

**DEPARTMENT OF THE TREASURY****Community Development Financial Institutions Fund****Notice of Funds Availability (NOFA) Inviting Applications for the Community Development Financial Institutions Program—Technical Assistance (TA) Component**

**AGENCY:** Community Development Financial Institutions Fund, Department of the Treasury.

**ACTION:** Notice of Funds Availability (NOFA) inviting applications.

**SUMMARY:** The Community Development Banking and Financial Institutions Act of 1994 (12 U.S.C. 4701 *et seq.*) (the "Act") authorizes the Community Development Financial Institutions Fund (the "Fund") of the U.S. Department of the Treasury to select and provide financial and technical assistance to eligible applicants under the Community Development Financial Institutions ("CDFI") Program. The interim rule (12 CFR part 1805), most recently revised and published in the **Federal Register** on November 1, 1999, provides guidance on the contents of the necessary application materials, evaluation criteria, and other program requirements. More detailed application content requirements are found in the application packet. While the Fund encourages applicants to review the interim rule, all of the application content requirements and the evaluation criteria contained in the interim rule are also contained in the application packet. Subject to funding availability, the Fund intends to award up to \$4.5 million in appropriated funds under this NOFA and expects to issue approximately 80 to 90 awards. The Fund reserves the right to award in excess of \$4.5 million in appropriated funds under this NOFA provided that funds are available and the Fund deems it appropriate. The Fund reserves the right to fund, in whole or in part, any, all, or none of the applications submitted in response to this NOFA.

This NOFA is issued in connection with the TA Component of the CDFI Program. The TA Component provides direct assistance to CDFIs, and in some circumstances, other entities that propose to become CDFIs, to enhance their capacity to serve their Target Markets.

**DATES:** Applications may be submitted at any time following January 4, 2000. Applications will be received and reviewed on a rolling basis, as described below. The final deadline for receipt of an application, however, is 6 p.m. EDT

on May 31, 2000. Applications received in the offices of the Fund after that date and time will be rejected and returned to the sender.

**ADDRESSES:** Applications shall be sent to: Awards Manager, Community Development Financial Institutions Fund, U.S. Department of the Treasury, 601 13th Street, NW, Suite 200 South, Washington, DC 20005. Applications sent electronically or by facsimile will not be accepted.

**FOR FURTHER INFORMATION CONTACT:** If you have any questions about programmatic requirements, contact the TA Program Manager. Should you wish to request an application package or have questions regarding application procedures, contact the Awards Manager. The TA Program Manager and the Awards Manager may be reached by e-mail at [cdfihelp@cdfi.treas.gov](mailto:cdfihelp@cdfi.treas.gov), by telephone at (202) 622-8662, by facsimile at (202) 622-7754 (these are not toll free numbers), or by mail at CDFI Fund, 601 13th Street, NW, Suite 200 South, Washington, DC 20005. Allow at least one to two weeks from the date the Fund receives a request for receipt of the application package. Applications and other information regarding the Fund and its programs may be downloaded from the Fund's web site at <http://www.treas.gov/cdfi>.

**SUPPLEMENTARY INFORMATION:****I. Background**

Credit and investment capital are essential ingredients for developing affordable housing, starting or expanding businesses, creating and retaining jobs from these businesses, revitalizing neighborhoods, and empowering people. As a key urban and rural policy initiative, the CDFI Program funds and supports a national network of financial institutions that is specifically dedicated to funding and supporting community development. This strategy builds strong institutions that make loans and investments and provide services to economically distressed investment areas and economically disadvantaged targeted populations. The Act authorizes the Fund to select entities to receive financial and technical assistance. This NOFA invites applications from eligible organizations for technical assistance for the purpose of promoting community development activities.

The program connected with this NOFA constitutes the TA Component of the CDFI Program, involving direct technical assistance (TA) to CDFIs that provide loans, investments and other activities to their target markets. Under this TA Component NOFA, the Fund

anticipates making a maximum award amount of \$50,000 to any one applicant. However, the Fund, in its sole discretion, reserves the right to award amounts in excess of the anticipated maximum amount if the Fund deems it appropriate.

Previous awardees under the CDFI Program are eligible to apply under this NOFA, but such applicants must be aware that success in a previous round should not be considered indicative of success under this NOFA. In addition, organizations will not be penalized for having previously received awards from the Fund, except to the extent that:

(1) The Fund is generally prohibited from obligating more than \$5 million in assistance, in the aggregate, to any one organization and its subsidiaries and affiliates during any three year period; and

(2) The Fund will not make an award to a previous awardee that has failed to meet its performance goals, financial soundness covenants (if applicable), and/or other certain requirements contained in the previously executed assistance agreement(s).

**II. Eligibility**

The Act and the interim rule specify the eligibility requirements that each applicant must meet in order to be eligible to apply for assistance under this TA Component NOFA. At the time an entity submits its application, the entity must be a duly organized and validly existing legal entity under the laws of the jurisdiction in which it is incorporated or otherwise established. An entity must meet, or propose to meet, CDFI eligibility requirements.

If the applicant does not meet the CDFI eligibility requirements, the application shall include a realistic plan for the applicant to meet the criteria by September 30, 2002 (the deadline may be extended at the sole discretion of the Fund). In no event will the Fund disburse technical assistance to the applicant until the applicant can be certified as a CDFI, except in such circumstances when, in the judgment of the Fund, the use of technical assistance will help the applicant meet a certification requirement(s). Further details regarding eligibility and other program requirements are found in the application packet.

In general, a CDFI and its affiliates must collectively have a primary mission of promoting community development. In addition, the applicant organization must: provide loans or equity investments, serve an investment area or a targeted population, provide development services, maintain community accountability, and be a

non-governmental entity. If an applicant is a depository institution holding company or an affiliate of a depository institution holding company, the applicant and its affiliates must collectively meet all of the aforementioned requirements. If an applicant is a subsidiary of an insured depository institution, the insured depository institution and all of its subsidiaries must collectively meet all of the aforementioned requirements.

### III. Types of Assistance

An applicant under this NOFA may only submit one application for a TA grant.

### IV. Application Packet

An applicant under this NOFA must submit the materials described in the application packet.

### V. Evaluation

With the exception of applications received by the Fund during January 2000, applications received under this NOFA will be reviewed monthly on a rolling basis. All applications received by the Fund from the date of this NOFA through 6 p.m. EST, February 29, 2000, will be reviewed together; provided that funds are available, applications received after 6 p.m. EST, February 29, 2000, through 6 p.m. EST, March 31, 2000 will be reviewed together; provided that funds are available, applications received after 6 p.m. EST, March 31, 2000, through 6 p.m. EDT, April 28, 2000, will be reviewed together; and, provided that funds are available, applications received after 6 p.m. EDT, April 28, 2000, through 6 p.m. EDT, May 31, 2000, will be reviewed together. Applications received in the offices of the Fund after 6 p.m. EDT, May 31, 2000, will be rejected and returned to the sender.

An entity may submit only one application under this NOFA. If a subsequent application is received, the Fund will reject it and return it to the sender. Potential applicants should note that, as the Fund intends to review and select award applications on a rolling basis, it is possible that funding decisions made early during the rolling review period may obligate all of the funds made available under this NOFA. The amount available for awards will decrease each month as the Fund reviews applications and makes award selections. After each submission date, applications received will first be reviewed for eligibility and completeness. If determined to be eligible and complete, applications will be evaluated by the Fund on a competitive basis in accordance with

the criteria described in this NOFA. In conducting its substantive review, the Fund will evaluate applications according to the criteria in, and use the procedure described in, this NOFA.

#### Phase One

In Phase One of the substantive review, each Fund reader will evaluate applications using a 100-point scale, using the following criteria and allocation of points:

(a) *Comprehensive Business Plan*, 60 points, with a minimum score of 30 points required to advance to Phase Two review. The score for the Comprehensive Business Plan is based on a composite assessment of an applicant's strength and weaknesses under six sub-criteria. Such scoring reflects different weighting of the sub-criteria depending on whether the applicant is a start-up organization or an established organization. The Fund defines a start-up organization as an entity that has been in operation two years or less, as of the date of this NOFA (meaning, for purposes of this NOFA, having incurred initial operating expenses on or after January 4, 1998).

The six sub-criteria are:

- (1) Community development track record (established organizations only): 10 point maximum;
- (2) Financial and operational capacity: 10 point maximum (established organizations); 4 point maximum (start-ups);
- (3) Capacity, skills and experience of the management team: 14 point maximum (established organizations); and 30 point maximum (start-ups);
- (4) Market analysis, program design and implementation plan: 12 point maximum;
- (5) Projected activities and community development impact: 10 point maximum; and
- (6) Funding sources: 4 point maximum.

In the case of an applicant that has previously received assistance from the Fund under the CDFI Program, the Fund will consider whether the applicant will expand its operations into a new target market, offer more products or services, and/or increase the volume of its activities. The Fund will consider the applicant's level of success in meeting its performance goals, financial soundness covenants (if applicable), and other requirements contained in the assistance agreement(s) with the Fund, and the benefits that will be created with new Fund assistance over and above benefits created by previous Fund assistance.

(b) *Technical Assistance Proposal (TAP)*, 40 point maximum, with a 20

point minimum to advance to Phase Two review. The TAP provides the applicant with an opportunity to assess and address the organizational improvements needed to achieve the objectives of its comprehensive business plan. Such assessment is accompanied by a budget and a TA award request. In the TAP, the applicant should describe how improving its organization will translate to community development impact within its Target Market. The budget and accompanying narrative will be evaluated for the eligibility of proposed uses of the TA award. Eligible types of TA award uses include, but are not limited to, the following: (1) Consulting services; (2) technology items; and (3) training for staff or management. The Fund will not consider requests under this NOFA for expenses that, in the interpretation of the Fund, are deemed to be ongoing operating expenses rather than non-recurring expenses (for example, the cost of designing marketing materials for a loan product through a consulting contract is a non-recurring expense, but the cost of producing or distributing printed marketing materials is an ongoing expense; salary expenses for staff are ongoing, but the cost of a consulting contract for a discrete scope of services is a non-recurring expense). Further, a TA award may not be used to assist an awardee to prepare an application for funding to the Fund or to any other source.

#### Phase Two

Once the initial evaluation is complete, the Fund will determine which applications will receive further consideration for funding. The Fund will make that determination based on application scores (standardized if deemed appropriate), recommendations of individuals performing initial reviews, and the amount of funds available. Applicants that advance to Phase Two may receive a telephone interview(s) conducted by a Fund reviewer for the purpose of obtaining clarifying or confirming information. At this point in the process, applicants may be required to submit additional information about their application in order to assist the Fund with its final evaluation. After conducting such telephone interview(s), the Fund reviewer will evaluate applications in accordance with the criteria outlined above and will prepare a recommendation memorandum regarding the uses and amount of assistance that should be provided to the applicant.

A panel comprised of Fund staff will review the reviewer's recommendation

memorandum and make a final recommendation to the Fund's selecting official, who will make the final funding decision. In making the funding decision, the Fund's selecting official also may consider the institutional diversity and geographic diversity of applicants (*e.g.*, recommending a CDFI from a State in which the Fund has not previously made an award over a CDFI in a State in which the Fund has already made numerous awards).

The Fund's selecting official will make a final funding determination based on the applicant's file, including, without limitation, recommendations of the Phase One reader(s), the Phase Two reviewer, and the panel, and the amount of funds available. In the case of regulated CDFIs, the selecting official will also take into consideration the views of the appropriate Federal banking agencies. In the case of recommendations for TA awards over \$50,000, the Fund will seek to ensure that there is a likelihood of significant community development impact resulting from such awards.

The Fund reserves the right to change these evaluation procedures if the Fund deems it appropriate.

#### VI. Information Sessions

In connection with this NOFA, the Fund will conduct Information Sessions to disseminate information to organizations contemplating applying for, and other organizations interested in learning about, the TA Component of

the CDFI Program. Registration is required and registration in advance is preferred. The Fund will conduct six in-person Information Sessions, beginning January 26, 2000, as follows:

Albuquerque, NM, Monday, February 14, 2000;

Des Moines, IA, Monday, February 7, 2000;

Laramie, WY, Tuesday, February 1, 2000;

Nashville, TN, Wednesday, February 9, 2000;

Seattle, WA, Friday, February 11, 2000; and

Washington, DC, Wednesday, January 26, 2000.

In addition to the in-person sessions listed above, the Fund will broadcast an Information Session using interactive video-teleconferencing technology on Friday, February 4, 2000 from 1 p.m. to 4 p.m. EST. Registration is required and registration in advance is preferred. This Information Session will be produced in Washington, DC, and will be downlinked via satellite or pic-tel to the local Department of Housing and Urban Development (HUD) offices located in the following 81 cities: Albany, NY; Albuquerque, NM; Anchorage, AK; Atlanta, GA; Baltimore, MD; Bangor, ME; Birmingham, AL; Boise, ID; Boston, MA; Buffalo, NY; Burlington, VT; Camden, NJ; Casper, WY; Charleston, WV; Chicago, IL; Cincinnati, OH; Cleveland, OH; Columbia, SC; Columbus, OH; Dallas, TX; Denver, CO; Des Moines, IA; Detroit, MI; Fargo, ND;

Flint, MI; Fort Worth, TX; Fresno, CA; Grand Rapids, MI; Greensboro, NC; Hartford, CT; Helena, MT; Honolulu, HI; Houston, TX; Indianapolis, IN; Jackson, MS; Jacksonville, FL; Kansas City, KS; Knoxville, TN; Las Vegas, NV; Little Rock, AR; Los Angeles, CA; Louisville, KY; Lubbock, TX; Manchester, NH; Memphis, TN; Miami, FL; Milwaukee, WI; Minneapolis/St. Paul, MN; Nashville, TN; New Orleans, LA; New York, NY; Newark, NJ; Oklahoma City, OK; Omaha, NE; Orlando, FL; Philadelphia, PA; Phoenix, AZ; Pittsburgh, PA; Portland, OR; Providence, RI; Reno, NV; Richmond, VA; Sacramento, CA; St. Louis, MO; Salt Lake City, UT; San Antonio, TX; San Diego, CA; San Francisco, CA; San Juan, PR; Santa Ana, CA; Seattle, WA; Shreveport, LA; Sioux Falls, SD; Spokane, WA; Springfield, IL; Syracuse, NY; Tampa, FL; Tucson, AZ; Tulsa, OK; Washington, DC; and Wilmington, DE.

For more information, or to register for an Information Session, please contact the Fund at (202) 622-8662 or visit the Fund's web site at [www.treas.gov/cdfi](http://www.treas.gov/cdfi).

**Authority:** 12 U.S.C. 4703, 4703 note, 4704, 4706, 4707, and 4717; 12 CFR part 1805.

Dated: December 22, 1999.

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