

**ESDC Community Development Financial Institution  
Assistance Program**

**Request for Proposals**

**Responses must be received no later than August 22, 2011, - 4:00 PM**

**I. Introduction**

Empire State Development Corporation (“ESDC”) requests proposals for grant funding to be made available to community development financial institutions (“CDFIs”). ESDC will award grants to federally-certified CDFIs pursuant to the procedure set forth below.

**II. Purpose**

The purpose of ESDC’s Community Development Financial Institution Assistance Program (the “Program”) is to strengthen and expand the capacity, products, and services of applicants’ lending programs for minority and women-owned business enterprises, minority and women entrepreneurs (collectively “M\WBEs”), and small businesses (see page 5 through 7 of this RFP for definitions). This Program will make grants available to CDFIs for four general purposes:

**A. The provision of technical assistance:** Funds may be used to provide technical assistance (“TA”) to M\WBEs and/or small businesses that currently have outstanding loans from the organization or that may borrow funds from the organization within one year from the date of application for ESDC funds. This TA should be geared toward ensuring the success of business borrowers and the repayment of their loans. In addition, funds may be used to provide TA to existing borrowers or potential borrowers to obtain State M\WBE Certification. Funds may also be used to provide technical assistance to enroll M\WBEs and/or small businesses in business-focused Individual Development Account programs that have previously received funding through the Program.

Preference will be given to proposals that emphasize the provision of one-on-one consultation with borrowers on such business development topics as financial record keeping and financial statement preparation, tax issues, marketing, the use of technology, etc. TA may be provided by qualified staff or outside business development consultants.

For grant proceeds to be used toward technical assistance:

1. The applicant must take specific actions to ensure the participation of M\WBEs and/or small businesses, if applicable, in the TA program;
2. The assistance must be directly relevant to the beneficiaries’ businesses.

**B. Loan capital and/or loan loss reserve/ line of credit reserve:**

1. For grant proceeds to be used as loan capital:
  - a) the loans must be made for business purposes.
  - b) the applicant must describe the following:
    - (i) the need for this type of funding in terms of the applicant’s overall supply and demand for loan capital or line of credit, including a discussion on other sources of loan or credit line capital that are now available to the applicant;

- (ii) the rationale for requesting this form of funding as opposed to funding for loan loss reserve that could leverage other sources of capital; and
- (iii) the ways in which the benefits of this funding will be passed along to M\WBE and small businesses borrowers.

2. For grant proceeds to be used as loan loss reserves and/or line of credit reserves:

- a) the funds must be used to leverage new loans or lines of credit for business purposes;
- b) the applicant must specify the aggregate principal amount of new lending that will be leveraged by the loan loss reserve or line of credit reserve funds being requested (i.e., the number of new loans or lines of credit leveraged by the loan loss reserve requested, the total amount of new loans or lines of credit, and the percentage of principal to be leveraged represented by the requested reserve funds); and
- c) the applicant must describe the rationale used to determine the loan loss reserve ratio proposed above, and specifically must describe how the proposed loan loss reserve ratio relates to:
  - (i) the applicant's historic and anticipated volume of lending to M\WBEs and/or small businesses;
  - (ii) the applicant's historic rates of loan or line of credit losses and loan loss or line of credit reserve; and
  - (iii) the reserve requirements specified by the applicant's regulators or relevant funding sources (if loan loss ratio is different, please explain).

3. Applicants must continue to use such funds as loan capital and/or loan loss/line of credit reserve until the funds are exhausted through the non-repayment of loans. Applicants may use the interest received from loans made with grant proceeds for administrative purposes. Funds may also be used in conjunction with the Small Business Revolving Loan Fund to enhance the lending capacity of the CDFI. The Small Business Revolving Loan Fund is a \$50 million fund that provides greater access to capital for M\WBE and/or small businesses that have difficulty accessing traditional credit markets.

\* For M\WBE beneficiaries, CDFIs will be required to provide a client ethnicity and gender confirmation form (sample attached as Attachment #1). In future years, ESDC expects that all M\WBE beneficiaries will be required to obtain State M\WBE Certification prior to obtaining a loan.

**C. Institutional Capacity:** Funds may be used to increase the institutional capacity of the CDFI and strengthen its provision of products and services to M\WBEs and/or small businesses. For grant proceeds to be used toward capacity building, the organization must describe in detail the need for this type of funding. Funds may be used to support activities that enhance management capacity and organizational development so that the CDFI can improve its performance, offer enhanced products and services, and/or encourage greater client participation in current programs, including the ESDC Small Business Revolving Loan Fund Program. Preferred activities include assessing the present and future needs of the organization's target market, evaluating the economic impact of past activities, and establishing systems for evaluating and reporting the impact of future activities. Funds may also be used to enhance marketing materials to include the promotion of the State M\WBE certification program. In addition, funds may be used for

specific purposes including, but not limited to, the hiring of consultants, implementation of a market survey, and the purchase of computer software. Note, funds may not be used to purchase computer hardware, nor to pay for travel or travel-related expenses of any kind.

If requesting funds to support capacity-building initiatives: Identify any previous funding commitments received for such activities, including Technical Assistance grants from the Federal CDFI Fund, and describe the current status and outcomes of such prior funding. Also describe the systems your organization is currently using to evaluate the outcomes and economic impact of its business development financial and technical assistance activities (e.g. the “Microtest” system, or a detailed description of the types of measurements and the data collection methods being used).

**D. Administration:** Up to 10% of the grant proceeds may be used for administration of the CDFI’s technical assistance and small business lending programs, including the costs of administering ESDC grants, and other overhead and indirect costs (i.e., a portion of the rent or utilities, marketing materials, supplies or salaries) associated with the provision of technical and financial assistance.

### **III. Guidelines**

A. Eligibility Requirements: To be eligible to receive grant proceeds from ESDC, an applicant must:

1. Be certified by the United States Department of the Treasury as a CDFI on the date of grant approval by ESDC’s Directors, and on the dates of all disbursements of ESDC funds;
2. Primarily focus its activities on M\WBE and small business lending, as described in section II-B of this RFP.
3. Be legally able to receive and use the proceeds as herein stated;
4. Meet any other requirements herein stated for the specific purpose of the grant; and
5. Be current with reporting requirements for any other ESDC assistance, including any previous CDFI Program funding.

B. Grant Amount:

Grants will generally not exceed \$170,000. ESDC reserves the right to award grants in amounts greater than \$170,000, depending upon the number and quality of proposals received and other considerations set forth in this RFP. The project period will generally be no longer than eighteen months.

C. Funding Source:

The Program will be funded from the 2010-2011 and 2011-2012 New York State CDFI Budget Appropriations, to provide support for both the M\WBE and small business communities.

Applicants may seek a percentage of funding to be used for one or both categories. However, total grant requests should not exceed \$170,000. The initial payment request of 50% will be disbursed in the current fiscal year. Remaining requests will be disbursed during the next fiscal year.

Eligible project expenses may be retroactive as far back as January 1, 2011. However, the following conditions must be met:

- Previous project is completed and final payment request has been submitted to project manager on/or before the start date of the new project.

ESDC will establish reporting requirements to account for the utilization of grant proceeds by the CDFI. The grant is to be used only for the purposes stated in the organization's proposal or otherwise approved, in writing, by ESDC.

All activities generated by funding from ESDC, or toward which ESDC grant proceeds are used, shall be conducted according to the standard business practices of the recipient organization and any agreements with ESDC.

D. *Non-Discrimination and Affirmative Action:*

It is the policy of the State of New York, and the ESDC, to comply with all federal, State and local laws, policies, orders, rules and regulations which prohibit unlawful discrimination because of race, creed, color, national origin, sex, sexual orientation, age, disability or marital status, and to take affirmative action in working with contracting parties to ensure that New York State Business Enterprises, Minority and Women-owned Business Enterprises (M\WBEs), Minority Group Members and women share in the economic opportunities generated by ESDC's participation in projects or initiatives, and/or the use of ESDC funds. ESDC's non-discrimination and affirmative action policy will apply to this initiative. Selected grantees shall be required to use good faith efforts to provide for the meaningful participation of M\WBEs, Minority Group Members and women in the execution of this contract. A copy of each respondent's equal employment opportunity policy statement shall be included as part of the response to the RFP.

#### **IV. Evaluation**

ESDC will evaluate proposals using the following criteria:

- A. Completeness of the proposal, including submission of the following:
  1. A detailed project description, including a detailed budget showing funding sources and uses, and a description of the specific goals to be achieved as a direct result of ESDC funding during the project period (not to exceed eighteen months). These goals should be realistic and achievable based on the applicant's knowledge and experience as a CDFI. ESDC's CDFI Assistance Program awards will be largely based on the applicant's record and its potential effectiveness in meeting or surpassing its goals.
  2. Annual financial statements for the past three years, including a draft of the applicant's internal statements or the most recent interim statements, if annual statements are more than 12 months old.
  3. Accurate loan reports, including business loan and line of credit reports, and analysis of business loan and line of credit performance.
  4. Proof of current Federal CDFI Certification.
- B. Compliance of the proposal with the "Purpose" section and other terms and conditions of this request for proposals.
- C. The applicant's record in meeting the performance goals, timelines and reporting requirements established under previous CDFI Assistance Program awards from ESDC, if any. ESDC may choose to not consider proposals from organizations that are not in compliance with the contracting and reporting requirements of previous CDFI Assistance Program awards, or that have substantial funding available through previous awards.
- D. The volume of the applicant's lending and the performance of the applicant's loan portfolio.

- E. The applicant's operating budget and institutional capacity for using grant funds effectively.

## **V. Additional Considerations**

- A. In cases where applicants propose activities similar to those funded by ESDC via existing or pending CDFI Assistance Program agreements with the applicant ("Follow-on Activities"), ESDC may choose not to approve additional funding for such activities. If ESDC does agree to fund such Follow-on Activities, no new grant funds awarded pursuant to this RFP for such activities will be disbursed until the similar activities funded through existing agreements have been completed in accordance with the terms of such agreements. ESDC alone will determine whether proposed activities qualify as Follow-on Activities.
- B. By submitting its proposal, each applicant authorizes ESDC to contact any and all other persons identified in its proposal or in any investigation conducted by or on behalf of ESDC or the State, and obtain the release of pertinent financial and other information, as well as to obtain verification of the information provided by each applicant.
- C. ESDC will not be held liable for any costs incurred by any applicant for work performed in the preparation and production of a proposal, nor for any work performed prior to written authorization from ESDC to proceed. All proposals submitted will become the property of ESDC.
- D. ESDC reserves the right to:
  - 1. reject any or all proposals received;
  - 2. award grants in any amount;
  - 3. require the submission of modifications or additions to proposals as a condition of further participation in the selection process; and
  - 4. amend this request for proposals.

## **VI. Definitions**

For the purposes of this RFP the following words or terms shall mean as follows:

### **A. Small businesses**

A small business shall be deemed to be one which is resident in New York State, independently owned and operated, not dominant in its field, and employs one hundred or less persons.

### **B. Minority Business Enterprise ("MBE")**

A business enterprise, including a sole proprietorship, partnership or corporation that is: (i) at least fifty-one percent (51%) owned by one or more Minority Group Members; (ii) an enterprise in which such minority ownership is real, substantial and continuing; (iii) an enterprise in which such minority ownership has and exercises the authority to control and operate, independently, the day-to-day business decisions of the enterprise; and (iv) authorized to do business in the State of New York, is organized on a for-profit basis, and is independently owned and operated out of a fixed business location.

C. Minority Group Member

A United States citizen or permanent resident alien who is and can demonstrate membership in one of the following groups: (i) Black persons having origins in any of the Black African racial groups; (ii) Hispanic persons of Mexican, Puerto Rican, Dominican, Cuban, Central or South American descent of either Indian or Hispanic origin, regardless of race; (iii) Asian and Pacific Islander persons having origins in any of the Far East countries, South East Asia, the Indian subcontinent or the Pacific Islands; and (iv) Native American or Alaskan native persons having origins in any of the original peoples of North America.

D. Women-owned Business Enterprise (“WBE”)

A business enterprise, including a sole proprietorship, partnership or corporation that is: (i) at least fifty-one percent (51%) owned by one or more citizens or permanent resident aliens who are women; (ii) an enterprise in which the ownership interest of such women is real, substantial and continuing; (iii) an enterprise in which such women ownership has and exercises the authority to control and operate, independently, the day-to-day business decisions of the enterprise; and (iv) authorized to do business in the State of New York, is organized on a for-profit basis, and is independently owned and operated out of a fixed business location.

E. M\WBE Certification

The official determination by the New York State Division of Minority and Women’s Business Development of a business enterprise as a bona fide minority and/or women-owned business enterprise.

For more information on M\WBE certification, please see our website at: [www.nylovesmwbe.ny.gov](http://www.nylovesmwbe.ny.gov) or call (1-800-782-8369) for more information.

F. Technical Assistance

Business technical assistance is provided to an entrepreneur to address ongoing or specific challenges or needs, such as the development of a business plan or the resolution of a production or marketing problem. When a business is in formation, monitoring will help define specific and/or ongoing needs early. This assistance often is on a one-to-one basis in a consulting format.

Technical assistance may also be provided to assist clients in obtaining State M\WBE Certification.

G. Institutional Capacity/ Capacity Strengthening

Institutional capacity building is defined as the provision of technical or material assistance designed to strengthen one or more elements of organizational effectiveness. The elements of organizational effectiveness include governance, management capacity, human resources, financial resources, service delivery, external relations and sustainability. Examples include the purchase of software, training of staff, conducting research studies for expansion or growth and marketing.

**EXHIBIT A: COVER SHEET**

*Please provide all requested information in Fields Below*

**ESDC Community Development Financial Institution Assistance Program**

Legal Name of Applicant (include d/b/a):

Street Address (not P.O. Box):

City: State: Zip: County:

Phone: Fax: Website: e-mail:

Executive Director/President:

Contact name, title and telephone number for this proposal:

Contact name, title and telephone number for small business referrals:

Federal taxpayer I.D./Charity Reg. # (non-profits only):

NYS State Unemployment Insurance Tax Number:

Parent Organization Name (if applicable):

Street Address (not P.O. Box):

City: State: Zip: County:

Form of Organization (i.e. Federal Credit Union, Micro-Loan Fund):

Expiration Date of CDFI certification from the United States Department of the Treasury:

**Total Grant Requested:** \$ \_\_\_\_\_

- o Grant amount requested for M\WBEs support \$ \_\_\_\_\_ and/or
- o Grant amount requested for Small Business Support \$ \_\_\_\_\_

**Small Biz**

**M\WBE**

Purpose:		Small Biz	M\WBE
Loan Capital for eligible business borrowers (see RFP for details on restrictions)	\$	\$	
Loan Loss Reserve for eligible loans (see RFP for details on restrictions)	\$	\$	
Line of Credit Reserve for eligible lines of credit (see RFP for details on restrictions)	\$	\$	
Technical Assistance for eligible business borrowers and/or IDA program participants (see RFP for details on restrictions)	\$	\$	
Institutional Capacity-Building initiatives	\$	\$	
Administration (not to exceed 10% of request)	\$	\$	

Is the organization currently seeking any other New York State assistance? Yes  No

Has the organization applied for or received prior New York State funding in the last five years? Yes  No

Has the organization received Federal CDFI Fund funding in the last five years? Yes  No

Is the organization applying for funds in the current round of funding from the Federal CDFI Fund? Yes  No

If the answer to any of the above questions is "Yes", attach a page to this sheet and describe each project, including dates, purpose, type and amount of funding requested/provided, and identify the agency, including ESDC, from which funding was or is being sought.

ESDC is requesting the assistance of the applicants to encourage potential clients to complete the Ethnicity and Gender Confirmation form to ensure legitimacy of ethnicity and to maintain continuity with State M\WBE eligibility requirements. (see attached Exhibit H-3 Ethnicity and Gender Confirmation for details)

**EXHIBIT B: PROPOSAL SUMMARY**

**Organizational Summary:**

1. Organization Name: \_\_\_\_\_
2. Fiscal Year 2011-2012 Operating Budget: \$ \_\_\_\_\_
3. Program staff size: \_\_\_\_\_
4. Projected FY 2011-2012 Self-Sufficiency Ratio (earned income divided by expenses): \_\_\_\_\_%
5. Number and total principal outstanding for business loans as of December 31, 2010:  
Number: \_\_\_\_\_ Principal Outstanding: \$ \_\_\_\_\_
6. Number of new business loans to M\WBEs  
Closed in 2010: \_\_\_\_\_ Principal Outstanding: \$ \_\_\_\_\_
7. Aggregate principal amount of new business loans to M\WBEs closed in 2010 (as of 12/31/10):  
\$ \_\_\_\_\_
8. Delinquency Ratio (principal outstanding for loans with payments past due, divided by the total amount of business loan principal outstanding) for all business loans, as of December 31, 2010: \_\_\_\_\_%
9. Net Loan Loss Ratio for business loans in 2010 (as of 12/31/10) (net charge-offs of business loans divided by the total amount of business loan principal outstanding at year-end) \_\_\_\_\_%
10. Loan Loss Reserve Ratio: \_\_\_\_\_%.

**Summary of Proposed Goals for M\WBEs:**

1. Project Period (circle one): One Year or Other (describe) \_\_\_\_\_  
From: \_\_\_\_\_ to \_\_\_\_\_
2. Projected total number of new loans to M\WBEs to be closed in project period: \_\_\_\_\_
3. Projected average loan size to M\WBEs to be closed in project period: \_\_\_\_\_
4. Projected total # of new business lines of credit to M\WBEs to be closed in project period: \_\_\_\_\_
5. Projected average business line of credit size to M\WBEs to be closed in project period: \$ \_\_\_\_\_
6. Projected average business line of credit draw from M\WBEs in project period: \$ \_\_\_\_\_
7. # of M\WBEs to receive one-on-one technical assistance as a direct result of ESDC grant  
funding: \_\_\_\_\_
8. # of eligible IDA program participants to receive technical assistance as a direct result of ESDC grant  
funding: \_\_\_\_\_

**Summary of Proposed Goals for Small Businesses:**

9. Project Period (circle one): One Year or Other (describe) \_\_\_\_\_  
From: \_\_\_\_\_ to \_\_\_\_\_
10. Projected total number of new loans to small businesses to be closed in project period: \_\_\_\_\_
11. Projected average loan size to small businesses to be closed in project period: \_\_\_\_\_
12. Projected total # of new business lines of credit to small businesses to be closed in project period:  
\_\_\_\_\_
13. Projected average business line of credit size to small businesses to be closed in project period:  
\$ \_\_\_\_\_
14. Projected average business line of credit draw from small businesses in project period: \$ \_\_\_\_\_
15. # of small businesses to receive one-on-one technical assistance as a direct result of ESDC grant  
funding: \_\_\_\_\_
16. # of eligible IDA program participants to receive technical assistance as a direct result of ESDC grant  
funding: \_\_\_\_\_

## EXHIBIT C: SUBMISSION REQUIREMENTS

### *ESDC COMMUNITY DEVELOPMENT FINANCIAL INSTITUTION ASSISTANCE PROGRAM*

Submit the following:

#### 1. Organization Information

a. **General:** Describe the following (you may also attach a business plan, annual report, etc.):

- i) The organization's mission and history of providing technical and financial assistance to M\WBEs and/or small businesses.
- ii) The geographic service area and/or targeted populations served by the organization, including any emphasis on startups, credit risks and other businesses that lack access to credit.
- iii) The types of financial and technical assistance products and services offered.
- iv) The organization's marketing strategy and coordination with other community-based organizations.
- v) The management capacity/professional experience of key staff (refer to attached resumes as appropriate).

b. **Lending Activity:** Provide the following information (refer to attached loan policy manual as applicable):

- i) Describe credit analysis and due diligence procedures employed in the loan/line of credit program.
- ii) Describe loan or line of credit approval and portfolio monitoring/collections procedures.
- iii) Provide business loan (or line of credit, if applicable) reports, certified by an organization officer, showing the following:
  - (a) The number of business loan or line of credit applications received and the number approved, and the number and aggregate principal amount of business loans closed for the years 2008, 2009 and 2010;
  - (b) The number and aggregate principal amount of business loans disbursed or line of credit extended to M\WBEs and/or small businesses in 2008, 2009 and 2010.
  - (c) The number of business loans or lines of credit that were current in their repayments or were under 31 days past due, and the aggregate amount of principal outstanding for those loans, as of December 31, 2010;

- (d) The number of business loans or lines of credit with payments past due as of December 31, 2010, and the aggregate amount of principal outstanding for those loans, in the following categories: 31-60 days past due, 61-90 days past due, and 90+ days past due; and the total amount of principal outstanding for all three delinquency categories.
- (e) The Delinquency Ratio as of December 31, 2010 (the ratio of the principal outstanding for business loans or lines of credit with payments 31 days or more past due, divided by the total amount of business loan or line of credit principals outstanding);
- (f) The number of business loans and aggregate amount of business loan principal charged off in 2008, 2009 and 2010;
- (g) The number of business lines of credit and aggregate amount of business credit line principal charged off in 2008, 2009 and 2010;
- (h) The Net Loan Loss and Line of Credit Loss Ratios for 2008, 2009 and 2010 (net charge-offs of business loans during the year, divided by the total amount of business loan or credit line principals outstanding at year-end).
- (i) The Loan Loss Reserve and Line of Credit Loss Reserve Ratios as of December 31, 2010 (total business loan loss reserve divided by total business loan principal outstanding).
- (j) Capital Available as of December 31, 2010 (please include formula used):
  - 1) Total Borrowed Capital, Equity and Equity Equivalents immediately available for lending
  - 2) Total Committed Capital (*Funds committed to your organization by an outside source that are available for lending but have not yet been drawn down. Such undrawn funds can consist of both debt and equity but excludes lines-of-credit. Attach a list of sources and amounts committed*)

## **2. Project Activities, Results, and Implementation**

Describe in detail how a grant from the ESDC Community Development Financial Institution Program would be used:

- a. Describe the specific activities that will be undertaken and funded through the project.**
  - i) If requesting funds for technical assistance, describe in detail the nature of the technical assistance to be provided, describe the systems in place to market and deliver these services, and the ways that such technical assistance will support your organization's lending activities. Describe the overall technical assistance program as well as the specific ways in which ESDC grant funds will be used. If the provision of one-on-one technical assistance to businesses is to be claimed as a measurable goal in section 2.b below, such assistance must be substantive and generally should involve face-to-face meetings. Assistance should be provided on business development topics and may include financial analysis, marketing, and

the assistance with the preparation of business plans, financial statements and applications for financial assistance.

- ii) If proposing activities open to the public such as workshops and seminars, describe those specific actions that will be taken to ensure the participation of minorities and women.
- iii) If requesting loan capital, line of credit or loan loss reserve funds, refer to the guidelines set forth in Section II.B of this RFP and provide the information specified in that Section.
- iv) If requesting funds for institutional capacity refer to the guidelines set forth in Section II.C of this RFP and provide the information specified in that Section.
- v) Discuss the need and level of demand for these activities in the target community.
- vi) Identify the reasons that your organization requires grant assistance in order to undertake these activities.
- vii) Identify any other entities involved in the project (other community development organizations; units of local, state or federal government, etc.), and describe the nature of their involvement.

**b. List the specific goals that the organization will achieve as a direct result of the requested grant funding, and provide a timeline for the project (see attached example Exhibit A).**

- i) Include the measurable outcomes (number and type of beneficiaries, number of loans made, etc.) and the economic impact to be achieved as a direct result of ESDC grant funding. These goals should be realistic and achievable based on the applicant's experience in operation as a CDFI. The proposed goals should reflect only the funding being requested. For example, if funds will be used to pay for only part of the salary of a technical assistance provider, describe the goals to be achieved only during that portion of the individual's time that will be funded with ESDC grant funds. Applicants may also describe goals for the organization as a whole and the ways that ESDC's grant funds would contribute to the attainment of these broader goals.
- ii) Describe how these goals compare to the organization's achievements in the past three years (i.e. do these goals represent increased activity, decreased activity, no change, etc...)

**c. Provide a detailed budget for the project (see attached example Exhibit D).**

- i) Include funding sources, personal service costs (with job title and description), consultant fees (identify consultant if known), and a breakdown of all other technical assistance costs.
- ii) Describe the ways, if any, that ESDC's grant funds would leverage other revenue sources.

### 3. Attachments:

Please attach the following:

- a. A copy of the most current CDFI certification letter from the U.S. Department of Treasury,
- b. If the applicant has previously received ESDC funding through the CDFI Assistance Program, attach:
  - i) A copy of the final report narrative (Exhibit B without attachments) submitted for the last two completed projects,
  - ii) An interim Technical Assistance and Lending Report and Institutional Capacity Report (Exhibit G-2) without attachments from any grant disbursement agreement still in effect, with a description of the organization's cumulative progress toward the goals listed in Exhibit A of said agreement, and the anticipated date of project completion.
  - iii) Information on the current status of each grant in terms of the amount of funding awarded and the amount disbursed to date by ESDC.
- c. Audited or reviewed annual financial statements (Credit Unions may submit annual financial reports submitted to NCUA) for 2008, 2009 and 2010, (interim statements certified by an officer of the organization are acceptable for 2010)
- d. A copy of the operating budget for 2011, including all projected sources of revenue and all items of expense.
- e. The organization's loan and/or line of credit policy manual or guidelines for loan application, approval and portfolio monitoring processes.
- f. Résumés of key lending and technical assistance personnel.

## EXHIBIT D: PROJECT DESCRIPTION

The below Task Descriptions are **only EXAMPLES** of possible activities and anticipated dates of completion. Applicants must use detailed language that describes the proposed activities.

**\*\*Identified goals should reflect the direct result of grant funding.\*\***

Organization Name

### TASKS and TIMELINE

Include detailed task descriptions. Include dates of completion for each task.

Task #	Task Description	Anticipated date of completion
	Project Start Date	August 10, 2011
1	Provide one-on-one pre- and post-loan technical assistance to 20 eligible clients	September 30, 2011
2	Use \$10,000 of grant proceeds to make approximately 5 new business loans to eligible borrowers	December 31, 2011
3	Use \$15,000 of grant proceeds as loan loss reserve funds to leverage \$100,000 in new business loans to approximately 20 M\WBEs and/or small business borrowers.	March 31, 2012
4	Assist 4-6 M\WBE clients with development of a business plan	March 31, 2012
5	Provide a Money Management and Economic Literacy Training Course for 16 M\WBEs and/or small businesses	June 30, 2012
6	Use Institutional Capacity funds to develop systems to collect and report economic impact data	June 30, 2012
	Project Completion Date	July 11, 2012

**EXHIBIT E: PROJECT BUDGET**

All uses of funds which apply should be listed below. Applicants must also provide a written statement describing each of the uses in detail.

Organization Name

ESDC Eligible Expenses		
SOURCES	AMOUNT	
<b>ESDC Grant</b>		
○ <b>Small Businesses (non-M\WBEs)</b>	\$	
○ <b>M\WBEs</b>	\$	
<b>Federal CDFI Fund Grant</b>	\$	
<b>Operating Revenue</b>	\$	
	\$	
<b>TOTAL Sources</b>	\$ \$	
USES	Small Business	M\WBE
Technical Assistance Provider salary & fringe	\$	\$
Loan and/or IDA Coordinator salary and fringe	\$	\$
Business development consultant costs for provision of one-on-one technical assistance	\$	\$
Supplies, training materials and workshop expenses*	\$	\$
<b>Total Technical Assistance Costs</b>	\$	\$
<b>Loan Capital</b>	\$	\$
<b>Loan Loss Reserve</b>	\$	\$
<b>Line of Credit Loss Reserve</b>	\$	\$
<b>Institutional Capacity</b>	\$	\$
<b>Administrative Costs</b> (not to exceed 10% of request)	\$	\$
<b>Total Uses:</b>	\$	\$
<b>GRAND TOTAL</b>	\$	

\*A maximum of \$500 in grant funds may be used for food and beverage expenses associated with training workshops.

**Note:** Certain restrictions apply to the use of ESDC funds for payment of travel expenses.

# CDFI Proposal Checklist

Name	Page(s)
<input type="checkbox"/> <b>Exhibit A: Cover Sheet (use the RFP template)</b>	8
<input type="checkbox"/> <b>Exhibit B: Proposal Summary (use the RFP template)</b>	9
<input type="checkbox"/> <b>Proposal (Based on Exhibit C: Submission Requirements) <i>Please submit a complete proposal narrative, including the following frequently missed items (where applicable):</i></b>	10 - 12
▪ Special information on Loan Loss Reserves or Line of Credit Reserves requests	12 (2.a.iii)
▪ A description of capital on hand	
▪ A detailed demand analysis	
▪ A description of why the organization is requesting loan capital instead of LLR	
<b>Attachments:</b>	13
<input type="checkbox"/> CDFI certification Letter	
<input type="checkbox"/> If previously received ESD funds, please include Exhibit B, G-2 and current status of each grant	13 (3b)
<input type="checkbox"/> Audited or Reviewed Financial Statements for the years 2008-2010	
<input type="checkbox"/> Operating Budget for 2011	
<input type="checkbox"/> Loan policy manual or guidelines	
<input type="checkbox"/> Resumes	
<input type="checkbox"/> <b>Exhibit D: Project Description (follow the RFP EXAMPLE)</b>	14
<input type="checkbox"/> <b>Exhibit E: Project Budget (follow the RFP EXAMPLE)</b>	15
<b>Addendum:</b>	
The Opinion of Counsel letter will replace the current Exhibit E - Certification of an Officer, found in the Grant Disbursement Agreement (“GDA”). This is a necessary change in order to conform to ESDC terms and conditions’ and other ESDC requirements. It is attached for your information and to be completed upon execution of the GDA.	

# ATTACHMENT # 1

**ESDC CDFI Ethnicity and Gender Confirmation Sample Form**

**A.**

<b>Last Name:</b>	<b>First Name:</b>
<b>Address:</b>	<b>Business Address:</b>
<b>City, State, Zip:</b>	<b>City, State, Zip:</b>
<b>Home Phone:</b>	<b>Business Phone:</b>

**B.**

**C.**

<b>Gender:</b>  <b>Male</b> <input type="checkbox"/> <b>Female</b> <input type="checkbox"/>	<b>Business Information:</b>  <b>How long in business:</b> _____ <b>Percentage of business you own:</b> _____
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**D.**

**Race/ Ethnicity:**

- Asian**       **African-American/ Black**       **Caucasian**  
  
 **Hispanic Origin**       **Non-Hispanic Origin**  
  
 **Native American/ Alaska Native**       **Native Hawaiian/ other Pacific Islander**

**Signature:** \_\_\_\_\_ **Date:** \_\_\_\_\_

# ADDENDUM

**EXHIBIT E: OPINION OF COUNSEL**  
[Letterhead of Counsel to the Grantee]

[Date]

Empire State Development Corporation  
633 Third Avenue  
New York, New York 10017

Attn: «Project\_Manager»

Re: «Project\_Name», Project #«Project\_Number»

Ladies and Gentlemen:

We have acted as special counsel to «Orgn\_Name\_Client», a corporation [limited liability company] (the “Grantee”), in connection with the execution and delivery of the Grant Disbursement Agreement dated [Date of Agreement] (the “Agreement”) between New York State Urban Development Corporation d/b/a Empire State Development Corporation (“ESDC”) and the Grantee.

This opinion letter is being furnished to you at our client’s request pursuant to Section 3(a) of the Agreement. Capitalized terms used but not defined herein shall have the meanings assigned thereto in the Agreement.

In rendering the opinions set forth herein, we have examined originals, or copies certified or otherwise identified to our satisfaction, of such documents, corporate records and other instruments as we have deemed necessary or appropriate for the purposes of this opinion letter, including (a) the Agreement, (b) the certificate of incorporation of the Grantee and (c) the by-laws of the Grantee. We have also examined and relied upon such other matters of law, documents, certificates of public officials and representations of officers and other representatives of the Grantee as we have deemed relevant, appropriate or necessary to the rendering of our opinions.

In rendering the opinions expressed below, we have assumed the legal capacity of all natural persons signing documents and that the signatures of persons signing all documents in connection with which this opinion letter is rendered are genuine, all documents submitted to us as originals or duplicate originals are authentic and all documents submitted to us as copies, whether certified or not, conform to authentic original documents. Additionally, we have assumed and relied upon the accuracy and completeness of all certificates and other statements, documents, records, financial statements and papers reviewed by us, and the accuracy and completeness of all representations, warranties, confirmations, schedules and exhibits contained in the Agreement, with respect to the factual matters set forth therein.

As to any facts material to the opinions expressed herein that we did not independently establish or verify, we have relied upon oral or written statements and

representations of officers and other representatives of the Grantee and of certain public officials. We have also assumed and relied upon the accuracy and completeness of all certificates and other statements, representations, documents, records, financial statements and papers reviewed by us, and the accuracy and completeness of all representations, warranties and exhibits contained in the Agreement with respect to the factual matters set forth therein.

Based upon the foregoing and subject to the assumptions, qualifications and other matters set forth herein, we are of the opinion that:

1. The Grantee is validly existing and in good standing under the laws of the State of New York and has full power and authority to execute and deliver the Agreement and to perform its obligations thereunder.

2. The Agreement has been duly authorized, executed and delivered by the Grantee and (assuming its due authorization, execution and delivery by ESDC) is binding on and enforceable against the Grantee in accordance with its terms, subject to applicable bankruptcy, insolvency reorganization, arrangement, liquidation, moratorium, fraudulent conveyance or transfer and other similar laws relating to or affecting creditors' rights generally from time to time in effect and to general principles of equity (regardless of whether enforcement is sought in a proceeding in equity or at law), and except as rights under the Agreement to indemnity and contribution may be limited by federal or state laws.

We are admitted to practice in the State of New York and we express no opinion as to any matters governed by any laws other than the laws of the State of New York. The opinions expressed herein that are based on the laws of the State of New York are limited to the laws generally applicable in transactions of the type covered by the Agreement.

This opinion letter is for the benefit solely of ESDC and not for the benefit of any other person. We are opining herein only as of the date hereof and we undertake no, and disclaim any, obligation to advise you of any changes in any matter set forth herein, regardless of whether changes in such matters come to our attention after the date hereof. No attorney-client relationship exists or has existed with ESDC by reason of our preparation, execution and delivery of this opinion letter. By providing this opinion letter and permitting reliance hereon by you, we are not acting as your counsel and have not assumed any responsibility to advise you with respect to the adequacy of this opinion letter for your purposes. This opinion letter may not be relied upon by any other person or for any other purpose or used, circulated, quoted or otherwise referred to for any other purpose.

Very truly yours,