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2015 CED/CED-HFFI Funding Opportunity Announcement Questions and Answers – (as of 03/06/2015)

This document contains frequently asked questions and answers regarding the 2015 CED & CED-HFFI Funding Opportunity Announcement. You can also access the [2014 CED & CED-HFFI Funding Opportunity Announcement Question and Answers](#).

General

CED and CED-HFFI Programs Overview

Question: What is the purpose of the Community Economic Development (CED) Projects program?

Answer: The purpose of the CED program is to support businesses that develop new products, services, and other commercial activities that result in the creation of new positions for individuals with low-income that:

- Are ready to implement at the time of award;
- Lead to increased self-sufficiency for individuals and families with low-income;
- Create businesses and jobs in low-income communities that improve the livelihood of not only those
- who obtain those jobs but the community itself; and
- Attract additional public and private funds to increase investment and quality of life in low-income communities.

The CED program does this by providing funding for projects aimed at business development opportunities and creating employment for individuals with low-income located in geographic areas with a demonstrated need for the proposed project. To accomplish this, the program requires that all businesses and positions created support a service area with unemployment and poverty rates that are at or above the state or national levels. The CED program also seeks to fund projects that address the personal and community barriers that must be overcome to help individuals with low-income become self-sufficient.

Question: What is the purpose of the Community Economic Development Healthy Food Financing Initiative Projects (CED-HFFI) program?

Answer: The CED-HFFI program's objectives are to support businesses and commercial activities that improve the access to healthy foods and the overall health of community residents while creating long-term jobs in the community that:

- Bring healthy food choices to communities that are in food deserts through the establishment of new healthy food retail outlets or by supporting the offering of a significant number of healthy food choices at an existing retail outlet that lack such choices;
- Develop and enhance distribution systems to increase the amount of healthy food going to healthy food retail outlets in food deserts;
- Develop strategies that promote or encourage the purchase of healthy foods, including outreach and education to consumers in food deserts about healthy food choices and how they can be integrated into their diet; and

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- Provide income to individuals with low-income so that they can become self-sufficient.

OCS seeks to fund projects that implement strategies to increase healthy food access, foster self-sufficiency for low-income families, and create sustained employment opportunities in low-income communities. To do this, the CED-HFFI program will provide technical and financial assistance for healthy food ventures designed to: (1) improve access to, and purchase and consumption of healthy, affordable foods; and (2) address the economic needs of individuals and families with low-income through the creation of employment and business opportunities in low-income communities.

Question: How many applications were submitted last year under CED and HFFI?

Answer: In FY 2014, 106 applications were received for the CED funding opportunity and 63 applications were received for the CED-HFFI funding opportunity.

Question: Who is the federal point-of-contact for this grant?

Answer: The Program Office Contact is Mr. Gerald Shanklin. He can be reached via the following:

Gerald Shanklin
OCS Operations Center
1401 Mercantile Lane Suite 401
Largo, MD 20774
Phone: 1-855-792-6551
Email: ocsgrants@acf.hhs.gov

Question: When will the webinar take place and when will it be available on your website?

Answer: The 2015 CED and CED-HFFI Funding Opportunity Announcements Webinar will take place Thursday, February 19th, 2-3:30pm Eastern. If you have not already done so, please register for this webinar by visiting: www.eventbrite.com/e/winter-2015-webinar-series-for-ced-grantees-registration-14528189205.

After registering for the webinar you will receive email updates from OCSRegistrar@icfi.com regarding login information for the presentation and updates when the webinar materials are available. The recording, webinar slides, and transcript will be posted on the Winter 2015 CED Webinar Series page (<http://ocscommunitydevelopment.org/index.php/component/content/article?layout=edit&id=71>) shortly following the webinar.

Application Timeline

Question: When is the application due?

Answer: The deadline for electronic application submission via www.Grants.gov is 11:59 p.m. ET, on **April 24, 2015** as listed in the *Overview* and in *Section IV.3. Submission Dates and Times*. Electronic applications submitted to www.Grants.gov after 11:59 p.m. ET, on the due date specified, as indicated by a dated and time-stamped email from www.Grants.gov, will be disqualified from competitive review and from funding under this announcement. That is, applications submitted to www.Grants.gov, on or

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after 12:00 a.m., ET, on the day after the due date will be disqualified from competitive review and from funding under this announcement.

Question: When will funding awards be announced?

Answer: Awards will be made no later than September 30, 2015.

Award Ceiling

Question: What is the Award Ceiling?

Answer: The award ceiling is \$800,000 per project period. CED-funded projects can be non-construction or construction projects. The award ceiling for both project types is \$800,000. Non-construction projects will have one 36-month project and budget period. Projects that involve construction will have one 60-month project and budget period.

Question: Can I submit two construction projects? Can each project be for \$800,000 – is the award ceiling per project or per applicant? Or can I submit one \$800,000 application for two separate businesses?

Answer: The award ceiling is per project. An applicant may submit multiple applications for projects requesting up to \$800,000 in CED/CED-HFFI grant funding. However, only one CED/CED-HFFI project per applicant organization will be funded annually. You may also submit an application for a project that involves assisting two separate businesses that does not exceed the funding ceiling of \$800,000 – this is all dependent on your project design.

Grant Period

Question: Is the grant period a maximum period? If the objectives such as job creation and retention are achieved in a shorter period, may the grantee close out the activities related to the grant according to HHS requirements?

Answer: Yes, the grant period is a maximum. In some circumstances, a no-cost extension may be awarded to provide a grantee with additional time to finish grant activities. If business expansion/creation and job creation targets are achieved in a shorter period, then the grantee may close out the grant according to HHS requirements and at the discretion of OCS.

Question: What is the compliance period for the grant?

Answer: The project period for non-construction projects have a 3-year project period, while projects that involve construction have a 5-year project period. As outlined in the funding opportunity, your application must demonstrate that the positions created will be sustained for at least 1 year after the end of the project period by including the steps that will be taken to set up the project solidly and position it for continued success after the end of the project period. Additionally, if your project involves any intangible property (trademarks, copyrights, patents and patent applications, and such property as loans, notes, and other debt instruments, lease agreements, stock, and other personal property ownership, acquired with CED grant funds), you must report to the federal government on the

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continued use of such funds up to 12 years after the end of the project. As outlined in Consolidated and Further Continuing Appropriations Act, 2015, the Secretary shall establish procedures regarding the disposition of intangible assets and program income that permit such assets acquired with, and program income derived from, grant funds authorized under section 680 of the CSBG Act to become the sole property of such grantees after a period of not more than 12 years after the end of the grant period for any activity consistent with section 680(a)(2)(A) of the CSBG Act: Provided further, that intangible assets in the form of loans, equity investments and other debt instruments, and program income may be used by grantees for any eligible purpose consistent with section 680(a)(2)(A) of the CSBG Act: Provided further, That these procedures shall apply to such grant funds made available after November 29, 1999.

Job Creation

Question: Can you explain who jobs have go to; do all have to be TANF-eligible?

Answer: No, all jobs created do not have to be filled by TANF-eligible individuals. However, 75% of all new, full-time, full-year jobs created using CED/CED-HFFI funds must be filled by low-income individuals. For purposes of the CED/CED-HFFI funding opportunities, “low-income” is defined as an individual whose household income level does not exceed 125 percent of the official poverty guidelines as found in the most recent revision of the HHS Poverty Guidelines published by HHS. These guidelines may be found at <http://aspe.hhs.gov/POVERTY/15poverty.cfm>.

Question: Does a business project get ANY credit for creating part-time jobs? I realize the goal is full time positions, but might two part time positions equate to one full time position?

Answer: No - part time jobs created by a project do not count towards the number of jobs created under the CED program. As stated in the Funding Opportunity Announcements, CED and CED-HFFI funding may be used for eligible activities that contribute to full-time, full-year positions. A full-time, full-year position is a non-seasonal position requiring at least 30 hours of work per week. An aggregation of part-time positions to a full-time equivalent is not considered a full-time position. While part-time job creation is important, in regards to the CED and CED-HFFI Funding Opportunity Announcements, OCS is only concerned with new, full-time positions that applicants propose to create.

Question: When considering jobs created, either in the past or in the future with CED funding, do jobs created within the applicant organization count towards the minimum numbers expected to be created and filled as a result of the grant award?

Answer: Any new, permanent full-time, full year positions created within the applicant organization as a result of this project can count towards the minimum number of jobs expected to be created and filled through the grant. However, keep in mind that 75% of all new positions created must be filled by low-income individuals as defined by HHS poverty guidelines. These guidelines may be found at: <http://aspe.hhs.gov/poverty/index.shtml>.

Question: More details around projecting and reporting on jobs created

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Answer: If you have specific questions regarding projecting and reporting job creation, please submit those inquiries to the OCSRegistrar@icfi.com. As stated in the Funding Opportunity Announcements, CED and CED-HFFI funding may be used for eligible activities that contribute to the creation of new, permanent, full-time, full-year positions. A full-time, full-year position is a non-seasonal position requiring at least 30 hours of work per week. Part time jobs created by a project do not count towards the number of positions created under the CED/CED-HFFI programs. Additionally, 75% of the positions created using CED/CED-HFFI funds must be for low-income individuals and the cost per position cannot exceed \$20,000 for non-construction projects and \$25,000 for construction projects.

Question: What is the definition of a “livable” wage?

Answer: While the Funding Opportunity Announcement does not define regarding wage requirements, as outlined in the announcement, the application must provide a quantitative and qualitative description of the number of jobs created, wages, benefits, and position descriptions that indicate the jobs created provided wages that allowed persons to leave public assistance programs or similar supports. For more information, the federal minimum wage provisions are contained in the Fair Labor Standards Act (FLSA). The federal minimum wage is \$7.25 per hour effective July 24, 2009. Many states also have minimum wage laws. Some state laws provide greater employee protections; employers must comply with both. (<http://www.dol.gov/whd/minimumwage.htm>)

Question: I understand the job creation requirement for the program. My proposed work will create small scale (neighborhood level) vertical, aero- and aqua-ponic facilities with a storefront. It would provide local, exclusively challenged neighborhoods with access to healthy food options while employing low income residents with timely, modern skills in urban farming. The businesses will become self-sustainable and lead to ongoing employment. In an eco-friendly industry. The current model wouldn't lead to the same numbers of jobs listed in the solicitation unless initial startup crews, trainers and then permanent (ongoing) employees count or exclusions can be made for sustainable models such as this. Are those options?

Answer: While we cannot review or comment on the eligibility of your project prior to submission, CED and CED-HFFI funding may be used for eligible activities that contribute to the creation of new, permanent, full-time, full-year positions. A full-time, full-year position is a non-seasonal position requiring at least 30 hours of work per week. Part time jobs created by a project do not count towards the number of positions created under the CED/CED-HFFI programs. Additionally, 75% of the positions created using CED/CED-HFFI funds must be for low-income individuals and the cost per position cannot exceed \$20,000 for non-construction projects and \$25,000 for construction projects. The cost per position is calculated by dividing the total CED or CED-HFFI funding requested by the number of new jobs to be created over the course of the grant.

Question: What happens if a borrower is not successful in hiring 75% low-income people? What are the consequences for the project?

Answer: Grantees are held accountable for achieving the project goals and job creation targets as outlined in their CED application. It is expected that grantees make every effort to achieve grant goals. If

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job creation targets are not met and/or 75% of the positions are not filled by low-income individuals, grantees may be considered non-compliant and at risk of having to return the CED funds.

Project Start Date

Question: The application is due in April, with the award announcement coming by September 30th. The application states that projects should be "ready" to begin, but can the projects begin prior to receiving the grant award? If the application is submitted in April, and construction begins in August, can those costs be covered when the grant is received in the months following September?

Answer: Projects applying for CED/CED-HFFI funds may begin prior to September 30th. However, project costs incurred prior to September 30th may not be covered by grant funds.

Cost Per Job

Question: Please clarify Appendix A: Sample Chart of Cost per Job. If \$100,000 is spent on 4 employees is, the entire amount \$25,000 for each employee?

Answer: The cost per position is calculated by dividing the total grant request by the number of full-time, full-year positions to be created through the project.

[Total Amount of Federal CED-HFFI Funds Awarded] divided by [\$25,000 for construction projects or \$20,000 for non-construction projects] = [Minimum Number of Jobs to be Created].

If the total CED award amount is \$100,000 and it is a construction project, then at least 4 jobs must be created through the project.

$\$100,000/\$25,000 = 4$. The cost per job is \$25,000 for each of the 4 jobs.

As outlined in the Funding Opportunity Announcement, the cost per job cannot exceed \$20,000 for non-construction projects and \$25,000 for construction projects.

Question: Although it is stipulated that microenterprise business training and technical assistance centers are not eligible for assistance under this announcement, can businesses forecasting to create 5 jobs or less be assisted (and those jobs counted), if there is a mix of larger and small new businesses assisted?

Answer: Businesses forecasting to create 5 jobs or less are eligible to apply as long as they meet the cost per position requirements and at least 75% of those jobs are for low-income individuals. As outlined in the Funding Opportunity Announcements, the cost per job calculations cannot exceed \$20,000 for non-construction projects and \$25,000 for construction projects funded with CED and CED-HFFI funds.

When calculating the cost per position, divide the total CED/CED-HFFI grant request by the number of full-time, full-year positions to be created through the project as follows:

[Total Amount of Federal CED-Funds Awarded] divided by [\$25,000 for construction projects or \$20,000 for non-construction projects] = [Minimum Number of Jobs to be Created].

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So in this case, let's assume you will create 5 jobs. Then the total CED/CED-HFFI award amount you can request for a non-construction project is \$100,000 ($\$100,000/\$20,000 = 5$). If this is a construction project, the total CED/CED-HFFI award amount you can request for a non-construction project is \$125,000 ($\$125,000/\$25,000 = 5$).

Your project may also assist a mix of larger and smaller businesses – the total number of jobs will be based on the aggregate number of new, permanent, full-time, full year positions to be created by the project as a whole (not per business).

Match Requirements

Question: Are matching funds required for award?

Answer: There is no cost match required for CED projects.

Exemption from Electronic Submission

Question: How do we request an exemption from electronic submission?

Answer: Applicants may request and receive the exemption from required electronic application submission by either:

- Submitting an email request to electronicappexemption@acf.hhs.gov, or
- Sending a written request to the Office of Grants Management via

Katrina Morgan
Administration for Children and Families
Office of Grants Management
1401 Mercantile Lane Suite 401
Largo, MD 20774

Exemption requests must be received by ACF no later than two weeks before the application due date, (April 24, 2015), or 14 calendar days prior to the application due date listed in the Overview and in Section IV.3. Submission Dates and Times.

Requests for exemption from required electronic application submission will be acknowledged with an approval or disapproval.

Question: Are there any restrictions on how CED funds can be used?

Answer: Costs of organized fund raising, including financial campaigns, endowment drives, solicitation of gifts and bequests, and similar expenses incurred solely to raise capital or obtain contributions, are considered unallowable costs under grants or cooperative agreements awarded under this funding opportunity announcement.

Note: *Costs incurred for grant application preparation are not considered allowable costs under an award and may not be included in the project budget or budget justification.*

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- Grant awards will not allow reimbursement of pre-award costs.
- Subawards are not permitted under projects receiving funds under this announcement.
- Grant awards will not allow reimbursement of pre-award costs.
- Grant awards may not be used to capitalize loan loss reserve funds.
- Grant awards may not be used to make a loan with a balloon payment that will be paid after the end of the project period.
- Organizations may receive a maximum of one new CED award per year.

Disbursement of Funds

Question: How grantees typically handle the disbursement of funds, and if a CDC-CDFI partnership is ever used?

Answer: Regarding your question about disbursement of funds, upon receiving a CED award and review and completion of any necessary paperwork and requested modifications, the grantee will have access to all of their grant funds through the Division of Payment Management Services. It is up to the grantee to determine the best way to draw down funds as needed to implement their project and coordinate with any project partners. It is important to note that all grant funds must be treated in accordance with applicable Federal rules and regulations, including the HHS Grants Policy Statement, Uniform Administrative Requirements of the Code of Federal Regulations, and cost principles. View the HHS Grants Policy Statement at: <http://www.hhs.gov/asfr/ogapa/aboutog/hhsgps107.pdf>. Also, grantees under this funding opportunity announcement will be required to submit performance progress and financial reports twice a year throughout the project period. Additional details on reporting and the frequency of required reporting is outlined in Section VI.3. Reporting.

Project Location

Question: Can we a project operate in more than one service area, which may be in the same city, but not contiguous areas/neighborhoods?

Answer: Yes - as long as all businesses and positions created with CED-funds support a service area with unemployment and poverty rates that are at or above the state or national levels. In the Objectives and Need for Assistance section, the application must demonstrate that the project will meet the program's objectives by successfully serving individuals with low-income through the creation of employment and business opportunities within the project's service area.

Application Formatting

Two-file Requirement

Question: What is the two-file requirement?

Answer: Each applicant is required to upload ONLY two electronic files, excluding SFs and OMB-approved forms.

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- File One: Must contain the entire Project Description, and the Budget and Budget Justification (including a line-item budget and a budget narrative).
- File Two: Must contain all documents required in the Appendices.

No more than two files will be accepted for the review. Applications with additional files will be amended and files will be removed from the review. SFs and OMB-approved forms will not be considered additional files. Please do not attach additional documents to the SF-424 at Question 14 and/or after Question 15. Instead of providing a separate response to Question 14, all applicants are required to submit the SF for Project/Performance Site Location(s) (SF-P/PSL). In the SF-P/PSL, applicants may cite their primary location and up to 29 additional performance sites. Documents submitted as attachments to the SF-424 will be removed from the application and will not be reviewed.

Eligibility Requirements

Applicant Eligibility

Question: Who is eligible to apply for a CED grant?

Answer: To be eligible for the CED program, an applicant must meet three conditions:

1. Applicant must be a private, non-profit CDC with 501(c)(3) or non-501(c)(3) status;
2. Applicant must have articles of incorporation, bylaws, or other official documents demonstrating that the CDC has as a principal purpose the planning, developing, or managing of low-income housing or community economic development activities; and
3. The Board of Directors must have representation from each of the following: community residents, business leaders, and civic leaders.

Note: The CDC designation does not need to be specified on any official documents as long as the three requirements stated above are met.”

Applications from individuals (including sole proprietorships) and foreign entities are not eligible and will be disqualified from competitive review and from funding under this announcement. See Section III.3. Other, Application Disqualification Factors.

Faith-based and community organizations that meet the eligibility requirements are eligible to receive awards under this funding opportunity announcement. Faith-based organizations are encouraged to review the ACF Policy on Grants to Faith-Based Organizations at: <http://www.acf.hhs.gov/acf-policy-on-grants-to-faith-based-organizations>.

See "Legal Status of Applicant Entity" in Section IV.2 for documentation required to support eligibility.

Question: Community action agencies are eligible to apply for a CED grant as long as they meet the following three conditions:

1. Applicant must be a private, non-profit CDC with 501(c)(3) or non-501(c)(3) status;

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2. Applicant must have articles of incorporation, bylaws, or other official documents demonstrating that the CDC has as a principal purpose the planning, developing, or managing of low-income housing or community economic development activities; and
3. The Board of Directors must have representation from each of the following: community residents, business leaders, and civic leaders.

Note: The CDC designation does not need to be specified on any official documents as long as the three requirements stated above are met.

Answer: Community action agencies are eligible to apply for a CED grant as long as they meet the following three conditions:

1. Applicant must be a private, non-profit CDC with 501(c)(3) or non-501(c)(3) status;
2. Applicant must have articles of incorporation, bylaws, or other official documents demonstrating that the CDC has as a principal purpose the planning, developing, or managing of low-income housing or community economic development activities; and
3. The Board of Directors must have representation from each of the following: community residents, business leaders, and civic leaders.

Note: The CDC designation does not need to be specified on any official documents as long as the three requirements stated above are met.

Question: I recently received an email notification that the application dates for the following grant have been changed to 4/24/2015 and we would like to reapply:

Our application was disqualified in 2014 due to Section III.3, stating “Applications received from organizations that are not CDC’s as defined earlier in this section will be disqualified.”

The attached application revision, page 2, has a statement highlighted “Community organizations that meet the eligibility requirements are eligible to receive awards under this funding opportunity announcement.” that is confusing. My question is why would we not be eligible for this grant opportunity and how would we collaborate with our local CDC for this grant? Who would be our contact?

Answer: Yes – the application due date for the 2015 CED and CED-HFFI Funding Opportunity Announcements has been moved to April 24, 2015.

While we cannot review or comment on the eligibility of your project prior to submission, please note the following from the FOA. Your organization is eligible to apply for a CED or CED-HFFI grant as long as it meets all of the following three conditions:

1. Applicant must be a private, non-profit CDC with 501(c)(3) or non-501(c)(3) status;
2. Applicant must have articles of incorporation, bylaws, or other official documents demonstrating that the CDC has as a principal purpose the planning, developing, or managing of low-income housing or

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community economic development activities; and

3. The Board of Directors must have representation from each of the following: community residents, business leaders, and civic leaders.

Note: The CDC designation does not need to be specified on any official documents as long as the three requirements stated above are met.

In order to find CDCs in your area that you may collaborate with, you may review the list of active CED and CED-HFFI grantees funded in your state:

- CED Grantee Map: www.acf.hhs.gov/programs/ocs/programs/ced/ced-grantees

- CED-HFFI Grantee Map: www.acf.hhs.gov/programs/ocs/ced-hffi-grantee-map

Question: Our project provides programs for adults with developmental disabilities. The agency has a vital program called Pathways to Employment that provides employment training for approximately 200 adults annually that helps them secure and keep community-based employment. This training program is not funded through state reimbursements. The agency is in a capital campaign to both renovate some older facilities and construct a new facility to expand the number of clients it serves and increase the employment rate. Does this grant take into account this population of disabled adults? They do secure work but do not enter into the traditional 40hrs/week. They remain part-time.

Answer: The target population for the CED/CED-HFFI programs are individuals with low-income residing in the project's service area, including those individuals with disabilities. As stated in the Funding Opportunity Announcements, CED and CED-HFFI funding may be used for eligible activities that contribute to the creation of new, permanent, full-time, full-year positions. A full-time, full-year position is a non-seasonal position requiring at least 30 hours of work per week. Part time jobs created by a project do not count towards the number of positions created under the CED/CED-HFFI programs. Additionally, 75% of the positions created using CED/CED-HFFI funds must be for low-income individuals and the cost per position cannot exceed \$20,000 for non-construction projects and \$25,000 for construction projects. Also, all proposed projects creating permanent full-time jobs must be financially viable, including those employing people with disabilities.

Keep in mind, projects that focus primarily on job training, job placement, and technical assistance are not eligible under CED/CED-HFFI programs. Limited job training and job placement activities can be supported in the context of modest training that may be provided specifically for the new positions created. For example, funds can be used to train a cashier for a specific position that has been created, but cannot be used to operate a general job training and placement program.

Also, in order to be eligible for a CED grant, applicants must be a qualified Community Development Corporation (CDC), meeting all of the following:

1. Applicant must be a private, non-profit CDC with 501(c)(3) or non-501(c)(3) status;

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2. Applicant must have articles of incorporation, bylaws, or other official documents demonstrating that the CDC has as a principal purpose the planning, developing, or managing of low-income housing or community economic development activities; and

3. The Board of Directors must have representation from each of the following: community residents, business leaders, and civic leaders.

Note: The CDC designation does not need to be specified on any official documents as long as the three requirements stated above are met.

Question: I was wondering if I could receive some clarification regarding HHS' Community Economic Development Grant's eligible candidates. I work in the research department of a prominent grant writing service located in New Jersey and I have read the RFP thoroughly; I just want some clarification before I move this information forward to my client.

Community Development Corporations (as an "unofficial title", as it notes in the RFP) do or do not include Economic Development Corporations? Similarly, considering the title is "unofficial" does this imply that any private nonprofit with 501 (C) (3) status that has a Board of Directors (representing residents, business leaders, civic leaders) as well as a formal mission statement/document (noting their purpose is to plan, develop, or manage LMI housing or community economic development) is eligible to apply?

Answer: Yes - you are correct. An Economic Development Corporation is eligible to apply for a CED grant as long as it meets all of the following:

1. Applicant must be a private, non-profit CDC with 501(c)(3) or non-501(c)(3) status;

2. Applicant must have articles of incorporation, bylaws, or other official documents demonstrating that the CDC has as a principal purpose the planning, developing, or managing of low-income housing or community economic development activities; and

3. The Board of Directors must have representation from each of the following: community residents, business leaders, and civic leaders.

Note: The CDC designation does not need to be specified on any official documents as long as the three requirements stated above are met.

Question: On the webinar today, during the topic of other factors that will be considered under grant review, it sounded like an applicant that wants to use an OCS grant to expand an existing project that was previously funded by OCS may not be allowed. For instance, if an applicant applied for a grant a few years ago to develop a portion of building space and is now ready to develop an additional portion of building space (in the same building but not the same space) would that be allowed?

Answer: You are correct that a previously funded project cannot be funded again under this funding opportunity in order to complete the project. However, the expansion of a previously funded project is

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not considered the same project even though it may be a part of the same larger project. As long as the scope of both projects funded with CED/CED-HFFI grants are different, then they can be funded as separate projects.

Question: The webinar was helpful, but I'm still left with the question of whether my organization is eligible to apply for the CED grant. We are NOT a CDC, and we're not neighborhood-specific, but we serve the 5-county Greater Philadelphia region and are a certified CDFI microlender. Would we be able to apply on our own? Or would we need to partner with a CDC to do so?

Answer: "There is no official designation as a CDC. Your organization is eligible to apply for a CED or CED-HFFI grant as long as it meets all of the following three conditions:

1. Applicant must be a private, non-profit CDC with 501(c)(3) or non-501(c)(3) status;
2. Applicant must have articles of incorporation, bylaws, or other official documents demonstrating that the CDC has as a principal purpose the planning, developing, or managing of low-income housing or community economic development activities; and
3. The Board of Directors must have representation from each of the following: community residents, business leaders, and civic leaders.

In order to find CDCs in your area that you may collaborate with, you may review the list of active CED and CED-HFFI grantees funded in your state:

- CED Grantee Map: www.acf.hhs.gov/programs/ocs/programs/ced/ced-grantees

- CED-HFFI Grantee Map: www.acf.hhs.gov/programs/ocs/ced-hffi-grantee-map

Food Desert

Question: I was looking for clarification of a Food Desert as determined by the USDA's Food Access Research Atlas. Is the criteria to establish a Food Desert 1 mile access or ½ mile (both are shown as possible choices in selecting a census tract. Also has any other entity that you are aware of (within the City of Phoenix) made a determination that an area is classified as a Food Desert?

Answer: Either criteria is eligible for purposes of this announcement. As outlined in Section 1. Funding Opportunity Description, a food desert is defined as low-income communities where a substantial number or share of residents has low access to affordable and healthy food retailers. Healthy food options in these communities are hard to find or are unaffordable. To qualify as a food desert, a community must either:

- Be a census tract determined to be a food desert by the U.S. Department of Agriculture, as identified in USDA's Food Access Research Atlas; OR

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- Be a Geographic Unit (i.e., county (or equivalent area), minor civil division that is a unit of local government, incorporated place, census tract, block numbering area, block group, or American Indian or Alaska Native area), which has unemployment and poverty rates that are at or above the state or national levels, and which has been identified as having low access to a supermarket or grocery store through a methodology that has been adopted for use by another governmental or philanthropic healthy food initiative.

Based on this definition, areas that are not in a USDA-defined food desert may still be eligible for funding through the CED-HFFI program if applicants can point to indicators of need, such as poor access to a healthy food retail outlet, a high percentage of low-income residents, incidence of diet-related health conditions, or high concentrations of persons eligible for food assistance programs (e.g., Supplemental Nutrition Assistance Program - SNAP, Special Supplemental Nutrition Program for Women, Infants, and Children - WIC, school lunch programs).

To determine if the service area of this organization is a qualified food desert or for more information on obtaining county-level data relating to food access, food consumption, diet-related health indicators, and participation in food assistance programs, please visit: www.ers.usda.gov/foodatlas.

Though we do not have information related to food deserts within the City of Phoenix, some helpful resources related to healthy food financing are available on the following sites:

- <http://healthyfoodaccess.org>
- www.acf.hhs.gov/programs/ocs/programs/community-economic-development/healthy-food-financing
- <http://ocscommunitydevelopment.org/> (Follow links to "Resource Library" & "Healthy Food Financing Initiative")

Question: The Census tract in which the Louisville Food Port is located (21-111-000600) does not appear on the USDA list of food deserts. According to the USDA's Food Access Research Atlas, a significant number of residents in the Census tract are low-income and live at least 1/2 mile away from a supermarket or large grocery store. While this does not meet the one-mile standard described in the grant application, this does indicate limited access.

We understand that projects that do not meet the income and access criteria can also qualify based on incidence of diet-related health conditions and food assistance use. Can you recommend a data source for this information? We are having difficulty finding data about SNAP use beyond the state level, and health indicator data is typically available only at the county level. If we find data from a local health department, will that be acceptable?

Answer: Based on the definition of a food desert, areas that are not in a USDA-defined food desert may still be eligible for funding through the CED-HFFI program if applicants can point to indicators of need, such as poor access to a healthy food retail outlet, a high percentage of low-income residents, incidence of diet-related health conditions, or high concentrations of persons eligible for food assistance programs (e.g., Supplemental Nutrition Assistance Program - SNAP, Special Supplemental Nutrition Program for Women, Infants, and Children - WIC, school lunch programs).

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To determine if the service area of this organization is a qualified food desert or for more information on obtaining county-level data relating to food access, food consumption, diet-related health indicators, and participation in food assistance programs, please visit: www.ers.usda.gov/foodatlas.

In addition, some helpful resources related to taxes and healthy food financing are available on the following sites:

- www.irs.gov
- <http://healthyfoodaccess.org>
- www.acf.hhs.gov/programs/ocs/programs/community-economic-development/healthy-food-financing
- <http://ocscommunitydevelopment.org> (Follow links to "Resource Library" & "Healthy Food Financing Initiative")
- Research Your Community is a free and interactive tool providing data indicators. This new tool is coming soon to the Healthy Food Access Portal at <http://healthyfoodaccess.org/get-started/research-your-community>

Eligible Use of Funds

Question: Please clarify the difference between a business incubator program and a microenterprise business training and technical assistance center. What activities of each specifically can or cannot be conducted under the CED grant?

Answer: As defined in the announcement, an incubator is a program to help start-up participating businesses flourish by providing support, resources, and business services and advice, usually in one physical location. Incubators that are established without a geographic location in the community are not supported by this announcement. Incubator development is allowable as long as it demonstrates substantial and specific job creation for low-income individuals and the incubator is located in a geographic location within the community. Incubators that are established without a geographic location in the community are not supported by this announcement.

As defined in the announcement, a microenterprise is a commercial participating business with five or fewer employees, at least one of whom is the owner. This is an eligible activity as long as the creation or expansion of a business results in the creation of permanent, full-time, full-year jobs.

CED funds cannot be used solely for training and technical assistance as a means to create jobs. Limited job training and job placement activities can be supported only in the context of modest training that may be provided specifically for the new positions created. For example, funds can be used to train a cashier for a specific position that has been created, but cannot be used to operate a general job training and placement program.

For all CED-funded projects regardless of project design, funds can be used for costs associated with business start-up or business expansion activities, as consistent with the cost principles found at 2 CFR Part 230, provided that the expenditures result in the creation of positions in a viable industry that can be filled with low-income individuals and improve access to healthy, affordable foods.

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CED grant funds may not be used for:

- Projects that include the reimbursement of pre-award costs.
- Projects that provide subawards/pass-through.
- Projects that use funding to capitalize loan loss reserve funds.
- Projects that use funding to provide loan(s) that have balloon payments that will be paid after the end of the project period.
- Projects that create or expand microenterprise business training and technical assistance centers.
- Projects that focus primarily on job training, job placement, and technical assistance.
- Projects that do not create new jobs that did not exist prior to the proposed CED project.

Project Description

Question: Can you provide some guidance on where the logic model should go? There's just a random mention of it once. Is it ok in the appendices?

Answer: The logic model should be referenced in the Project Description section of the application and can be included in the Appendices file of the 2-file upload. Note: logic models are exempt from double-spacing requirements and may be single spaced.

Question: Please confirm that all financial documentation (i.e., profit and loss forecasts or pro forma, cash flow projections, balance sheets, and sources and uses of funds statements) can either be in the Appendix or the Project Description file (depending on page limitations).

Answer: Yes, this is correct. The narrative of your application may include references to supporting documentation that may be included in the Appendices file. In such instances, applicants should provide clear references using item name, location, and page numbers. For example, you may include a summary of the market analysis in the Project Description, but the actual market research and data may be included in the Appendices file.

Business Plan

Past Performance with Similar Job Creation Projects

Question: In the case of meeting the past performance criterion, if an applicant were partnering with an entity more experienced in job creation, can that entity's performance be utilized to meet the expectation of providing evidence of two business creation or business expansion projects, similar to that being proposed?

Answer: Yes – when partnering with a more experienced entity, the partner's experience can be utilized to demonstrate evidence of business creation or business expansion projects undertaken by the applicant within the last ten years that are substantially similar to the project for which CED funding is being requested and were successful in creating full-time, full-year positions that lasted for at least one

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year beyond the project period. However, keep in mind, each application will be evaluated individually to determine the extent to which the application meets the evaluation criteria outlined in *Section V.1. Criteria*.

Question: Regarding the requirement that we have two previous examples of a qualifying project: There is one key project that the CDC has assisted with both the creation and expansion phase, and we were wondering if this would be sufficient to include in a competitive application?

Answer: We cannot comment on the specifics of the example you have provided. As outlined in the Funding Opportunity Announcements, reviewers will evaluate the extent to which application demonstrates that the applicant and all partner organizations have the experience necessary to successfully carry out the proposed project, including evidence of two business creation or business expansion projects undertaken by the applicant within the past 10 years that are substantially similar in terms of size and scope to the project for which CED funding is being requested and were successful in creating full-time, full-year positions that lasted for at least 1 year beyond the project period.

Financial Feasibility Documentation

Question: Can you please clarify again the difference between the financial feasibility documentation that you expect in the Project Viability section, the financial plan in the Financial Strategies section, and the Budget Justification section? And which Financial Documentation should be in the Appendix (for the business or for the project)?

Answer: As outlined in the announcement, in the Project Viability section, the financial feasibility of the participating business(es) must be demonstrated for project viability and show that the participating business(es) project has sufficient income to realize proposed business objectives to match program goals and objectives during the project period. Supporting documentation demonstrating financial feasibility (profit and loss statements, forecasts, balance sheets, and sources and uses of funds statements) for all funds available to the project must be provided in the application. See “financial feasibility/viability” in the Definition of Terms available in Section I. Funding Opportunity Description. Additionally, for a newly established entity, an official (executive director or board member authorized to make decisions on behalf of the organization) must provide a signed statement agreeing to establish a financial management system, developed in accordance with 45 CFR Part 75.302, within 6 months of incorporation of the new entity, along with a signed financial statement stating that the organization is financially healthy.

Meanwhile, the Financial Strategies section should include acceptable financial plan for the project that demonstrates that the project will be economically feasible by the conclusion of the grant period; demonstrate that project will remain viable for at least 1 year after the end of the grant period; show that the project will create at least the minimum number of jobs for the amount of the requested award equal to the ratio found by dividing the requested award amount by \$25,000 for construction projects or \$20,000 for non-construction projects; show that future program income is not necessary to meet the funding needs for implementation of the project design; and the ability to carry out project with only

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CED or CED-HFFI funds or evidence that other unconditional financing has been secured (cash or in-kind contributions).

Finally, in the Budget & Budget Justification section, you must provide a budget with line-item detail and detailed calculations for each budget object class identified on the Budget Information Form (also known as SF-424A or SF-424C). This budget must also include funding for all required items, including travel for 1 staff member to attend a training and technical assistance conference in Washington, DC, during each year of the grant and, if the applicant is partnering with an experienced CDC, funds to cover the costs of this support (for example, travel costs, payments to cover staff time, etc.).

It is expected that all sections are closely aligned and lead to the success of the project.

Question: In cases where the CDC is using the grant to develop a building that is owned by the CDC, and will lease the redeveloped space to a tenant that will create the jobs, is OCS expecting to get supporting financial documentation on both the project and the business creating the jobs, even if the business does not receive an OCS loan/equity investment?

Answer: The level of financial documentation needed for the project and business creating the jobs depends on the design of the project. If CED funds are being used to develop a building that is owned by the CDC, then the application should include financial information, leasing policies, market research, and other necessary documentation on the project. However, in this case, the application must also include a partnership agreement between the applicant and the project partner proposing to create the jobs that includes a description of roles and the relationship between the applicant and project partner. The agreement must be signed by all parties and, at a minimum, contain the elements outlined in the funding opportunity announcement in "Section IV.2. Content and Form of Application Submission, Business Plan – Organizational Profile."

Bonus Points

General

Question: Are there any plans to award bonus points for Investing in Manufacturing Communities Partnership areas in the future?

Answer: At this time, it is unknown if bonus points for investing in manufacturing communities partnership areas will be awarded in future announcements.

Alignment with Comprehensive Neighborhood Change Initiatives

Question: In the Bonus Points section for Alignment with PZs or Choice Neighborhoods it states that the application must provide a signed letter of support. As part of the grants.gov package, there is also a HUD Form for Promise Zone Preference points. For grantees that will be serving Promise Zones is it necessary to include both the signed HUD Form and a signed letter of support in order to score up to the maximum 5 bonus points or is the signed HUD form sufficient?

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Answer: The completed and signed copy of Certification of Consistency with Promise Zone Goals and Implementation Form (HUD Form 50153) demonstrating the proposed project is located in shared designated target area(s) that align with and/or will benefit the selectee(s) of the Promise Zones Initiative is sufficient.

This form is available at: http://portal.hud.gov/hudportal/documents/huddoc?id=HUD_Form_50153.pdf
Though the form is sufficient to demonstrate collaboration with a Promise Zone, it is also expected that the application documents the extent of involvement/collaboration and clearly outlines roles and responsibilities and any support and/or resources to be provided as a result of this partnership.

Question: The HUD Form for Promise Zone Preference clearly states that projects which substantially and directly benefit Promise Zone residents but which are not within the boundaries of the Promise Zone may be considered for preference points. However, on page 46 of the OCS/CED program announcement it seems to say that the OCS project needs to be located in the Promise Zone/Choice Neighborhood in order to be eligible for bonus points. Can you clarify?

Answer: Projects that are not located within the boundaries of a Promise Zone, but will directly benefit the selectee(s)/residents of the Promise Zones Initiative are eligible for bonus points. Keep in mind, your application must also provide sufficient detail demonstrating this.

Question: Can you confirm that the HUD Form 50154 in the grants.gov package should be attached as an "Other Attachments Form" since it is listed as one of the "required forms/assurances/certifications", and will not be counted towards the page limits.

Answer: The Certification of Consistency with Promise Zone Goals and Implementation Form (HUD Form 50153) is listed under a required form and FOA. Therefore, it should not be included in the Project Description and Appendices files and not count toward the page limit. This form, along with the Standard Forms (SFs) and other OMB-approved forms, such as the SF-424 application and budget forms and the SF-P/PSL (Project/Performance Site Location), are uploaded separately at Grants.gov. These forms are submitted separately from the Project Description and Appendices files. We do recommend including a reference to this form in your application.

See *Section IV.2. Required Forms, Assurances, and Certifications* for the listing of required Standard Forms, OMB-approved forms, and required assurances and certifications.

Loans

Question: In the event more than one business will participate in a lending program, please clarify what is needed from the identified borrowers to document their commitment. Is a "sample" loan agreement needed that is signed and detailed as per the instructions on page 27 needed from/with all businesses that will create the total projected number of jobs for the entire project, or is a signed agreement only needed with one/the first business to receive a loan? For example, if there are 3 businesses creating a total of 30 jobs (for a grant of approximately \$600,000) and in addition it is anticipated that other jobs may be created as loans are repaid and new businesses enlist in the program, are signed sample agreements needed with all 3 businesses that create the original 30 jobs or only one (i.e. the "first" business expected to participate)?

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Answer: In all instances involving a loan, the applicant must identify the business(es) that will receive the initial loans. As outlined in Section V.1 under Business Plan - Project Implementation, one of the factors reviewers will consider is the extent to which the application includes draft copies of the loan agreement(s), which may be conditioned upon receipt of CED/CED-HFFI grant. The agreements should include: name of the specific business(es) receiving the loans; the type(s) of business(es); the business development plan(s); the purpose(s) for which the applicant will make a loan; the loan period; the interest rate to be charged that will be at or below market rate; the repayment schedule; the collateral security required; the default and collection procedures; the signatures of the authorized officials of the lender and borrower; and a commitment by the borrower to create new, full-time, full-year jobs - at least 75 percent of which will be filled by low-income individuals. For the initial business(es), signed agreement(s) with the initial business(es) must be included as outlined above while sample loan agreement(s) can suffice for business(es) to receive subsequent loans.

Question: For an application for a loan fund, is the same level of detail on each project required as if you are applying for funding for a single project? For example, site control, financial projections, and market research? Should the resumes be for the grant applicant (which will be the lender) or the project (the borrower)? How about the audited financials?

Answer: In all instances involving a loan, the applicant must identify the business(es) that will receive the initial loan(s) as outlined in Section V.1 under Business Plan - Project Implementation and provide necessary documentation. For these initial business(es) identified, a strong application will also include market research, demonstration of site control, financial projections, and other documentation demonstrating the ability of the business(es) to create and sustain the new positions proposed. Project resumes should be provided for those in the applicant organization who will be implementing the project and demonstrate they have the necessary skills and capacity to carry out such a project. Similarly, audited financial statements should be provided for the applicant organization.

Question: The webinar said OCS doesn't fund projects that make loans with balloon payments. The announcement says balloon payments have to be made prior to the end of the project period. Please confirm.

Answer: CED grant funds may not be used for projects that use funding to provide loan(s) that have balloon payments that will be paid after the end of the project period.

As noted in the announcement, balloon payments are defined as large loan payments agreed upon by the parties and due at the end of a mortgage, commercial loan, or other amortized loan. The balloon payment is not amortized over the life of the loan, and as the remaining balance is the final repayment to the lender. As noted in the definition of "Loan," also found in the announcement, re-payment of all loans funded with CED funds must begin during the course of the funded project period and a balloon payment (if any) must be made before the end of the project period.