

ECONOMIC DEVELOPMENT GRANT

POLICY & GUIDELINES

I. Goal:

To assist in the development of low-to-moderate income communities and neighborhoods to create/retain long-term private sector jobs for low-to-moderate-income community residents.

II. Maximum Grant:

\$100,000 (*See section IX*)

III. Eligible Applicants:

A. In order to apply to the program an organization must meet all of the following minimum requirements:

1. Must be a member of the Finance Fund;
2. Prior to the date of application for funds, be incorporated as a private, nonprofit organization with the Secretary of State of the State of Ohio under Chapter 1702 of the Ohio Revised Code for a **minimum of two years**; and be granted **501 (c) (3)** status by the Internal Revenue Service;
3. Created and maintained as a community-based organization with the purpose of meeting the needs of a geographically defined **low- and moderate-income neighborhood**, community or target area. A low- and moderate-income area is defined as a geographic area that has a significant number of residents whose incomes are either at or below 80% of area median income;
4. Have a Board of Directors that represents and is accountable to the neighborhood or community it serves. The **Board must be comprised of at least one-third low- and moderate-income neighborhood residents**;
5. The time of application submission, the nonprofit organization cannot have a grant awarded through the Economic Development Grant program or its predecessor within the previous 12 months and/or have an open Economic Development Grant from the program; and
6. All applicants must consult with Finance Fund staff prior to the submission of an application.
7. Grants will be made primarily for fixed assets; i.e. real estate, machinery, equipment, furniture, fixtures, etc. A portion of the funding may be used for administration (see: IV A).

IV. Eligible Activities:

- A. Projects that bring about improvement of neighborhood commercial areas through rehabilitation or construction of industrial, retail or office space, creates permanent, private sector jobs thereby strengthening an area's economic base. Projects may be nonprofit or for-profit ventures owned in whole or in part by the applicant organization. Fifteen percent of the grant may be used for administration costs as approved by the Finance Fund.

V. Ineligible Activities:

- A. The development of public and/or community facilities;
- B. The development (purchase, construction, or rehabilitation) of space to house the nonprofit applicant's administrative offices or functions (Note: If the proposed project includes office space for the nonprofit, this space must be paid for with other funds);
- C. The operational costs of training programs; and
- D. The nonprofit organization's **indirect costs, overhead costs or any staff costs** not directly related to the project; and activities that have been completed **prior to the signing of agreements.**
- E. Financing rolling stock.

VI. Local Program Period:

- A. Grantees will be expected to bring projects to completion during the 12-month grant period. The Finance Fund may allow extensions to the grant period. These extensions must be requested in writing and show evidence of project development progress as outlined in the project application.

VII. Grant Distribution and Close out:

- A. The portion of the grant designated for administration (no more than 15%) will be distributed with the executed grant agreement. All budgeted eligible expenses must be drawn from the grantee's program account held by the Finance Fund. Requests for draws must be fully documented.
- B. At the end of the grant period the grantee must provide a final report to document:
 - 1. All grant activities have been completed;
 - 2. All funds received have been expended; and
 - 3. The proposed outcome has been achieved. The Finance Fund reserves the right to terminate the grant if the proposed project is not making adequate progress.

VIII. Evaluation Criteria:

- A. Applications will be accepted on a continual basis. Projects will be reviewed and approved based on the amount of funding available for the Economic Development Grant Program.
- B. Match commitments must be in writing from the funding sources and be signed by an officer with authority to commit funds. Applicants should be

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aware that in order to be competitive, projects should have higher than required match level.

- C. Urban projects will require a 2:1 match at the time of draw request. (Note: Urban to be defined as populations of 50,001 or more). Rural projects will require a 1:1 match at the time of draw request. (Note: Rural to be defined as populations of 50,000 or less).
- D. Projects must be located in economically distressed neighborhoods/areas. For the purposes of this program "economically distressed" means a geographic area that has a significant number of residents whose incomes are at or below 80% of area median income.
 - 1. Is the project feasible?
 - a. Ability of the organization to develop and implement the project;
 - b. Evaluation of the business plan or project concept for feasibility and marketability;
 - c. Site control;
 - d. Extent to which the project meets the needs of low- and moderate-income residents;
 - e. Number of jobs created/retained;
 - f. Percent of jobs made available to low- to moderate-income persons;
 - g. Use of other financing sources;
 - h. Project time frame; and
 - i. Leverage ratio of Economic Development Grant funds to other funds in the project.
 - 2. What is the project's impact on the community?
 - a. Extent of linkage with supportive services;
 - b. Job training for low- to moderate-income persons;
 - c. The spin-off potential of the project;
 - d. Community support and involvement in the project; and
 - e. Use of program income stream.

IX. Prevailing Wage:

State prevailing wage requirements apply to these grant funds. Determination of applicability of Ohio's Prevailing Wage Law to the target project is the responsibility of the Grantee under existing Ohio Revised Code.

- A. Ohio's prevailing wage laws apply to all public improvements financed in whole or in part by public funds when the total overall project cost is fairly estimated to be that amount cited by the Ohio Department of Commerce, Division of Labor & Worker Safety, Wage and Hour Bureau¹ for new construction or the amount cited by Ohio Department of Commerce, Division of Labor & Worker Safety, Wage and Hour Bureau for reconstruction, enlargement, alteration, repair, remodeling, renovation, or painting.
- B. A copy of the Affidavit Of Compliance PREVAILING WAGES form submitted to the Ohio Department of Commerce, Division of Labor & Worker Safety, Wage and Hour Bureau by the main contractor must be submitted to the

¹ <http://198.234.41.198/w3/webwh.nsf?Opendatabase>

Finance Fund prior to the disbursement of grant funds used to finance, in whole or in part, prevailing wage activity funded by this grant.

AWARD OF AN ECONOMIC DEVELOPMENT GRANT IS NOT A PREREQUISITE FOR APPLICATION TO ANY OTHER FINANCE FUND PROGRAM NOR IS IT AN ASSURANCE OF ACCESS TO THOSE PROGRAMS. APPLICANTS FOR THE ECONOMIC DEVELOPMENT GRANT MUST BE MEMBERS OF THE FINANCE FUND.