistance for Needy Families Block Grant Program (TANF) under a direct agreement (recognized under tribal self-governance agreements as the equal of a State block grant program) with the Federal government.

The applicant should select a project that promotes economic sustainability and self-sufficiency for families on the reservation where the project will be implemented. An application under this priority area must reflect a significant partnership role for the tribe. The application also must contain a written, signed agreement from an authorized tribal official confirming the tribe's significant involvement in the grant activities. By entering into a partnership agreement with a tribe, the applicant will be considered to have fulfilled the goal of mobilizing non-discretionary program dollars under sub-

criterion V.1, Mobilization of resources and will be granted the maximum number of points (10) in that category.

In addition, applicants must develop a project that has the same purposes and requirements as Priority Area 2, above. Also, for each applicant, the maximum OCS funding requested, budget, and project period and other requirements are the same as Priority Area 2.

Applicants proposing Incubator or Micro-Enterprise Type Projects should note that OCS plans to fund only 5 such projects from all priority areas.

Applicants awarded a FY 2003 Incremental Development Project (IDP) grant cannot receive a second IDP grant until the first grant is significantly complete and has met most of its proposed goals and objectives. Particular attention will be paid to satisfying all job creation commitments.

Furthermore, applicants that have not completed a previously awarded IDP grant are not eligible to receive another IDP grant during the one-year period following the end of the project period of the last IDP grant award.

#### **Priority Area 4. Developmental Projects (DP)**

Funds will be provided to a limited number of eligible applicants that received planning grants from OCS in Fiscal Years 2001 and 2002. Applicant must have developed a project that has the same purposes and requirements as Priority Area 1: Operational Projects.

The maximum award of OCS funding can be no more than \$350,000 per award.

Applicants proposing Incubator or Micro-Enterprise Type Projects should note that OCS plans to fund only 5 such projects from all priority areas.

## **Priority Area 5. Planning Projects (PP)**

Funds will be provided to a limited number of eligible applicants that have been recently established and are inexperienced in implementing economic development projects. The primary purpose of this priority area is to assist eligible organizations in planning, developing organizational capacity, identifying potential projects, mobilizing resources and developing a business plan for implementation on completion of the planning project.

Eligible applicants cannot be in existence for more than three years or if more than three years, have no experience in implementing economic development projects. (for the latter type of applicant, a written assurance must be provided in the projected narrative that states “the applicant had no previous participation in economic development projects”). The phrase “no previous participation in economic development projects” means an eligible applicant has not sponsored nor had any significant participation in projects that have provided employment or business ownership opportunities through business startups, expansions, or development through physical, business, or commercial activities or provision of financial services. In addition, applicants with housing experience must not have had primary responsibility in planning, developing, and managing housing projects.

With funding received under this priority area, applicants may incur costs to: (1) evaluate the feasibility of potential projects that address identified needs in the low-income community (see Part B, item 6-“Evaluation Criteria,” Criterion I for details) and that conform to those projects and activities allowable under Priority Areas 1,2,3, and 4; (2) develop a business plan related to one of those projects; (3) mobilize resources to be contributed to one of those projects; and (4) develop organizational capacity.

Examples of activities under item 4 may include hiring staff, training board members, staff and volunteers, recruiting community volunteers, and developing management systems.

The business plan developed as a result of the respective planning project must be submitted as part of your next competitive application if you participate in the Developmental or Operational Projects set-aside for Fiscal Year 2004 based on the availability of funds.

The maximum award of OCS funding cannot exceed \$75,000 per award, including the cost of travel for the program director to attend a two-day workshop in Washington, D.C.

The project and budget period can be no longer than 1 year. Applications submitted under this priority area will be evaluated on how well the project narrative complies with the following information:

1. Description of the impact area, i.e., a description of the low-income area it proposes to address;
  2. Need identification in the targeted area;
  3. How the potential projects relate to applicant's organizational goals and previous experience (if any);
  4. Project approach and implementation factors including a discussion of potential projects that might be implemented to address identified needs;
  5. A strategy for conduct of feasibility studies on potential projects including quarterly work plans with specific task timelines and a self-evaluation component;
- and,

6. Project objectives and measurable impact, i.e., discussion of preparing a business plan on only one selected project based on results of the feasibility studies and a plan for mobilization of non-OCS dollars to implement it.

Applicants proposing Incubator or Micro-Enterprise Type Projects should note that OCS plans to fund only 5 such projects from all priority areas.

### **Priority Area 6. Administrative and Management Expertise (AM)**

OCS is committed to assisting grantees successfully to operate their funded project. One method of assistance is through the sharing amongst CDCs of their experiences in dealing with the day-to-day issues and challenges presented in promoting community economic development. Accordingly, OCS strongly encourages more experienced CDCs to share their administrative and management expertise with less experienced CDCs or with those who have encountered difficulties in operationalizing their work programs. In order to facilitate this, OCS will provide funds to one or more private, non-profit, 501(c)(3), community development corporations, which can be faith-based organizations, to organize a pool of “experts” to assist with their efforts to enhance the management and operational capacities of the less experienced CDCs or those having difficulties.

An applicant in this sub-priority area must document its experience and capability in several of the following areas:

- Business/development;
- Micro-entrepreneurship development;
- Organizational and staff development;
- Board training;

- Business management, including strategic planning and fiscal management;
- Finance, including business packaging and financial/accounting services;
- Commercial development including real estate development, land assembling, deal-making;
- Regulatory compliance including zoning and permit compliance;
- Incubator development;
- Tax credits and bond financing;
- Marketing.

The applicant must document staff competence or the accessibility of third party resources with proven competence. If the work program requires the significant use of third party (consultant/contractor) resources, those resources should be identified and resumes of the individuals or key organizational staff provided.

Resumes of the applicant's staff, who are to be directly involved in programmatic and administrative expertise sharing, should also be included. The applicant must document successful experience in the mobilization of resources (both cash and in-kind) from private and public sources. The applicant must state clearly how the information learned from this project will be shared with other interested grantees.

OCS will share with the recipient(s) of the OCS grant under this priority area information on the grantees seeking to benefit from such assistance. Such formal requests could also be initiated by a grantee with the concurrence of OCS. These contacts may occur on-site, by telephone, or by other methods of communication. All costs incurred in connection with participation in such activities will be paid for with the grant funds awarded under this priority area.

The recipient of the OCS grant under this priority area will be expected to disseminate results of the project via a handbook, a progress paper, evaluation reports, general manual, or seminars/workshops.

OCS plans to award up to two grants at a maximum of \$250,000 each. The maximum budget and project period cannot exceed 17 months.

### **Priority Area 7 – Training and Technical Assistance (UT)**

Funds will be awarded to provide broad training and technical assistance to strengthen the entire network of CDCs funded by the Office of Community Services. An applicant in this priority area must document its experience and capability in implementing projects national in scope and have significant and relevant experience in working with a network of community development corporations. The applicant must have the ability to collect and analyze data nationally that may benefit CDCs and be able to disseminate information to all OCS- funded grantees, publish a national directory of funding sources for CDCs (public, corporate, foundation, religious), publish research papers on specific aspects of job creation by CDCs, and design and provide information on successful projects and economic niches that CDCs can target. The applicant will also be responsible for the development of instructional programs, national conferences, seminars, and other activities to assist community development corporations.

OCS plans to fund one project for \$270,000 with a budget and project period not to exceed 17 months.

## 6. *Evaluation Criteria*

All applications submitted under this program announcement will undergo initial screening to determine that the application was received by the closing date, complies with the page limitation, is eligible for funding and complies with other instructions.

Also, see Section IV, Application Procedures, for additional details.

Each application that passes the initial screening will be reviewed and scored by a panel of three independent reviewers. Each panel gives a numerical score and summary evaluation of each application reviewed. The summary evaluation will include explanatory statements describing major strengths and weaknesses reviewed against published criterion.

The competitive review of each application is based on the degree to which applicants:

1. Adhere to the requirements in Part A and B, incorporate the elements of the specific priority area, and address elements under each criterion; and
2. Describe a project that will create jobs and provide employment to and business ownership opportunities for low-income persons including TANF and other eligible persons.

**Note:** Develop program narratives in the order of the following review criteria.

**a. Criteria for Review and Evaluation of Applications Submitted Under Priority Areas 1,2,3, and 4.**

**EVALUATION CRITERION I: APPROACH I (Maximum: 25 points)**

The business plan or work plan, where applicable, is both sound and feasible. The plan describes the key project tasks and shows how the project objectives will be accomplished including the development of businesses and creation of jobs for low-income persons during the allowable OCS project period. (0-3 points)

The project is responsive to the needs identified in the Analysis of Need. (0-4 points)

The work plan outlines realistic quarterly time targets by which the various work tasks would be completed. (0-5 points)

Critical issues or potential problems that might impact negatively on the project are defined and the project objectives can be reasonably attained despite such potential problems. (0-3 points)

The application contains a full and accurate description of the proposed use of the requested financial assistance for all projects. However, if an applicant proposes (under priority areas 1 and 4) to make an entity (including a wholly-owned subsidiary), the application includes a signed third party agreement; a signed statement by a Certified or Licensed Public Accountant, as to the sufficiency of the third party's entity to be invested into financial management system; and financial statements for the third party's prior three years of operation. (If newly formed and unable to provide the information regarding the prior three years of operation, a statement to that effect is included.) If the applicant states that an agreement is not currently in place, the

application contains the narrative as much information required for third party agreements as is available. (See Part A, item 10.)

**Note:** For applicants that propose projects under Priority Area 2 and 3, at the time of application their proposal needs only to contain a comprehensive, written business or work plan. Developmental activities related to equity investment and third party agreements may be unrealized concepts at the time of their application. Thus, no points should be deducted from the total points for this sub-criterion for these applicants.

Also, if the project proposed the development of a new or expanded business, services, physical or commercial activity, the application addresses applicable elements of a business plan. Guidelines for a Business Plan are included in Attachment K.

The financial plan element, which indicates the project's potential and timetable for financial self-sufficiency, is included. It includes for the applicant and the third party, if appropriate, the following exhibits for the first three years (on a quarterly basis) of the business' operations: Profit and Loss Forecasts, Cash Flow projections, and Pro forma Balance Sheets. Based on these documents, the application also contains an analysis of the financial feasibility of the project. In addition, a Source and Use of Funds statement for all project funding is included. (0-10 points)

## **EVALUATION CRITERION II: RESULTS OR BENEFITS EXPECTED (Maximum: 20 points)**

### *a. Results or benefits Expected (sub-rating: 0 - 5 points)*

Applicant proposes to produce permanent and measurable results including, but not limited to, employment and business ownership opportunities

that reduce poverty, reduce the need for TANF assistance in the community and thus enable families to be economically self-sufficient. (0 - 3 points)

Applicant proposes a project designed to produce the above mentioned measurable results specifically in a rural community or urban neighborhood characterized by economic distress. Indicators of economic distress may include: high rate of poverty; high incidence of TANF program participation; high rates of unemployment; significant rates of children dropping out of school; high incidence of crime. (0 - 2 points)

*b. Community empowerment and coordination (sub-rating: 0 - 5 points)*

Applicant documents that it is an active partner in either a new or on-going comprehensive community revitalization project such as: a Federally-designated Empowerment Zone, Enterprise Community or Renewal Community project that has clear goals of strengthening economic and human development in target neighborhoods; a State or local-government supported comprehensive neighborhood revitalization project; a private sector supported community revitalization project such as those implemented by the Living Cities Initiative that is sponsored by OCS in partnership with several national foundations and financial institutions; the Making Connections Initiative supported by the Annie E. Casey Foundation; and the Community Partners project supported by the John L. and James M. Knight Foundation and others.

**Note:** For applicants that apply under Priority Area 3, partnership agreements refer to agreements entered into with a Native American Tribe and the contents of the agreement support the goals of the participants on the reservation. If the agreement is

included with the application, the applicant automatically receives the maximum 2 points.

*c. Cost-per-job (sub-rating:0-5 points)*

During the project period, the proposed project will create new, permanent jobs or maintain permanent jobs for low-income residents at a cost-per-job not to exceed \$15,000 in OCS funds. **Note:** The cost-per-job for low-income persons in OCS funds may not exceed \$15,000. Unless there are extenuating circumstances, OCS will not fund projects where the cost-per-job for low-income persons in OCS funds exceeds \$15,000. (0-5 points)

*d. Career development opportunities (sub-rating: 0-5 points)*

The applicant documents that the jobs to be created for low-income people have career development opportunities that will promote self-sufficiency. (0-5 points)

**EVALUATION CRITERION: APPROACH II – PUBLIC PRIVATE PARTNERSHIPS  
(Maximum: 15 points)**

*a. Mobilization of resources: (sub-rating: 10 points)*

The applicant documents it has mobilized from public and/or private sources the proposed balance of non-OCS funding required to fully implement the project. Lesser contributions will be given consideration based upon the value documented. (0-10 points)

**Note 1:** Applicant under Priority Area 2 and 3, need only document an amount equal to the amount of OCS funds requested for the fiscal segment.

**Note 2:** Applicants under Priority Area 3 with a written partnership agreement with a tribe will be considered to have fulfilled the goal of mobilizing non-discretionary program dollars and on this basis will be granted the maximum number of points (10) in this sub-priority area.

**Note 3:** Cash resources such as cash or loans contributed from all project sources (except for those contributed directly by the applicant) are documented by letters of commitment from third parties making the contribution.

**Note 4:** The value of in-kind contributions for personal property is documented by an inventory valuation for equipment and a certified appraisal for real property. Also, a copy of a deed or other legal document is required for real property.

**Note 5:** Anticipated or projected program income such as gross or net profits from the project or business operations will not be recognized as mobilized or contributed resources.

*b. Integration/coordination of services: (sub-rating: 5 points)*

The applicant demonstrates a commitment to, or agreements with, local agencies responsible for administering child support enforcement, employment education, and training programs to ensure that welfare recipients, at-risk youth, displaced workers, public housing tenants, homeless and low-income individuals, and low-income custodial and non-custodial parents will be trained and placed in the newly created jobs. The applicant provides written agreements from the local TANF or other employment education and training offices, and child support enforcement agency indicating what

actions will be taken to integrate/coordinate services that relate directly to the project for which funds are being requested. (0-2 points)

The agreement includes: (1) The goals and objectives that the applicant and the TANF or other employment education and training offices and/or child support enforcement agency expect to achieve through their collaboration; (2) the specific activities/actions that will be taken to integrate/coordinate services on an on-going basis; (3) the target population that this collaboration will serve; (4) the mechanism(s) to be used in integrating/coordinating activities; (5) how those activities will be significant in relation to the goals and objectives to be achieved through the collaboration; and (6) how those activities will be significant in relation to their impact on the success of the OCS-funded project. (0-2 points)

The applicant also provides documentation that illustrates the organizational experience that is related to the employment, education, and training program. (0-1 point)

#### **EVALUATION CRITERION IV: PROJECT EVALUATION (Maximum: 15 points)**

Sound evaluations are essential to the Community Economic Development Program. OCS requires applicants to include in their applications a well thought through outline of an evaluation plan for their project. The outline should explain how the applicant proposes to answer the key questions about how effectively the project is being/was implemented; whether the project activities, or interventions, achieved the expected immediate outcomes, and why or why not (the process evaluation); and whether and to what extent the project achieved its stated goals, and why or why not

(the outcome evaluation). Together, the process and outcome evaluations should answer the question: "What did this program accomplish and why did it work/not work?"

Applicants are not being asked to submit a complete and final evaluation plan as part of their application, however, the plan must include:

a. A well thought through outline of an evaluation plan that identifies the principal cause-and-effect relationships to be tested, and that demonstrates the applicant's understanding of the role and purpose of both process and outcome evaluations. (0-2 points)

A reporting format based on the grantee's demonstration of its activities (interventions) and their effectiveness, to be included in the grantee's semi-annual program progress report, which will provide OCS with insights and lessons learned, as they become evident, concerning the various aspects of the work plan, such as recruitment, training, support, public-private partnerships, and coordination with other community resources, as they may be relevant to the proposed project. (0-2 points)

b. The identity and qualifications of the proposed third-party evaluator, or if not selected, the qualifications which will be sought in choosing an evaluator, which must include successful experience in evaluating community development programs, and the planning and/or evaluation of programs designed to foster self-sufficiency in low-income populations. (0-2 points)

c. A commitment to the selection of a third-party evaluator approved by OCS, and to completion of a final evaluation design and plan, in collaboration with the approved evaluator and the OCS Evaluation Technical Assistance Contractor during the six-month start-up period of the project, if funded. (0-2 points)

Applicants should ensure, above all, that the evaluation outline presented is consistent with their project design. A clear project framework of the type recommended earlier identifies the key project assumptions about the target populations and their needs, as well as the hypotheses, or expected cause-effect relationships to be tested in the project; and the proposed project activities, or interventions, that will address those needs in ways that will lead to the achievement of the project goals of self-sufficiency. It also identifies in advance the most important process and outcome measures that will be used to identify performance success and expected changes in individual participants, the grantee organization, and the community. Finally, as noted above, the outline should provide for prompt reporting, concurrently with the semi-annual program progress reports, of lessons learned during the course of the project, so that they may be shared without waiting for the final evaluation report.

d. For all these reasons, it is important that each successful applicant have a third-party evaluator selected and performing at the very latest by the time the work program of the project is begun, and if possible before that time so that he or she can participate in the final design of the program, and be able to assure that data necessary for the evaluation will be collected and available. Plans for selecting an evaluator should be included in the application narrative. A third-party evaluator must have knowledge about, and have experience in, conducting process and outcome evaluations in the job creation field, and have a thorough understanding of the range and complexity of the problems faced by the target population. (0-2 points)

The competitive procurement regulations (45 CFR, Part 74, Section 74.40 – 74.48, especially Section 74.43) apply to service contracts such as those for evaluators.

It is suggested that applicants use no more than three (3) pages for this Element, plus the resume or position description for the evaluator, which should be included in an appendix.

**EVALUATION CRITERION V: ORGANIZATION PROFILES AND STAFF AND POSITION DATA (Maximum: 15 points)**

*a. Organizational profiles (sub-rating:0-7 points)*

The applicant has the organizational structure and strategic plan to develop business, physical, or community development activities. (0-4 points)

The applicant has demonstrated the ability to implement major activities in such areas as business development, commercial development, physical development, or financial services; and the ability to mobilize dollars from sources such as the private sector (corporations, bank, etc.). (0-3 points)

*b. Staff skills, resources and responsibilities (sub-rating: 0-8 points)*

The application describes in brief resume form the experience and skills of the project director who is not only well qualified, but whose professional capabilities are relevant to the successful implementation of the project. If the key staff person has not yet been identified, the application contains a comprehensive position description that indicates that the responsibilities to be assigned to the project director are relevant to the successful implementation of the project. (0-5 points)

The applicant has adequate facilities and resources (i.e. space and equipment to successfully carry out the work plan). (0-2 points)

The assigned responsibilities of the staff are appropriate to the tasks identified for the project and sufficient time of senior staff will be budgeted to assure timely implementation and cost effective management of the project. (0-1 points)

## **EVALUATION CRITERION VI: OBJECTIVES AND NEED FOR ASSISTANCE**

**(Maximum: 5 points)**

The application documents that the project addresses a vital need in a distressed community. Distressed community is defined as a geographic urban neighborhood or rural community of high unemployment and pervasive poverty. The application documents that both the unemployment rate and poverty level for the targeted neighborhood or community must be equal or greater than the national level. (0-3 points)

The application cites the most recent available statistics from published sources e.g. the recent U.S. Census or updates, the State, county, city, election district and other information are provided in support of its contention. (0-2 points)

## **EVALUATION CRITERION VII: BUDGET AND BUDGET JUSTIFICATION (Maximum:**

**5 points)**

Funds requested are commensurate with the level of effort necessary to accomplish the goals and objectives of the project. (0-2 points)

The application includes a detailed budget breakdown and a narrative justification for each of the budget categories in the SF-424A. The applicant presents a reasonable administrative cost. (0-2 points)

The estimated cost to the government of the project also is reasonable in relation to the anticipated results. (0-1 point)

**b. Criteria for Review and Evaluation of Applications Submitted Under Priority Area 5.**

**EVALUATION CRITERION I: APPROACH AND EVALUATION (Maximum: 30 Points)**

*a. Project Approach (sub-rating: 25 points)*

The work plan addresses a clearly identified need in the low-income community as described in Criterion I. The plan must include a methodology to evaluate the feasibility of potential projects that conform to the type of projects and activities allowable under Priority Areas 1, 2, 3 and 4. (0-8 points)

The work plan addresses activities to develop organizational capacity, e.g. hiring staff, training board members, staff and volunteers, recruiting community volunteers and developing management systems. (0-4 points)

The work plan addresses activities to develop organizational capacity, e.g. hiring staff, training board members, staff and volunteers, recruiting community volunteers and developing management systems. (0-4 points)

The work plan outlines realistic quarterly time schedules of work tasks by which the objectives (including the development of organizational capacity, a business plan and mobilization of resources) will be accomplished. (0-5 points)

**Note:** Inasmuch as quarterly time lines are used by OCS to monitor the progress of a funded project; failure to include time targets will seriously reduce an applicant's point score in this criterion.

It defines critical issues or potential problems that might impact negatively on the project and it indicates how the project objectives will be attained notwithstanding any such potential problems. (0-4 points)

*b. Evaluation component (sub-rating: 5 points)*

The application includes a self-evaluation component. The evaluation data collection and analysis procedures are specifically oriented to assess the degree to which the stated goals and objectives are achieved. (0-3 points)

Qualitative and quantitative measures reflective of the scheduling and task delineation are used to the maximum extent possible. This component indicates the ways in which the potential grantee would integrate qualitative and quantitative measures of accomplishment and specific data into its program progress reports that are required by OCS from all organizations receiving planning grants. (0-2 points)

**EVALUATION CRITERION II: RESULTS AND BENEFITS EXPECTED (Maximum: 25 Points)**

a. The proposed project, around which the business plan is to be developed with the use of OCS grant funds, is targeted for low-income communities, and/or designated Empowerment Zones or Enterprise Communities with the goals of increasing the economic conditions and social self-sufficiency of residents. Also, the project proposes

to produce permanent and measurable results that will reduce the incidence of poverty and number of TANF recipients in the low-income area targeted. (0-15 points)

**Note:** This priority area permits applicants to conduct several feasibility studies related to various potential projects. However, on completion of the studies, one proposed project must be selected and a business plan prepared for the selected project.

b. The activity targets mobilization of non-OCS program dollars from private sector individuals, public resources, corporations and foundations, if the proposed project is implemented. (0-10 points)

### **EVALUATION CRITERION III: ORGANIZATIONAL PROFILES AND STAFFING CAPACITY**

**(Maximum: 20 points)**

*a. Organizational Profiles (sub-rating: 5 points)*

The applicant shows why its organization can successfully implement the project for which it is requesting funds. (0-3 points)

**Note:** This entire section relates to the organizational experience of the applicant organization, itself, and does not pertain to the experience of a partner or an affiliated or parent organization.

The organization must demonstrate that the Board of Directors are residents, or business or civic leaders of the community. This can be done by showing the address(es) of their home and/or businesses or local civic association. The applicant

must show that its board of directors is active by providing a copy of the minutes of the meeting (properly signed by the Secretary) held within the 90 days of its submission of its application to OCS. The minutes must include the attendees and officers present that constitute a quorum and the subject matters discussed including its approval of the organization=s submission of an application to OCS for funding. (0-2 points)

*b. Management capacity (sub-rating: 5 points)*

Applicant fully details its ability to implement sound and effective management practices and, if it has been a recipient of other Federal or other governmental grants, it also details that it has consistently complied with financial and program progress reporting and audit requirements. (0-3 points)

Applicant has submitted available documentation on its management practices and progress reporting procedures along with a statement by a Certified or Licensed Public Accountant (CPA) as to the sufficiency of the applicant's financial management system to protect adequately any Federal funds awarded under the application submitted. If the applicant has not hired a CPA, it may include a statement signed by both the head of the organization and the treasurer providing assurance of the sufficiency of the financial management system. (0-2 points)

**Note:** The assurance or documentation of the applicant's management practices, etc., and statement from the accountant on the financial management system must address the applicant organization=s own internal system rather than an external system of an affiliate, partner, management support organization, etc.]

*c. Staffing (sub-rating: 5 points)*

The application fully describes (e.g., resumes) the experience and skills of key staff showing that they are not only well qualified but that their professional capabilities are relevant to the successful implementation of the project.

*d. Staffing responsibilities (sub-rating: 5 points)*

The application describes how the assigned responsibilities of the staff are appropriate to the tasks identified for the project.

**EVALUATION CRITERION IV: OBJECTIVES AND NEDD FOR ASSISTANCE**

**(Maximum: 15 points)**

The application documents that the project addresses a vital need in a distressed Community. A distressed community is defined as a geographic urban neighborhood or rural community of high unemployment and pervasive poverty. The application documents that both the unemployment rate and poverty level for the targeted neighborhood or community is equal or greater than the national level. (0-10 points)

The application cites the most recent available statistics from official sources (e.g., the recent U.S. Census or updates, the State, county, city, election district, and other information are provided in support of its contention). (0-5 points)

**EVALUATION CRITERION V: BUDGET AND BUDGET JUSTIFICATION (Maximum: 10 points)**

Funds requested are commensurate with the level of effort necessary to accomplish the goals and objectives of the project. The estimated cost to the government of the project also is reasonable in relation to the anticipated results.

(0-5 points)

The application includes a detailed budget breakdown and a narrative justification for each of the budget categories in the SF 424-A. The applicant presents a reasonable administrative cost. (0-5 points)

**c. Criteria for Review and Evaluation of Applications Submitted Under Priority Area 6.**

**EVALUATION CRITERION I: ORGANIZATIONAL PROFILES (Maximum: 30 points)**

*a. Organizational experience in program area (sub-rating: 0-20 points)*

Applicant documents experience in working with CDCs on a national basis. Applicant documents the capacity to provide leadership in solving long-term and immediate locally and/or nationally in such areas as business development, commercial development, organizational and staff development, board training, and micro-entrepreneurship development. (0-8 points)

Applicant documents a capability (including access to a network of skilled individuals and/or organizations) in several of the following areas: Business management, including strategic planning and fiscal management, finance, including

development of financial packages and provision of financial/accounting services, commercial development; and regulatory compliance, including assistance with zoning and permit compliance. (0-4 points)

The applicant demonstrates ability to mobilize dollars from sources such as the private sector (corporations, banks, foundations, etc.) and the public sector, including state and local governments. (0-2 points)

Applicant demonstrates that it has a sound organizational structure and proven organizational capability as well as an ability to develop and maintain a stable program in terms of business, physical or community development activities that have provide permanent jobs, services, business development opportunities, and other benefits to poverty community residents. (0-4 points)

Applicant indicates why it feels that its successful experiences would be of assistance to existing CDC grantees that are experiencing difficulties in implementing their projects. (0-2 points)

*b. Staff Skills, Resources and Responsibilities (sub-rating 0-10 points)*

The application describes in brief resume form the experience and skills of the project director who is not only well qualified, but who has professional capabilities relevant to the successful implementation of the project. If the key staff person has not yet been identified, the application contains a comprehensive position description that indicates that the responsibilities to be assigned to the project director are relevant to the successful implementation of the project. (0-5 points)

The applicant has adequate facilities and resources (i.e. space and equipment) to successfully carry out the work plan. (0-3 points)

The assigned responsibilities of the staff are appropriate to the tasks identified for the project and sufficient time of senior staff will be budgeted to assure timely implementation and cost effective management of the project. (0-2 points)

**EVALUATION CRITERION II: RESULTS OR BENEFITS EXPECTED (Maximum: 30 points)**

Project funds under this sub-priority area are to be used for the purpose of transferring expertise directly, or by a contract with a third party, to other OCS funded CDC grantees. Applicant describes how the success or failure of collaboration with these grantees will be documented. (0-15 points)

Applicant demonstrates an ability to disseminate results on the kinds of programmatic and administrative expertise transfer efforts in which it participated and successful strategies that it may have developed to share expertise with grantees during the grant period. (0-10 points)

Applicant states whether the results of the project will be included in a handbook, a progress paper, an evaluation report, a general manual, or seminars/workshops, and why the particular methodology chosen would be most effective. (0-5 points)

**EVALUATION CRITERION III: APPROACH (Maximum: 20 points)**

The applicant demonstrates in some specificity a thorough understanding of the problems a grantee may encounter in implementing a successful project. (0-10 points)

The application includes a strategy for assessing the specific nature of the problems, outlining a course of action and identifying the resources to resolve the problems. (0-10 points)

**EVALUATION CRITERION IV: PUBLIC PRIVATE PARTERSHIPS (Maximum:15 points)**

Applicant demonstrates how it will design a comprehensive strategy that makes use of other available resources to resolve typical and recurrent CDC grant problems.

**Criterion V: Budget and Budget Justification (Maximum: 5 points)**

Applicant documents that the funds requested are commensurate with the level of effort necessary to accomplish the goals and objectives of the project. The application includes a detailed budget breakdown for each of the appropriate budget categories in the SF-424A. (0-3 points)

The estimate cost to the government of the project also is reasonable in relation to the anticipated results (0-2 points)

**Criteria for Review and Evaluation of Applications Submitted Under Priority Area 7.**

**EVALUATION CRITERION I: ORGANIZATIONAL PROFILES (Maximum: 30 points)**

*a. Organizational Experience*

Applicant documents experience in working with CDCs. Applicant documents the capability to provide leadership in solving long-term and immediate problems locally and/or nationally in such areas as business development, commercial development, organizational and staff development, board training, and micro-entrepreneurship development. Applicant documents a capability (including access to a network of skilled

individuals and/or organizations) in two or more of the following areas: Business management, including strategic planning and fiscal management, finance, including development of financial packages and provision of financial/accounting services, and regulatory compliance, including assistance with zoning and permit compliance. (0-15 points)

*b. Staff Skills*

The applicant's proposed project director and primary staff is well qualified and their professional experiences are relevant to the successful implementation of the proposed project. (0-15 points)

**EVALUATION CRITERION II: APPROACH (Maximum: 25 points)**

The applicant has submitted a detailed and specific work plan that is both sound and feasible. Specifically, the work plan:

- a. Demonstrates that all activities are comprehensive and nationwide in scope, adequately described, and appropriately related to the goals of the program. (0-5 points)
- b. Demonstrates in some specificity a thorough understanding of the kinds of training and technical assistance that can be provided to the network of community development corporations. (0-5 points)
- c. Delineates the tasks and sub-tasks involved in the areas necessary to carry out the responsibilities, i.e. training, technical assistance, research, outreach seminars, etc. (0-5 points)
- d. States the intermediate and end products to be developed by task and sub-task. (0-5 points)

- e. Provides realistic time frames and a chronology of key activities for the goals and objectives. (0-5 points)

**EVALUATION CRITERION III: RESULTS OR BENEFITS EXPECTED (Maximum: 25 points)**

Project funds will be used for the purpose of providing training and technical assistance on a national basis to the network of community development corporations.

The applicant describes how:

- a. The project will assure long-term program and management improvements for community development corporations. (0-10 points)
- b. The project will impact on a significant number of community development corporations. (0-10 points)
- c. The project will leverage or mobilize significant other non-federal resources for the direct benefit of the project. (0-5 points)

**EVALUATION CRITERION IV: OBJECTIVES AND NEED FOR ASSISTANCE (Maximum: 10 points)**

The application documents that the project addresses a vital, nationwide need related to the purposes of Community Development Corporations and provides data and information in support of its contention. (0-10 points)

**EVALUATION CRITERION V: BUDGET AND BUDGET JUSTIFICATION (Maximum: 10 points)**

- a. The resources requested are reasonable and adequate to accomplish the project. (0-5 points)
- b. Total costs are reasonable and consistent with anticipated results. (0-5 points)

*7. Definition of Terms*

For purposes of this program announcement, the following will apply:

*Beneficiaries* – Low-income people (as defined in the most recent annual revision of the Poverty Income Guidelines published by DHHS) and low-income communities receive direct benefits.

*Budget Period* – The interval of time into which a grant period of assistance is divided for budgetary and funding purposes.

*Business Start-up Period* – Three to six months(usually) after the effective date of an OCS award in which a grantee completes preliminary project tasks includes but is not limited to assembling key staff, execution of contracts, lease out or build-out of space for occupancy, purchasing plant equipment and other similar activities.

*Building deconstruction* – The systematic disassembly of residential and commercial buildings.

*Cash contributions* – The recipient's cash outlay, including the outlay of money contributed to the recipient by the third parties.

*Community Development Corporation (CDC)* – A private, non-profit corporation, governed by a board of directors consisting of residents of the community and business and civic leaders, which has as a principal purpose planning, developing, or managing low-income housing or community development projects.

*Community Economic Development (CED)* – A process by which a community uses resources to attract capital and increase physical, commercial, and business development and job opportunities for its residents.

*Construction projects* – For the purpose of this announcement, construction projects involve land improvements and development or major renovation of (new or existing) facilities and buildings, fixtures and permanent attachments.

*Cooperative Agreement* – An award instrument of financial assistance when substantial involvement is anticipated between the awarding office and the recipient during performance of contemplated project.

*Developmental phase* – The time interval during a project period that precedes the operational phase. During the developmental phase, preliminary activities are accomplished which include establishing third party agreements, mobilizing monetary and other resources, assembling, rezoning and leasing of properties, conducting architectural and engineering studies, constructing facilities and etc.

*Displaced worker* – An individual who is in the labor market but has been unemployed for six months or longer.

*Distressed community* – A geographic urban neighborhood or rural community of high unemployment and pervasive poverty.

*Eligible applicant* – A private, non-profit organization that is a Community Development Corporation.

*Employment education and training program* – A program that provides education and/or training to welfare recipients, at-risk youth, public housing tenants, displaced workers, homeless and low-income individuals and that has demonstrated organizational experience in education and training for these populations.

*Empowerment Zones and Enterprise Communities (EZ/EC)* – Those communities designated as such by the Secretary of Agricultural or Housing and Urban Development.

*Equity investment* – The provision of capital to a business entity for some specified purpose in return for a portion of ownership using a third party agreement as the contractual instrument.

*Faith-Based Community Development Corporation* – A community development corporation that has a religious character.

*Hypothesis* – An assumption made in order to test its validity. It should assert a cause-and-effect relationship between a program intervention and its expected result. Both the intervention and its result must be measured in order to confirm the hypothesis. For example, the following is a hypothesis: “Eighty hours of classroom training will be sufficient for participants to prepare a successful loan application.” In this example, data would be obtained on the number of hours of training actually received by participants (the intervention), and the quality of loan applications (the result), to determine the validity of the hypothesis (that eighty hours of training is sufficient to produce the result).

*Intervention* – Any planned activity within a project that is intended to produce changes in the target population and/or the environment and that can be formally evaluated. For

example, assistance in the preparation of a business plan and loan package are planned interventions.

*Job creation* – New jobs, i.e. jobs not in existence prior to the start of the project, that result from new business startups, business expansion, development of new services industries, and/or other newly-undertaken physical or commercial activities.

*Job placement* – Placing a person in an existing vacant job of a business, service, or commercial activity not related to new development or expansion activity.

*Letter of commitment* – A signed letter or agreement from a third party to the applicant that pledges financial or other support for the grant activities only subject to receiving an award of OCS grant funds.

*Loan* – Money lent to a borrower under a binding pledge for a given purpose to be repaid, usually at a stated rate of interest and within a specified period of time.

*Operational phase* – The time interval during the project when businesses, commercial or other activities are in operation and employment or business ownership opportunities are provided for low-income persons.

*Outcome evaluation* – An assessment of project results as measured by collected data which define the net effects of the interventions applied in the project. An outcome evaluation will produce and interpret findings related to whether the interventions produced desirable changes and their potential for replicability. It should answer the question: Did this program work?

*Poverty Income Guidelines* – Guidelines published annually by the U.S. Department of Health and Human Services that establish the level of poverty defined as low-income for individuals and their families.

*Process evaluation* – The ongoing examination of the implementation of a program. It focuses on the effectiveness and efficiency of the program’s activities and interventions (for example, methods of recruiting participants, quality of training activities, or usefulness of follow-up procedures). It should answer the questions such as: Who is receiving what services and are the services being delivered as planned? It is also known as formative evaluation, because it gathers information that can be used as a management tool to improve the way a program operates while the program is in progress. It should also identify problems that occurred, how the problems were resolved and what recommendations are needed for future implementation.

*Pre-development phase* – The time interval during a project period that an applicant or grantee plans a project, conducts feasibility studies, prepares a business or work plan and mobilizes non-OCS funding.

*Program income* - Gross income earned by the grant recipient that is directly generated by an activity supported with grant funds.

*Project period* – The total time for which a project is approved for OCS support, including any approved extensions.

*Revolving loan fund* – A capital fund established to make loans whereby repayments are re-lent to other borrowers.

*Self-employment* – The state of an individual or individuals who engage in self-directed economic activities.

*Self-sufficiency* – The economic state not requiring public assistance for an individual and his/her immediate family.

*Sub-award* – An award of financial assistance in the form of money, or property , made under an award by a recipient to an eligible sub-recipient or by a sub-recipient to a

lower tier sub-recipient. The term includes financial assistance when provided by any legal agreement, even if the agreement is called a contract, but does not include procurement of goods and services nor does it include any form of assistance which is excluded from the definition of “award” in 45 CFR 7402 (Note: Sub awards do not include equity investments or loan transactions since they are promulgated under third party agreements.)

*Technical assistance* – A problem-solving event generally utilizing the services of a specialist. Such services may be provided on-site, by telephone or by other communications. These services address specific problems and are intended to assist with immediate resolution of a given problem or set of problems.

*Temporary Assistance to Needy Families (TANF)* – Title I of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (Public Law 104-193) creates the TANF program that transforms welfare into a system that requires work in exchange for time-limited assistance. The law specifically eliminates any individual entitlement to or guarantee of assistance, repeals the Aid to Families with Dependent Children (AFDC) program, Emergency Assistance (EA) and Job Opportunities and Basic Skills Training (JOBS) programs, and replaces them with a block grant entitlement to States under Title IV-A of the Social Security Act.

*Third party* – Any individual, organization, or business entity that is not the direct recipient of grant funds.

*Third party agreement* – A written agreement entered into by the grantee and an organization, individual or business entity (including a wholly-owned subsidiary), by which the grantee makes an equity investment or a loan in support of grant purposes.

*Third party in-kind contributions* – The value of non-cash contributions provided by non-Federal third parties which may be in the form of real property, equipment, supplies and other expendable property, and the value of goods and services directly benefiting and specially identifiable to the project or program.