

## California Community Economic Development Exemplary Practices Project (CCEDEPP)

In 2010, the California/Nevada Community Action Partnership (Cal/Neva) partnered with the California Community Economic Development Association (CCEDA) on the CCEDEPP to draft assessment standards for community economic development activities within the categories of Real Estate Development, Business Development, Lending, and Services and Individual Assets. These assessment standards were vetted by experts and members of California's community action agencies, resulting in a final draft. These assessment standards were used to measure projects and determine if they are "exemplary practices." Both the exemplary practices and assessment standards serve as useful resources for organizations pursuing community economic development activities.

Use these assessment standards throughout the various stages of your project. During the initial conceptualization, use the applicable assessment standard to help shape your project in a comprehensive manner. Throughout the life of your project, use the assessment standards to emulate exemplary practices.

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## REAL ESTATE DEVELOPMENT

### Multi-Unit Low-income Rental Housing

Use these standards for low-income rental housing with more than one unit, such as family housing, Single Resident Occupancy (SRO), transitional housing, shelters, and senior housing.

#### Level 1: Project Feasibility Assessment

These basic criteria determine the feasibility of a real estate development project. The focus is on the organizational and financial readiness of the project.

##### 1. NEED

- a. Community Need
  - i. The project serves a need for low-income housing.
  - ii. If the project has a specific focus such as multifamily, it corresponds to a need in the community.
- b. Market Study
  - i. The market study confirms the need for, and viability of the project.
  - ii. The market study informs the organization about competition, demographics of the area, and barriers to entry.
- c. Local Support & Initial Site Assessment
  - i. The project fits the zoning of the site.
  - ii. The project is compatible with local land use.
  - iii. The project is not located in an area with a moratorium or interim control ordinance that cannot be bypassed.
  - iv. Neighbors and local community members support the project.
  - v. The project is in alignment with local city, county, state and/or federal housing goal(s).

##### 2. ORGANIZATIONAL READINESS

- a. The organization is willing and able to do this project.
- b. The project is in alignment with the mission of the organization.
- c. The Board of Directors embraces a CED strategy and/or embraces the project as a part of the CED strategy.
- d. The organization and/or its partners have a track record of completing similar projects.
- e. The organization has the financial and operational capacity to undertake the proposed development.
  - i. The organization can support the additional debt (if any) created by the project.
  - ii. The organization has qualified staff that can undertake the project.
  - iii. The organization has access to reliable, qualified vendors and service providers.

##### 3. FINANCIAL FEASIBILITY

- a. Project cost
  - i. The project is affordable to the developer, and the cost is appropriate to the concept or design.
  - ii. If the total development cost is not readily available, the project is phased.
  - iii. The contractor or operator providing the cost estimates is qualified and experienced in multi-unit rental affordable housing.
- b. Funding sources
  - i. There are enough sources of funding for the uses.
  - ii. The developer has endeavored to secure all available competitive and noncompetitive funding sources for which the project qualifies.
  - iii. The actual disbursement of each source is timely and in sync with the needs of the project.
  - iv. The developer is aware of the compliance implications of each source.
- c. Cash flow
  - i. The project produces enough cash flow to support the proposed debt structure.
  - ii. The project minimally pays for itself over time. It has a sustainable cash flow.

#### Level 2: Practical Considerations

These criteria are essential for further developing a successful, operating project.

1. MARKET BARRIERS

- a. The organization understands why past proposals have not worked and instead addresses prior issues in innovative alternative ways.

2. DEVELOPMENT TEAM & PARTNERSHIPS

- a. The organization has assembled the best team for the project, including architects, project managers, property managers, contractors, and other third party consultants.
- b. If the organization is lacking in any area (financial, experience), it has partnered with another entity to develop the project.
- c. The project is supported by public sector, private sector, and community partners.
- d. Through an open dialogue with the community, the organization has sought and incorporated community input and approval.

3. SITE CHARACTERISTICS AND PROJECT DESIGN

- a. The location makes sense for the project.
- b. The project is located near or adjacent to existing or future transit.
- c. If the site is a known brownfield or historic structure, the project accounts for increased time, costs, and other issues associated with these environmental and/or historic considerations.
- d. The proposed project is the highest and best use of the site
- e. The design is compatible with the characteristics of the community and surrounding buildings.
- f. The project does not “look” like an affordable housing project.
- g. If located in a redevelopment area or contains blighted or dilapidated structures, the project accounts for increased costs and also takes advantage of resources for redevelopment projects.
- h. If the project does not comply with the underlying zoning and land use intensity, the timeline and budget for entitlement have been extended.

4. CONSTRUCTION

- a. Project met major construction milestones and was completed on schedule.
- b. Construction timeline was in sync with financing requirements.
- c. Construction loan was converted to permanent loan on time.

5. RENT UP, MANAGEMENT & OPERATION

- a. Upon construction, the lease up of the project was completed in a timely manner.
- b. The project is fully occupied.
- c. Residents are provided with opportunities to participate in self-governance through structures such as resident associations.

Level 3: From Feasible to Exemplary

These criteria elevate a functioning project to an exemplary project.

1. FUNDING & FUNDING REQUIREMENTS

- a. The project uses a program or funding source that is new and innovative.
- b. Each funding source was heavily leveraged to gain further resources.
- c. Certain features of the project were adapted to capture funding, but the project was not completely changed in order to capture one particular funding source.
- d. There are multiple stakeholders providing funding, and this mix of funding sources maximizes the feasibility of the project.
- e. The design of the project exceeds minimum standards required by funding sources.
  - i. The quality of the construction used on the project exceeds minimum standards required by funding sources.
  - ii. The amenities provided by the project exceed minimum standards required by funding sources.
  - iii. The sizes of the units exceed minimum standards required by funding sources.
  - iv. The design of the project and units are culturally appropriate.
  - v. The project is located in close proximity to jobs and public transit.
  - vi. The project creates more jobs than required by the funding sources.
  - vii. There is deeper low and moderate income targeting than required by funding sources.

2. FUTURE PROJECTS

- a. The project strengthens the position (financial, political, capacity, experience) of the organization.
- b. Through the development process, the reputation of the organization was enhanced. Issues that the project team faced were dealt with in a diplomatic manner, enabling future projects.
- c. The success of the project will enable future funding on other projects.
- d. The community is happy with the project and will support more/similar development in the future.
- e. The community is more knowledgeable about low-income rental housing.

3. ENVIRONMENTAL IMPACT

- a. The project has less environmental impact than traditional projects during construction and during operation.
- b. The project meets green building standards such as adaptive reuse or LEED certification.
- c. The project conserves energy and water.
- d. The project has an effective recycling program.
- e. The project fulfills the triple bottom line.
- f. The project has an educational component that teaches renters about using green features effectively.

4. ECONOMIC IMPACT

- a. The project will lead tenants to homeownership in the long-run.
- b. The project will increase the independence of tenants.

5. FOOD SECURITY

- a. The project contains a community garden, farmers' market, resident education, and/or urban gardening component.

6. COMPREHENSIVENESS

- a. There are multiple services provided by the project e.g. social services or education centers.
- b. There are complementary uses of the spaces created by the project.

7. DIVERSITY

- a. The project serves a mixed income clientele.
- b. The project encourages mixed age, gender, ethnic, etc. participation.

8. PROPERTY MANAGEMENT

- a. Property management communicates in languages with which residents are familiar.
- b. Property management maintains a good relationship with tenants.
- c. Property management consistently collects rents in a timely manner.
- d. Residents remain happy with the project after 1 year, 5 years, etc. of operations.

9. PUBLIC BENEFITS

- a. The project provides affordable rents that fit the needs of the community.
- b. The project creates spaces available for public uses (commercial, open, green).
- c. The project removes blight in the neighborhood.
- d. The project improves neighborhood security.
- e. The project stimulates long-term job creation.
- f. The project stimulates housing development in the area.
- g. The project serves as a reinvestment/investment catalyst by incentivizing development as a result of the project's success.
- h. The project results in other positive physical impacts.
- i. The project results in other positive economic impacts.
- j. The project results in other positive social impacts.

10. REPLICABLE/SCALABLE

- a. This project can be replicated in other communities, regions, and/or states.

## REAL ESTATE DEVELOPMENT

### Single Family Homeownership Housing

Use these standards for single family housing that will be sold to low-income families.

#### Level 1: Project Feasibility Assessment

These basic criteria determine the feasibility of a real estate development project. The focus is on the organizational and financial readiness of the project.

##### 1. NEED

- a. Community Need
  - i. The project serves a need for low-income housing.
  - ii. The project serves a need for single family housing.
- b. Market Study
  - i. The market study confirms the need for, and viability of the project.
  - ii. The market study informs the organization about competition, demographics of the area, and barriers to entry.
- c. Local Support & Initial Site Assessment
  - i. The project fits the zoning of the site.
  - ii. The project is compatible with local land use.
  - iii. The project is not located in an area with a moratorium or interim control ordinance that cannot be bypassed.
  - iv. Neighbors and local community members support the project.
  - v. The project is in alignment with local city, county, state and/or federal housing goal(s).

##### 2. ORGANIZATIONAL READINESS

- a. The organization is willing and able to do this project.
- b. The project is in alignment with the mission of the organization.
- c. The Board of Directors embraces a CED strategy and/or embraces the project as a part of the CED strategy.
- d. The organization and/or its partners have a track record of completing similar projects.
- e. The organization has the financial and operational capacity to undertake the proposed development.
  - i. The organization can support the additional debt (if any) created by the project.
  - ii. The organization has qualified staff that can undertake the project.
  - iii. The organization has access to reliable, qualified vendors and service providers.

##### 3. FINANCIAL FEASIBILITY

- a. Project cost
  - i. The project is affordable to the developer, and the cost is appropriate to the concept or design.
  - ii. If the total development cost is not readily available, the project is phased.
  - iii. The contractor or operator providing the cost estimates is qualified and experienced in single family housing.
- b. Funding sources
  - i. There are enough sources of funding for the uses.
  - ii. The developer has endeavored to secure all available competitive and noncompetitive funding sources for which the project qualifies.
  - iii. The actual disbursement of each source is timely and in sync with the needs of the project.
  - iv. The developer is aware of the compliance implications of each source.
- c. Cash flow
  - i. The project produces enough cash flow to support the proposed debt structure.
  - ii. The project minimally pays for itself over time. It has a sustainable cash flow.

#### Level 2: Practical Considerations

These criteria are essential for further developing a successful, operating project.

##### 1. MARKET BARRIERS

- a. The organization understands why past proposals have not worked and instead addresses prior issues in innovative alternative ways.
2. DEVELOPMENT TEAM & PARTNERSHIPS
  - a. The organization has assembled the best team for the project, including architects, project managers, contractors, and other third party consultants.
  - b. If the organization is lacking in any area (financial, experience), it has partnered with another entity to develop the project.
  - c. The project is supported by public sector, private sector, and community partners.
  - d. Through an open dialogue with the community, the organization has sought and incorporated community input and approval.
3. SITE CHARACTERISTICS AND PROJECT DESIGN
  - a. The location makes sense for the project.
  - b. The project is located near or adjacent to existing or future transit.
  - c. If the site is a known brownfield or historic structure, the project accounts for increased time, costs, and other issues associated with these environmental and/or historic considerations.
  - d. The proposed project is the highest and best use of the site
  - e. The design is compatible with the characteristics of the community and surrounding buildings.
  - f. The project does not “look” like an affordable housing project.
  - g. If located in a redevelopment area or contains blighted or dilapidated structures, the project accounts for increased costs and also takes advantage of resources for redevelopment projects.
  - h. If the project does not comply with the underlying zoning and land use intensity, the timeline and budget for entitlement have been extended.
4. CONSTRUCTION
  - a. Project met major construction milestones and was completed on schedule.
  - b. Construction timeline was in sync with financing requirements.
  - c. Construction loan was converted to permanent loan on time.
5. RENT UP, MANAGEMENT & OPERATION
  - a. Upon construction, the house was sold within the expected period of time.

### Level 3: From Feasible to Exemplary

These criteria elevate a functioning project to an exemplary project.

1. FUNDING & FUNDING REQUIREMENTS
  - a. The project uses a program or funding source that is new and innovative.
  - b. Each funding source was heavily leveraged to gain further resources.
  - c. Certain features of the project were adapted to capture funding, but the project was not completely changed in order to capture one particular funding source.
  - d. There are multiple stakeholders providing funding, and this mix of funding sources maximizes the feasibility of the project.
  - e. The design of the project exceeds minimum standards required by funding sources.
    - i. The quality of the construction used on the project exceeds minimum standards required by funding sources.
    - ii. The amenities provided by the project exceed minimum standards required by funding sources.
    - iii. The sizes of the units exceed minimum standards required by funding sources.
    - iv. The project creates more jobs than required by the funding sources.
    - v. There is deeper low and moderate income targeting than required by funding sources.
  - f. The design of the project and units are culturally appropriate.
  - g. The project is located in close proximity to jobs and public transit.
2. FUTURE PROJECTS
  - a. The project strengthens the position (financial, political, capacity, experience) of the organization.
  - b. Through the development process, the reputation of the organization was enhanced. Issues that the project team faced were dealt with in a diplomatic manner, enabling future projects.

- c. The success of the project will enable future funding on other projects.
  - d. The community is happy with the project and will support more/similar development in the future.
  - e. The community is more knowledgeable about low-income homeownership housing.
3. ENVIRONMENTAL IMPACT
- a. The project has less environmental impact than traditional projects during construction and during operation.
  - b. The project meets green building standards such as adaptive reuse or LEED certification.
  - c. The project conserves energy and water.
  - d. The project has an effective recycling program.
  - e. The project fulfills the triple bottom line.
  - f. The project has an educational component that teaches new owners about using green features effectively.
4. ECONOMIC IMPACT
- a. The project will increase the independence of residents who otherwise would not have been able to purchase homes.
  - b. The project will remain affordable during its lifetime, regardless of changes in ownership.
  - c. The project builds the credit of the homeowners.
  - d. The project preserves affordability in the event of the owner exiting.
  - e. The project promotes neighborhood involvement of the homeowners through activities, advisory structures, etc.
5. FOOD SECURITY
- a. The project contains a community garden, farmers' market, resident education, and/or urban gardening component.
6. COMPREHENSIVENESS
- a. There are multiple services provided in conjunction with the project e.g. social services or financial literacy.
  - b. There is a continuing support network for the homeowners.
  - c. Services such as credit counseling and homeownership training were provided prior to ownership.
7. DIVERSITY
- a. The project encourages mixed income, age, gender, ethnic, etc. presence in the community.
8. PUBLIC BENEFITS
- a. The project provides affordable housing that fit the needs of the community.
  - b. The project removes blight in the neighborhood.
  - c. The project improves neighborhood security.
  - d. The project stimulates long-term job creation.
  - e. The project stimulates housing development in the area.
  - f. The project serves as a reinvestment/investment catalyst by incentivizing development as a result of the project's success.
  - g. The project results in other positive physical impacts.
  - h. The project results in other positive economic impacts.
  - i. The project results in other positive social impacts.
9. REPLICABLE/SCALABLE
- This project can be replicated in other communities, regions, and/or states.

## **REAL ESTATE DEVELOPMENT**

### **Commercial & Industrial**

Use these standards for commercial facilities used as office and/or retail space and for industrial facilities. Most commercial and industrial facilities must be supported by rents earned by the space.

#### Level 1: Project Feasibility Assessment

These basic criteria determine the feasibility of a real estate development project. The focus is on the organizational and financial readiness of the project.

##### 1. NEED

- a. Community Need
  - i. The project serves the need for commercial space.
- b. Market Study
  - i. The market study confirms the need for, and viability/competitive advantage of the project.
  - ii. The market study informs the organization about competition, demographics of the area, and barriers to entry.
- c. Local Support & Initial Site Assessment
  - i. The project fits the zoning of the site.
  - ii. The project is compatible with local land use.
  - iii. The project is not located in an area with a moratorium or interim control ordinance that cannot be bypassed.
  - iv. Neighbors and local community members support the project.
  - v. The project is in alignment with local city, county, state and/or federal development goal(s).

##### 2. ORGANIZATIONAL READINESS

- a. The organization is willing and able to do this project.
- b. The project is in alignment with the mission of the organization.
- c. The Board of Directors embraces a CED strategy and/or embraces the project as a part of the CED strategy.
- d. The organization and/or its partners have a track record of completing similar projects.
- e. The organization has the financial and operational capacity to undertake the proposed development.
  - i. The organization can support the additional debt (if any) created by the project.
  - ii. The organization has qualified staff that can undertake the project.
  - iii. The organization has access to reliable, qualified vendors and service providers.

##### 3. FINANCIAL FEASIBILITY

- a. Project cost
  - i. The project is affordable to the developer, and the cost is appropriate to the concept or design.
  - ii. If the total development cost is not readily available, the project is phased.
  - iii. The contractor or operator providing the cost estimates is qualified and experienced in commercial and/or industrial space.
- b. Funding sources
  - i. There are enough sources of funding for the uses.
  - ii. The developer has endeavored to secure all available competitive and noncompetitive funding sources for which the project qualifies.
  - iii. The actual disbursement of each source is timely and in sync with the needs of the project.
  - iv. The developer is aware of the compliance implications of each source.
- c. Cash flow
  - i. The project produces enough cash flow to support the proposed debt structure.
  - ii. The project minimally pays for itself over time. It has a sustainable cash flow.
  - iii. The organization has secured tenants.

#### Level 2: Practical Considerations

These criteria are essential for further developing a successful, operating project.

1. MARKET BARRIERS

- a. The organization understands why past proposals have not worked and instead addresses prior issues in innovative alternative ways.

2. DEVELOPMENT TEAM & PARTNERSHIPS

- a. The organization has assembled the best team for the project, including architects, project managers, property managers, contractors, real estate brokers, leasing agents, and other third party consultants.
- b. If the organization is lacking in any area (financial, experience), it has partnered with another entity to develop the project.
- c. The project is supported by public sector, private sector, and community partners.
- d. Through an open dialogue with the community, the organization has sought and incorporated community input and approval.

3. SITE CHARACTERISTICS AND PROJECT DESIGN

- a. The location makes sense for the project, especially for retail space.
- b. The design makes sense for the targeted use (e.g. provides correct amount of parking).
- c. The project is located near or adjacent to existing or future transit.
- d. If the site is a known brownfield or historic structure, the project accounts for increased time, costs, and other issues associated with these environmental and/or historic considerations.
- e. The proposed project is the highest and best use of the site
- f. The design is compatible with the characteristics of the community and surrounding buildings.
- g. If applicable, the project does not “look” like it offers rents lower than market.
- h. If located in a redevelopment area or contains blighted or dilapidated structures, the project accounts for increased costs and also takes advantage of resources for redevelopment projects.
- i. If the project does not comply with the underlying zoning and land use intensity, the timeline and budget for entitlement have been extended.

4. CONSTRUCTION

- a. Project met major construction milestones and was completed on schedule.
- b. Construction timeline was in sync with financing requirements.
- c. Construction loan was converted to permanent loan on time.

5. RENT UP, MANAGEMENT & OPERATION

- a. Upon construction, the lease up of the project was completed in a timely manner.
- b. The project is fully occupied.
- c. Tenants are provided with opportunities to participate in the management and/or operation of the project.

Level 3: From Feasible to Exemplary

These criteria elevate a functioning project to an exemplary project.

1. FUNDING & FUNDING REQUIREMENTS

- a. The project uses a program or funding source that is new and innovative.
- b. Each funding source was heavily leveraged to gain further resources.
- c. Certain features of the project were adapted to capture funding, but the project was not completely changed in order to capture one particular funding source.
- d. There are multiple stakeholders providing funding, and this mix of funding sources maximizes the feasibility of the project.
- e. The design of the project exceeds minimum standards required by funding sources.
  - i. The quality of the construction used on the project exceeds minimum standards required by funding sources.
  - ii. The amenities provided by the project exceed minimum standards required by funding sources.
  - iii. The sizes of the units exceed minimum standards required by funding sources.
  - iv. The project creates more jobs than required by the funding sources.
- f. The design of the project and units are culturally appropriate.
- g. The project is located in close proximity to jobs and public transit.

2. FUTURE PROJECTS

- a. The project strengthens the position (financial, political, capacity, experience) of the organization.
  - b. Through the development process, the reputation of the organization was enhanced. Issues that the project team faced were dealt with in a diplomatic manner, enabling future projects.
  - c. The success of the project will enable future funding on other projects.
  - d. The community is happy with the project and will support more/similar development in the future.
  - e. The community is more knowledgeable about community facilities.
3. ENVIRONMENTAL IMPACT
- a. The project has less environmental impact than traditional projects during construction and during operation.
  - b. The project meets green building standards such as adaptive reuse or LEED certification.
  - c. The project conserves energy and water.
  - d. The project has an effective recycling program.
  - e. The project fulfills the triple bottom line.
  - f. The project has an educational component that teaches tenants about using green features effectively.
  - g. The project stimulates green job creation.
4. ECONOMIC IMPACT
- a. The project will increase the independence of tenants.
5. DIVERSITY
- a. The project serves a mixed income clientele.
  - b. The project encourages mixed age, gender, ethnic, etc. participation.
6. PROPERTY MANAGEMENT
- a. Property management communicates in languages with which tenants are familiar.
  - b. Property management maintains a good relationship with tenants.
  - c. Property management consistently collects rents in a timely manner.
  - d. Tenants remain happy with the project after 1 year, 5 years, etc. of operations.
7. PUBLIC BENEFITS
- a. The project serves the commercial or industrial needs of the community.
  - b. The project creates spaces available for public uses (commercial, open, green).
  - c. The project removes blight in the neighborhood.
  - d. The project improves neighborhood security.
  - e. The project stimulates long-term job creation.
  - f. The project stimulates small business creation.
  - g. The project supports minority businesses.
  - h. The project results in local employment.
  - i. The project stimulates housing development in the area.
  - j. The project serves as a reinvestment/investment catalyst by incentivizing development as a result of the project's success.
  - k. Public improvements that support the project such as bus routes and street improvements benefit the entire neighborhood.
  - l. The project results in other positive physical impacts.
  - m. The project results in other positive economic impacts.
  - n. The project results in other positive social impacts.
8. REPLICABLE/SCALABLE
- a. This project can be replicated in other communities, regions, and/or states.

## REAL ESTATE DEVELOPMENT

### Community Facilities

Use these standards for facilities that have designated community uses. Examples include buildings used for social services, nonprofit office space, recreation centers, commercial buildings that will house businesses that cannot afford market rates, and charter schools.

#### Level 1: Project Feasibility Assessment

These basic criteria determine the feasibility of a real estate development project. The focus is on the organizational and financial readiness of the project.

#### 1. NEED

- a. Community Need
  - i. The project serves a need for the specific community facility.
- b. Market Study
  - i. The market study confirms the need for, and viability/competitive advantage of the project.
  - ii. The market study informs the organization about competition, demographics of the area, and barriers to entry.
- c. Local Support & Initial Site Assessment
  - i. The project fits the zoning of the site.
  - ii. The project is compatible with local land use.
  - iii. The project is not located in an area with a moratorium or interim control ordinance that cannot be bypassed.
  - iv. Neighbors and local community members support the project.
  - v. The project is in alignment with local city, county, state and/or federal development goal(s).

#### 2. ORGANIZATIONAL READINESS

- a. The organization is willing and able to do this project.
- b. The project is in alignment with the mission of the organization.
- c. The Board of Directors embraces a CED strategy and/or embraces the project as a part of the CED strategy.
- d. The organization and/or its partners have a track record of completing similar projects.
- e. The organization has the financial and operational capacity to undertake the proposed development.
  - i. The organization can support the additional debt (if any) created by the project.
  - ii. The organization has qualified staff that can undertake the project.
  - iii. The organization has access to reliable, qualified vendors and service providers.

#### 3. FINANCIAL FEASIBILITY

- a. Project cost
  - i. The project is affordable to the developer, and the cost is appropriate to the concept or design.
  - ii. If the total development cost is not readily available, the project is phased.
  - iii. The contractor or operator providing the cost estimates is qualified and experienced in community facilities.
- b. Funding sources
  - i. There are enough sources of funding for the uses.
  - ii. The developer has endeavored to secure all available competitive and noncompetitive funding sources for which the project qualifies.
  - iii. The actual disbursement of each source is timely and in sync with the needs of the project.
  - iv. The developer is aware of the compliance implications of each source.
- c. Cash flow
  - i. The project produces enough cash flow to support the proposed debt structure (if any).
  - ii. The project minimally pays for itself over time. It has a sustainable cash flow.
  - iii. The organization has secured tenants.

## Level 2: Practical Considerations

These criteria are essential for further developing a successful, operating project.

### 1. MARKET BARRIERS

- a. The organization understands why past proposals have not worked and instead addresses prior issues in innovative alternative ways.

### 2. DEVELOPMENT TEAM & PARTNERSHIPS

- a. The organization has assembled the best team for the project, including architects, project managers, property managers, contractors, real estate brokers, leasing agents, and other third party consultants.
- b. If the organization is lacking in any area (financial, experience), it has partnered with another entity to develop the project.
- c. The project is supported by public sector, private sector, and community partners.
- d. Through an open dialogue with the community, the organization has sought and incorporated community input and approval.

### 3. SITE CHARACTERISTICS AND PROJECT DESIGN

- a. The location makes sense for the project.
- b. The design makes sense for the targeted use (e.g. provides correct amount of parking).
- c. The project is located near or adjacent to existing or future transit.
- d. If the site is a known brownfield or historic structure, the project accounts for increased time, costs, and other issues associated with these environmental and/or historic considerations.
- e. The proposed project is the highest and best use of the site
- f. The design is compatible with the characteristics of the community and surrounding buildings.
- g. The project does not “look” like it offers rents lower than market.
- h. If located in a redevelopment area or contains blighted or dilapidated structures, the project accounts for increased costs and also takes advantage of resources for redevelopment projects.
- i. If the project does not comply with the underlying zoning and land use intensity, the timeline and budget for entitlement have been extended.

### 4. CONSTRUCTION

- a. Project met major construction milestones and was completed on schedule.
- b. Construction timeline was in sync with financing requirements.
- c. Construction loan was converted to permanent loan on time.

### 5. RENT UP, MANAGEMENT & OPERATION

- a. Upon construction, the lease up of the project was completed in a timely manner.
- b. The project is fully occupied.
- c. Tenants are provided with opportunities to participate in the management and/or operation of the project.

## Level 3: From Feasible to Exemplary

These criteria elevate a functioning project to an exemplary project.

### 1. FUNDING & FUNDING REQUIREMENTS

- a. The project uses a program or funding source that is new and innovative.
- b. Each funding source was heavily leveraged to gain further resources.
- c. Certain features of the project were adapted to capture funding, but the project was not completely changed in order to capture one particular funding source.
- d. There are multiple stakeholders providing funding, and this mix of funding sources maximizes the feasibility of the project.
- e. The design of the project exceeds minimum standards required by funding sources.
  - i. The quality of the construction used on the project exceeds minimum standards required by funding sources.
  - ii. The amenities provided by the project exceed minimum standards required by funding sources.
  - iii. The sizes of the units exceed minimum standards required by funding sources.
  - iv. The project creates more jobs than required by the funding sources.
- f. The design of the project and units are culturally appropriate.

- g. The project is located in close proximity to jobs and public transit.
2. FUTURE PROJECTS
- a. The project strengthens the position (financial, political, capacity, experience) of the organization.
  - b. Through the development process, the reputation of the organization was enhanced. Issues that the project team faced were dealt with in a diplomatic manner, enabling future projects.
  - c. The success of the project will enable future funding on other projects.
  - d. The community is happy with the project and will support more/similar development in the future.
  - e. The community is more knowledgeable about community facilities.
3. ENVIRONMENTAL IMPACT
- a. The project has less environmental impact than traditional projects during construction and during operation.
  - b. The project meets green building standards such as adaptive reuse or LEED certification.
  - c. The project conserves energy and water.
  - d. The project has an effective recycling program.
  - e. The project fulfills the triple bottom line.
  - f. The project has an educational component that teaches tenants about using green features effectively.
  - g. The project stimulates green job creation.
4. ECONOMIC IMPACT
- a. The project will increase the independence of tenants.
5. FOOD SECURITY
- a. The project contains a community garden, farmers' market, education, and/or urban gardening component.
6. COMPREHENSIVENESS
- a. There are multiple services provided by the project e.g. social services or education centers.
  - b. There are complementary uses of the spaces created by the project.
7. DIVERSITY
- a. The project serves a mixed income clientele.
  - b. The project encourages mixed age, gender, ethnic, etc. participation.
8. PROPERTY MANAGEMENT
- a. Property management communicates in languages with which tenants are familiar.
  - b. Property management maintains a good relationship with tenants.
  - c. Property management consistently collects rents in a timely manner.
  - d. Tenants remain happy with the project after 1 year, 5 years, etc. of operations.
9. PUBLIC BENEFITS
- a. The project serves the community's need for community facilities.
  - b. The project creates spaces available for public uses (commercial, open, green).
  - c. The project removes blight in the neighborhood.
  - d. The project improves neighborhood security.
  - e. The project stimulates long-term job creation.
  - f. The project stimulates small business creation.
  - g. The project supports minority businesses.
  - h. The project results in local employment.
  - i. The project stimulates housing development in the area.
  - j. The project serves as a reinvestment/investment catalyst by incentivizing development as a result of the project's success.
  - k. Public improvements that support the project such as bus routes and street improvements benefit the entire neighborhood.
  - l. The project results in other positive physical impacts.
  - m. The project results in other positive economic impacts.
  - n. The project results in other positive social impacts.
10. REPLICABLE/SCALABLE
- a. This project can be replicated in other communities, regions, and/or states.

## REAL ESTATE DEVELOPMENT

### Mixed-Use Project

Use these standards for structures with a mix of uses, such as residential and commercial. Examples include a residential apartment with retail and office space on the ground floor, a project with multiple structures - one community facility and one residential building, and one retail component.

#### Level 1: Project Feasibility Assessment

These basic criteria determine the feasibility of a real estate development project. The focus is on the organizational and financial readiness of the project.

#### 1. NEED

##### a. Community Need

- i. If applicable, the project serves a need for low-income housing.
- ii. If applicable, the project serves a need for commercial space.
- iii. If applicable, the project serves a need for industrial space.
- iv. If applicable, the project serves a need for a specific community facility.

##### b. Market Study

- i. The market study confirms the need for, and viability/competitive advantage of the project.
- ii. The market study informs the organization about competition, demographics of the area, and barriers to entry.

##### c. Local Support & Initial Site Assessment

- i. The project fits the zoning of the site.
- ii. The project is compatible with local land use.
- iii. The project is not located in an area with a moratorium or interim control ordinance that cannot be bypassed.
- iv. Neighbors and local community members support the project.
- v. The project is in alignment with local city, county, state and/or federal housing and development goal(s).

#### 2. ORGANIZATIONAL READINESS

- a. The organization is willing and able to do this project.
- b. The project is in alignment with the mission of the organization.
- c. The Board of Directors embraces a CED strategy and/or embraces the project as a part of the CED strategy.
- d. The organization and/or its partners have a track record of completing similar projects.
- e. The organization has the financial and operational capacity to undertake the proposed development.
  - i. The organization can support the additional debt (if any) created by the project.
  - ii. The organization has qualified staff that can undertake the project.
  - iii. The organization has access to reliable, qualified vendors and service providers.

#### 3. FINANCIAL FEASIBILITY

##### a. Project cost

- i. The project is affordable to the developer, and the cost is appropriate to the concept or design.
- ii. If the total development cost is not readily available, the project is phased.
- iii. The contractor or operator providing the cost estimates is qualified and experienced in mixed use projects.

##### b. Funding sources

- i. There are enough sources of funding for the uses.
- ii. The organization has endeavored to secure all available competitive and noncompetitive funding sources for which the project qualifies.
- iii. The actual disbursement of each source is timely and in sync with the needs of the project.
- iv. The developer is aware of the compliance implications of each source.

##### c. Cash flow

- i. The project produces enough cash flow to support the proposed debt structure (if any).

- ii. The project minimally pays for itself over time. It has a sustainable cash flow.
- iii. The organization has secured tenants for commercial and/or retail components.

### Level 2: Practical Considerations

These criteria are essential for further developing a successful, operating project.

#### 1. MARKET BARRIERS

- a. The organization understands why past proposals have not worked and instead addresses prior issues in innovative alternative ways.

#### 2. DEVELOPMENT TEAM & PARTNERSHIPS

- a. The organization has assembled the best team for the project, including architects, project managers, property managers, contractors, real estate brokers, leasing agents, and other third party consultants.
- b. If the organization is lacking in any area (financial, experience), it has partnered with another entity to develop the project.
- c. The project is supported by public sector, private sector, and community partners.
- d. Through an open dialogue with the community, the organization has sought and incorporated community input and approval.

#### 3. SITE CHARACTERISTICS AND PROJECT DESIGN

- a. The location makes sense for the project.
- b. The design makes sense for the targeted use (e.g. provides correct amount of parking).
- c. The project is located near or adjacent to existing or future transit.
- d. If the site is a known brownfield or historic structure, the project accounts for increased time, costs, and other issues associated with these environmental and/or historic considerations.
- e. The proposed project is the highest and best use of the site
- f. The design is compatible with the characteristics of the community and surrounding buildings.
- g. If applicable, the project does not “look” like it offers rents lower than market.
- h. If applicable, the project does not “look” like affordable housing.
- i. If located in a redevelopment area or contains blighted or dilapidated structures, the project accounts for increased costs and also takes advantage of resources for redevelopment projects.
- j. If the project does not comply with the underlying zoning and land use intensity, the timeline and budget for entitlement have been extended.

#### 4. CONSTRUCTION

- a. Project met major construction milestones and was completed on schedule.
- b. Construction timeline was in sync with financing requirements.
- c. Construction loan was converted to permanent loan on time.

#### 5. RENT UP, MANAGEMENT & OPERATION

- a. Upon construction, the lease up of the project was completed in a timely manner.
- b. The project is fully occupied.
- c. Tenants are provided with opportunities to participate in the management and/or operation of the project.

### Level 3: From Feasible to Exemplary

These criteria elevate a functioning project to an exemplary project.

#### 1. FUNDING & FUNDING REQUIREMENTS

- a. The project uses a program or funding source that is new and innovative.
- b. Each funding source was heavily leveraged to gain further resources.
- c. Certain features of the project were adapted to capture funding, but the project was not completely changed in order to capture one particular funding source.
- d. There are multiple stakeholders providing funding, and this mix of funding sources maximizes the feasibility of the project.
- e. The design of the project exceeds minimum standards required by funding sources.
  - i. The quality of the construction used on the project exceeds minimum standards required by funding sources.

- ii. The amenities provided by the project exceed minimum standards required by funding sources.
  - iii. The sizes of the units exceed minimum standards required by funding sources.
  - iv. The project creates more jobs than required by the funding sources.
  - f. The design of the project and units are culturally appropriate.
  - g. The project is located in close proximity to jobs and public transit.
2. FUTURE PROJECTS
- a. The project strengthens the position (financial, political, capacity, experience) of the organization.
  - b. Through the development process, the reputation of the organization was enhanced. Issues that the project team faced were dealt with in a diplomatic manner, enabling future projects.
  - c. The success of the project will enable future funding on other projects.
  - d. The community is happy with the project and will support more/similar development in the future.
  - e. The community is more knowledgeable about community facilities.
3. ENVIRONMENTAL IMPACT
- a. The project has less environmental impact than traditional projects during construction and during operation.
  - b. The project meets green building standards such as adaptive reuse or LEED certification.
  - c. The project conserves energy and water.
  - d. The project has an effective recycling program.
  - e. The project fulfills the triple bottom line.
  - f. The project has an educational component that teaches tenants about using green features effectively.
  - g. The project stimulates green job creation.
4. ECONOMIC IMPACT
- a. The project will increase the independence of tenants.
5. FOOD SECURITY
- a. The project contains a community garden, farmers' market, education, and/or urban gardening component.
6. COMPREHENSIVENESS
- a. There are multiple services provided by the project e.g. social services or education centers.
  - b. There are complementary uses of the spaces created by the project.
7. DIVERSITY
- a. The project serves a mixed income clientele.
  - b. The project encourages mixed age, gender, ethnic, etc. participation.
8. PROPERTY MANAGEMENT
- a. Property management communicates in languages with which tenants are familiar.
  - b. Property management maintains a good relationship with tenants.
  - c. Property management consistently collects rents in a timely manner.
  - d. Tenants remain happy with the project after 1 year, 5 years, etc. of operations.
9. PUBLIC BENEFITS
- a. The project serves the community's need for community facilities, commercial space, and/or housing.
  - b. The project creates spaces available for public uses (commercial, open, green).
  - c. The project removes blight in the neighborhood.
  - d. The project improves neighborhood security.
  - e. The project stimulates long-term job creation.
  - f. The project stimulates small business creation.
  - g. The project supports minority businesses.
  - h. The project results in local employment.
  - i. The project stimulates housing development in the area.
  - j. The project serves as a reinvestment/investment catalyst by incentivizing development as a result of the project's success.
  - k. Public improvements that support the project such as bus routes and street improvements benefit the entire neighborhood.
  - l. The project results in other positive physical impacts.

- m. The project results in other positive economic impacts.
- n. The project results in other positive social impacts.

10. REPLICABLE/SCALABLE

- a. This project can be replicated in other communities, regions, and/or states.

## **BUSINESS DEVELOPMENT**

### **Technical Assistance for Start Up Businesses**

Use these standards for technical assistance programs for start up businesses. Start up businesses are not established businesses but those that are in the early stages of development prior to generating income. Such programs include one-on-one counseling programs and peer mentoring.

#### Level 1: Program Feasibility Assessment

These basic criteria determine the feasibility of a technical assistance program for start up businesses. The focus is on the organizational and financial readiness of the program.

##### 1. NEED

- a. Community Need
  - i. The program serves a need for start up business technical assistance.
- b. Market Study/Needs Analysis Study
  - i. The study confirms the need for, and viability of the program.
  - ii. The study informs the organization about competition, demographics of the potential entrepreneurs, and barriers to entry.
- c. Local Support
  - i. Neighbors and local community members support the program.
  - ii. The program is in alignment with local city, county, state and/or economic development goal(s).

##### 2. ORGANIZATIONAL READINESS

- a. The organization is willing and able to do this program.
- b. The program is in alignment with the mission of the organization.
- c. The Board of Directors embraces a CED strategy and/or embraces the program as a part of the CED strategy.
- d. The organization and/or its partners have a track record of participating in similar programs.
- e. The organization has the financial and operational capacity to undertake the proposed program.
  - i. The organization can support the additional debt (if any) created by the program.
  - ii. The organization has qualified staff that can undertake the program.
  - iii. The organization has access to reliable, qualified vendors and service providers.

##### 3. FINANCIAL FEASIBILITY

- a. Program cost
  - i. The program is affordable to the organization, and the projected cost is appropriate to the concept.
  - ii. The operator or staff providing the cost estimates is qualified and experienced with technical assistance programs.
- b. Funding sources
  - i. There are enough sources of funding for the uses.
  - ii. The organization has endeavored to secure all available competitive and noncompetitive funding sources for which the program qualifies.
  - iii. The actual disbursement of each source is timely and in sync with the needs of the program.
  - iv. The organization is aware of the compliance implications of each source.
- c. Cash flow
  - i. The program produces enough cash flow to support the proposed debt structure (if any).
  - ii. The program minimally pays for itself over time. It has a sustainable cash flow.
    1. If the program is low-cost or free, it is subsidized enough to sustain the program.

#### Level 2: Practical Considerations

These criteria are essential for a successful, operating TA program.

##### 1. MARKET BARRIERS

- a. The organization understands why past programs have not worked and instead addresses prior issues in innovative and alternative ways.

##### 2. DEVELOPMENT TEAM & PARTNERSHIPS

- a. The organization has assembled the best team for the project, including translators, outreach coordinators, counselors, trainers, and management staff.
  - b. If the organization is lacking in any area (financial, experience), it has partnered with another entity to operate the program.
  - c. The program is supported by public sector, private sector, and community partners.
  - d. Through an open dialogue with the community, the organization has sought and incorporated community participation in the program.
3. SITE CHARACTERISTICS
- a. The location makes sense for the program and the target participants.
  - b. The project is located near or adjacent to transit.
4. PROGRAM DESIGN & OPERATION
- a. The program is run in the appropriate language(s) to the target population(s).
  - b. The program is culturally appropriate to the target population(s).
  - c. The program is tailored to the geography of the target population(s). For example, information about business licenses is in accordance with the target population's local jurisdiction regulations.
  - d. The program assists entrepreneurs with obtaining funding for initial capitalization.
    - i. The program helps participants establish credit worthiness.
    - ii. The program instructs participants on organizing financial documentation.
    - iii. The program connects entrepreneurs to funders for initial capitalization that is appropriate for start up businesses.
    - iv. The program guides participants with the application process.
  - e. The program provides information on permitting and other government requirements that are applicable to start up businesses.
  - f. The program connects entrepreneurs to potential clients, including the community and government contracts.
  - g. The program connects entrepreneurs to technology that is appropriate for start up businesses.
  - h. The program provides information on marketing that is appropriate for start up businesses.
  - i. The program provides information on developing a niche.
  - j. The program provides information on business planning that is appropriate for start up businesses.

### Level 3: From Feasible to Exemplary

These criteria elevate a program to an exemplary TA program.

#### 1. FUNDING & FUNDING REQUIREMENTS

- a. The program uses a funding program or funding source that is new and innovative.
- b. Each funding source was heavily leveraged to gain further resources.
- c. Certain features of the program were adapted to capture funding, but the program was not completely changed in order to capture one particular funding source.
- d. There are multiple stakeholders providing funding, and this mix of funding sources maximizes the feasibility of the program.
- e. The design of the program exceeds minimum standards required by funding sources.
  - i. The program assists more entrepreneurs than required by funding sources.
  - ii. The program assists more start up businesses than required by funding sources.
  - iii. There is deeper low and moderate income targeting than required by funding sources.

#### 2. FUTURE PROJECTS

- a. The program strengthens the position (financial, political, capacity, experience) of the organization.
- b. Through the program, the reputation of the organization was enhanced. Issues that the staff faced were dealt with in a diplomatic manner, enabling future programs.
- c. The success of the program will enable future funding on other programs.
- d. The community is happy with the project and will participate in more/similar programs in the future.
- e. The community is more knowledgeable about start up businesses.

#### 3. ENVIRONMENTAL IMPACT

- a. The program has an educational component that teaches participants about green features, tax incentives, and green jobs that are applicable to their start up businesses.
4. ECONOMIC IMPACT
    - a. The program will increase the independence of participants.
    - b. The program creates jobs.
      - i. Jobs created provide a living wage.
      - ii. Jobs created are for local hires.
      - iii. Jobs created are for low and moderate income individuals.
      - iv. Jobs created provide life skills.
      - v. Jobs created provide health benefits.
      - vi. Jobs created have potential for upward mobility.
      - vii. Jobs created require less funding per jobs created.
5. COMPREHENSIVENESS
    - a. The organization provides or connects to other programs that provide multiple services e.g. social services.
    - b. The program contains or connects to other programs that provide economic literacy.
6. DIVERSITY
    - a. The program serves a mixed income clientele.
    - b. The program encourages mixed age, gender, ethnic, etc. participation.
    - c. The program encourages minority businesses.
7. PUBLIC BENEFITS
    - a. The project provides a service that is needed by the community but is currently lacking.
    - b. The project stimulates long-term job creation.
    - c. The project results in other positive physical impacts.
    - d. The project results in other positive economic impacts.
    - e. The project results in other positive social impacts.
8. EVALUATION
    - a. The organization reevaluates its programs periodically and adapts to the changing needs of the community.
    - b. The program tracks its participants during and following the program.
9. REPLICABLE/SCALABLE
    - a. This program can be replicated in other communities, regions, and/or states.

## **BUSINESS DEVELOPMENT**

### **Technical Assistance for Micro Businesses**

Use these standards for technical assistance programs for micro businesses. A micro business is defined as a business with less than five employees. Such programs include one-on-one counseling programs, peer mentoring, and business incubators.

#### Level 1: Program Feasibility Assessment

These basic criteria determine the feasibility of a technical assistance program for micro businesses. The focus is on the organizational and financial readiness of the program.

##### 1. NEED

- a. Community Need
  - i. The program serves a need for micro business technical assistance.
- b. Market Study/Needs Analysis Study
  - i. The study confirms the need for, and viability of the program.
  - ii. The study informs the organization about competition, demographics of the potential entrepreneurs, and barriers to entry.
- c. Local Support
  - i. Neighbors and local community members support the program.
  - ii. The program is in alignment with local city, county, state and/or economic development goal(s).

##### 2. ORGANIZATIONAL READINESS

- a. The organization is willing and able to do this program.
- b. The program is in alignment with the mission of the organization.
- c. The Board of Directors embraces a CED strategy and/or embraces the program as a part of the CED strategy.
- d. The organization and/or its partners have a track record of participating in similar programs.
- e. The organization has the financial and operational capacity to undertake the proposed program.
  - i. The organization can support the additional debt (if any) created by the program.
  - ii. The organization has qualified staff that can undertake the program.
  - iii. The organization has access to reliable, qualified vendors and service providers.

##### 3. FINANCIAL FEASIBILITY

- a. Program cost
  - i. The program is affordable to the organization, and the projected cost is appropriate to the concept.
  - ii. The operator or staff providing the cost estimates is qualified and experienced with technical assistance programs.
- b. Funding sources
  - i. There are enough sources of funding for the uses.
  - ii. The organization has endeavored to secure all available competitive and noncompetitive funding sources for which the program qualifies.
  - iii. The actual disbursement of each source is timely and in sync with the needs of the program.
  - iv. The organization is aware of the compliance implications of each source.
- c. Cash flow
  - i. The program produces enough cash flow to support the proposed debt structure (if any).
  - ii. The program minimally pays for itself over time. It has a sustainable cash flow.
    1. If the program is low-cost or free, it is subsidized enough to sustain the program.

#### Level 2: Practical Considerations

These criteria are essential for a successful, operating TA program.

##### 1. MARKET BARRIERS

- a. The organization understands why past programs have not worked and instead addresses prior issues in innovative and alternative ways.

##### 2. DEVELOPMENT TEAM & PARTNERSHIPS

- a. The organization has assembled the best team for the project, including translators, outreach coordinators, counselors, trainers, and management staff.
  - b. If the organization is lacking in any area (financial, experience), it has partnered with another entity to operate the program.
  - c. The program is supported by public sector, private sector, and community partners.
  - d. Through an open dialogue with the community, the organization has sought and incorporated community participation in the program.
3. SITE CHARACTERISTICS
- a. The location makes sense for the program and the target participants.
  - b. The project is located near or adjacent to transit.
4. PROGRAM DESIGN & OPERATION
- a. The program is run in the appropriate language(s) to the target population(s).
  - b. The program is culturally appropriate to the target population(s).
  - c. The program is tailored to the geography of the target population(s). For example, information about business licenses is in accordance with the target population's local jurisdiction regulations.
  - d. The program assists entrepreneurs with obtaining microloans.
    - i. The program helps participants establish credit worthiness.
    - ii. The program instructs participants on reorganizing financial documentation.
    - iii. The program connects entrepreneurs to funders for microloans that are appropriate for micro businesses.
    - iv. The program guides participants with the application process.
  - e. The program provides information on permitting and other government requirements that are applicable to micro businesses.
  - f. The program connects entrepreneurs to potential clients, including the community and government contracts.
  - g. The program connects entrepreneurs to technology that is appropriate for micro businesses.
  - h. The program provides information on marketing that is appropriate for micro businesses.
  - i. The program provides information on expansion.
  - j. The program provides information on business planning that is appropriate for micro businesses.

### Level 3: From Feasible to Exemplary

These criteria elevate a program to an exemplary TA program.

#### 1. FUNDING & FUNDING REQUIREMENTS

- a. The program uses a funding program or funding source that is new and innovative.
- b. Each funding source was heavily leveraged to gain further resources.
- c. Certain features of the program were adapted to capture funding, but the program was not completely changed in order to capture one particular funding source.
- d. There are multiple stakeholders providing funding, and this mix of funding sources maximizes the feasibility of the program.
- e. The design of the program exceeds minimum standards required by funding sources.
  - i. The program assists more entrepreneurs than required by funding sources.
  - ii. The program assists more micro businesses than required by funding sources.
  - iii. There is deeper low and moderate income targeting than required by funding sources.

#### 2. FUTURE PROJECTS

- a. The program strengthens the position (financial, political, capacity, experience) of the organization.
- b. Through the program, the reputation of the organization was enhanced. Issues that the staff faced were dealt with in a diplomatic manner, enabling future programs.
- c. The success of the program will enable future funding on other programs.
- d. The community is happy with the project and will participate in more/similar programs in the future.
- e. The community is more knowledgeable about micro businesses.

#### 3. ENVIRONMENTAL IMPACT

- a. The program has an educational component that teaches participants about green features, tax incentives, and green jobs that are applicable to their micro businesses.
4. ECONOMIC IMPACT
    - a. The program will increase the independence of participants.
    - b. The program creates jobs.
      - i. Jobs created provide a living wage.
      - ii. Jobs created are for local hires.
      - iii. Jobs created are for low and moderate income individuals.
      - iv. Jobs created provide life skills.
      - v. Jobs created provide health benefits.
      - vi. Jobs created have potential for upward mobility.
      - vii. Jobs created require less funding per jobs created.
5. COMPREHENSIVENESS
    - a. The organization provides or connects to other programs that provide multiple services e.g. social services.
    - b. The program contains or connects to other programs that provide economic literacy.
6. DIVERSITY
    - a. The program serves a mixed income clientele.
    - b. The program encourages mixed age, gender, ethnic, etc. participation.
    - c. The program encourages minority businesses.
7. PUBLIC BENEFITS
    - a. The project provides a service that is needed by the community but is currently lacking.
    - b. The project stimulates long-term job creation.
    - c. The project results in other positive physical impacts.
    - d. The project results in other positive economic impacts.
    - e. The project results in other positive social impacts.
8. EVALUATION
    - a. The organization reevaluates its programs periodically and adapts to the changing needs of the community.
    - b. The program tracks its participants during and following the program.
9. REPLICABLE/SCALABLE
    - a. This program can be replicated in other communities, regions, and/or states.

## **BUSINESS DEVELOPMENT**

### **Technical Assistance for Small Businesses**

Use these standards for technical assistance programs for small businesses. A small business is defined as a business with less than five hundred employees. Such programs include one-on-one counseling programs, peer mentoring, and continuing education.

#### Level 1: Program Feasibility Assessment

These basic criteria determine the feasibility of a technical assistance program for small businesses. The focus is on the organizational and financial readiness of the program.

##### 1. NEED

- a. Community Need
  - i. The program serves a need for small business technical assistance.
- b. Market Study/Needs Analysis Study
  - i. The study confirms the need for, and viability of the program.
  - ii. The study informs the organization about competition, demographics of the potential entrepreneurs, and barriers to entry.
- c. Local Support
  - i. Neighbors and local community members support the program.
  - ii. The program is in alignment with local city, county, state and/or economic development goal(s).

##### 2. ORGANIZATIONAL READINESS

- a. The organization is willing and able to do this program.
- b. The program is in alignment with the mission of the organization.
- c. The Board of Directors embraces a CED strategy and/or embraces the program as a part of the CED strategy.
- d. The organization and/or its partners have a track record of participating in similar programs.
- e. The organization has the financial and operational capacity to undertake the proposed program.
  - i. The organization can support the additional debt (if any) created by the program.
  - ii. The organization has qualified staff that can undertake the program.
  - iii. The organization has access to reliable, qualified vendors and service providers.

##### 3. FINANCIAL FEASIBILITY

- a. Program cost
  - i. The program is affordable to the organization, and the projected cost is appropriate to the concept.
  - ii. The operator or staff providing the cost estimates is qualified and experienced with technical assistance programs.
- b. Funding sources
  - i. There are enough sources of funding for the uses.
  - ii. The organization has endeavored to secure all available competitive and noncompetitive funding sources for which the program qualifies.
  - iii. The actual disbursement of each source is timely and in sync with the needs of the program.
  - iv. The organization is aware of the compliance implications of each source.
- c. Cash flow
  - i. The program produces enough cash flow to support the proposed debt structure (if any).
  - ii. The program minimally pays for itself over time. It has a sustainable cash flow.
    1. If the program is low-cost or free, it is subsidized enough to sustain the program.

#### Level 2: Practical Considerations

These criteria are essential for a successful, operating TA program.

##### 1. MARKET BARRIERS

- a. The organization understands why past programs have not worked and instead addresses prior issues in innovative and alternative ways.

##### 2. DEVELOPMENT TEAM & PARTNERSHIPS

- a. The organization has assembled the best team for the project, including translators, outreach coordinators, counselors, trainers, and management staff.
  - b. If the organization is lacking in any area (financial, experience), it has partnered with another entity to operate the program.
  - c. The program is supported by public sector, private sector, and community partners.
  - d. Through an open dialogue with the community, the organization has sought and incorporated community participation in the program.
3. SITE CHARACTERISTICS
- a. The location makes sense for the program and the target participants.
  - b. The project is located near or adjacent to transit.
4. PROGRAM DESIGN & OPERATION
- a. The program is run in the appropriate language(s) to the target population(s).
  - b. The program is culturally appropriate to the target population(s).
  - c. The program is tailored to the geography of the target population(s). For example, information about business licenses is in accordance with the target population's local jurisdiction regulations.
  - d. The program assists entrepreneurs with obtaining traditional business funding.
    - i. The program helps participants establish credit worthiness.
    - ii. The program instructs participants on reorganizing financial documentation.
    - iii. The program connects entrepreneurs to funders for loans that are appropriate for small businesses.
    - iv. The program guides participants with the application process.
  - e. The program provides information on permitting and other government requirements that are applicable to small businesses.
  - f. The program connects entrepreneurs to potential clients, including the community and government contracts.
  - g. The program connects entrepreneurs to technology that is appropriate for small businesses.
  - h. The program provides information on marketing that is appropriate for small businesses.
  - i. The program provides information on expansion.
  - j. The program provides information on business planning that is appropriate for small businesses.

### Level 3: From Feasible to Exemplary

These criteria elevate a program to an exemplary TA program.

1. FUNDING & FUNDING REQUIREMENTS
- a. The program uses a funding program or funding source that is new and innovative.
  - b. Each funding source was heavily leveraged to gain further resources.
  - c. Certain features of the program were adapted to capture funding, but the program was not completely changed in order to capture one particular funding source.
  - d. There are multiple stakeholders providing funding, and this mix of funding sources maximizes the feasibility of the program.
  - e. The design of the program exceeds minimum standards required by funding sources.
    - i. The program assists more entrepreneurs than required by funding sources.
    - ii. The program assists more small businesses than required by funding sources.
    - iii. There is deeper low and moderate income targeting than required by funding sources.
2. FUTURE PROJECTS
- a. The program strengthens the position (financial, political, capacity, experience) of the organization.
  - b. Through the program, the reputation of the organization was enhanced. Issues that the staff faced were dealt with in a diplomatic manner, enabling future programs.
  - c. The success of the program will enable future funding on other programs.
  - d. The community is happy with the project and will participate in more/similar programs in the future.
  - e. The community is more knowledgeable about small businesses.
3. ENVIRONMENTAL IMPACT

- a. The program has an educational component that teaches participants about green features, tax incentives, and green jobs that are applicable to their small businesses.
4. ECONOMIC IMPACT
  - a. The program will increase the independence of participants.
  - b. The program creates jobs.
    - i. Jobs created provide a living wage.
    - ii. Jobs created are for local hires.
    - iii. Jobs created are for low and moderate income individuals.
    - iv. Jobs created provide life skills.
    - v. Jobs created provide health benefits.
    - vi. Jobs created have potential for upward mobility.
    - vii. Jobs created require less funding per jobs created.
5. COMPREHENSIVENESS
  - a. The organization provides or connects to other programs that provide multiple services e.g. social services.
  - b. The program contains or connects to other programs that provide economic literacy.
6. DIVERSITY
  - a. The program serves a mixed income clientele.
  - b. The program encourages mixed age, gender, ethnic, etc. participation.
  - c. The program encourages minority businesses.
7. PUBLIC BENEFITS
  - a. The project provides a service that is needed by the community but is currently lacking.
  - b. The project stimulates long-term job creation.
  - c. The project results in other positive physical impacts.
  - d. The project results in other positive economic impacts.
  - e. The project results in other positive social impacts.
8. EVALUATION
  - a. The organization reevaluates its programs periodically and adapts to the changing needs of the community.
  - b. The program tracks its participants during and following the program.
9. REPLICABLE/SCALABLE
  - a. This program can be replicated in other communities, regions, and/or states.

## **BUSINESS DEVELOPMENT**

### **Social Enterprise**

Use these standards for a nonprofit organization's social enterprise. A social enterprise is essentially a business of the organization, and it achieves a social purpose while using private sector approaches and business models.

#### Level 1: Program Feasibility Assessment

These basic criteria determine the feasibility of a social enterprise. The focus is on the organizational and financial readiness of the social enterprise.

##### 1. NEED

- a. Community Need
  - i. The social enterprise serves a need in the community for the service or goods it provides.
- b. Market Study
  - i. The study confirms the need for, and viability of the social enterprise.
  - ii. The study informs the organization about competition, demographics of target customers, and barriers to entry.
- c. Local Support
  - i. Neighbors and local community members support the social enterprise.
  - ii. The social enterprise is compatible with local land use.
  - iii. The social enterprise is in alignment with local city, county, state and/or federal development and transportation goal(s).
  - iv. The social enterprise is not located in an area with a moratorium or interim control ordinance that cannot be bypassed.

##### 2. ORGANIZATIONAL READINESS

- a. The organization is willing and able to do the social enterprise.
- b. The social enterprise is in alignment with the mission of the organization.
- c. The Board of Directors embraces a CED strategy and/or embraces the social enterprise as a part of the CED strategy.
- d. The organization and/or its partners have a track record of participating in similar social enterprises.
- e. The organization has the financial and operational capacity to undertake the proposed social enterprise.
  - i. The organization can support the additional debt (if any) created by the social enterprise.
  - ii. The organization has qualified staff that can undertake the social enterprise.
  - iii. The organization has access to reliable, qualified vendors and service providers.

##### 3. FINANCIAL FEASIBILITY

- a. Program cost
  - i. The social enterprise is affordable to the organization, and the projected cost is appropriate to the concept.
  - ii. The operator or staff providing the cost estimates is qualified and experienced with social enterprises.
- b. Funding sources
  - i. There are enough sources of funding for the uses.
  - ii. The organization has endeavored to secure all available competitive and noncompetitive funding sources for which the social enterprise qualifies.
  - iii. The actual disbursement of each source is timely and in sync with the needs of the social enterprise.
  - iv. The organization is aware of the compliance implications of each source.
- c. Cash flow
  - i. The social enterprise produces enough cash flow to support the proposed debt structure (if any).
  - ii. The social enterprise minimally pays for itself over time. It has a sustainable cash flow.
    1. If the social enterprise is low-cost or free, it is subsidized enough to sustain the program.

#### Level 2: Practical Considerations

These criteria are essential for a successful, operating social enterprise.

1. MARKET BARRIERS

- a. The organization understands why past social enterprises have not worked and instead addresses prior issues in innovative and alternative ways.

2. DEVELOPMENT TEAM & PARTNERSHIPS

- a. The organization has assembled the best team for the social enterprise, including vendors, employees, trainers, and management staff.
- b. If the organization is lacking in any area (financial, experience), it has partnered with another entity to operate the social enterprise.
- c. The social enterprise is supported by public sector, private sector, and community partners.
- d. Through an open dialogue with the community, the organization has sought and incorporated community participation in the social enterprise.

3. SITE CHARACTERISTICS

- a. The location makes sense for the social enterprise and the target customers.
- b. The project is located near or adjacent to transit.

4. BUSINESS DESIGN & OPERATION

- a. The social enterprise is run in the appropriate language(s) for its target customer base.
- b. The social enterprise is culturally appropriate to its target customer base.
- c. If applicable, the social enterprise is tailored to the geography of its target population base.

Level 3: From Feasible to Exemplary

These criteria elevate a social enterprise to an exemplary one.

1. FUNDING & FUNDING REQUIREMENTS

- a. The social enterprise uses a funding program or funding source that is new and innovative.
- b. Each funding source was heavily leveraged to gain further resources.
- c. Certain features of the social enterprise were adapted to capture funding, but the social enterprise was not completely changed in order to capture one particular funding source.
- d. There are multiple stakeholders providing funding, and this mix of funding sources maximizes the feasibility of the social enterprise.
- e. The social enterprise exceeds minimum standards required by funding sources.
  - i. There is deeper low and moderate income targeting than required by funding sources.

2. FUTURE PROJECTS

- a. The social enterprise strengthens the position (financial, political, capacity, experience) of the organization.
- b. Through the social enterprise, the reputation of the organization was enhanced. Issues that the staff faced were dealt with in a diplomatic manner, enabling future programs.
- c. The success of the social enterprise will enable future funding on other programs.
- d. The community is happy with the social enterprise and will participate in more/similar social enterprises in the future.
- e. The community is more knowledgeable about social enterprise.

3. ENVIRONMENTAL IMPACT

- a. The social enterprise has less environmental impact than traditional businesses during operation.
- b. The social enterprise fulfills the triple bottom line.
- c. The social enterprise incorporates green features.
  - i. The social enterprise conserves energy and water.
  - ii. The social enterprise has an effective recycling program.
- d. The social enterprise takes advantage of green tax incentives.
- e. The social enterprise provides green jobs.

4. ECONOMIC IMPACT

- a. The social enterprise creates jobs.
  - i. Jobs created provide a living wage.
  - ii. Jobs created are for local hires.

- iii. Jobs created are for low and moderate income individuals.
  - iv. Jobs created provide life skills.
  - v. Jobs created provide health benefits.
  - vi. Jobs created have potential for upward mobility.
  - vii. Jobs created require less funding per jobs created.
5. COMPREHENSIVENESS
- a. The organization provides or connects to other programs that provide multiple services e.g. social services.
6. DIVERSITY
- a. The social enterprise serves a mixed income clientele.
  - b. The social enterprise encourages mixed age, gender, ethnic, etc. participation.
  - c. The social enterprise supports minority businesses.
7. PUBLIC BENEFITS
- a. The social enterprise provides a service or good that is needed by the community but is currently lacking.
  - b. The profit from the social enterprise is re-invested into the community
  - c. The social enterprise stimulates long-term job creation.
  - d. The social enterprise results in other positive physical impacts.
  - e. The social enterprise results in other positive economic impacts.
  - f. The social enterprise results in other positive social impacts.
8. REPLICABLE/SCALABLE
- a. This social enterprise can be replicated in other communities, regions, and/or states.

## **BUSINESS DEVELOPMENT**

### **Commercial District Improvements Program**

Use these standards for a commercial district improvements program such as a façade improvement program, streetscaping program, and business improvement district.

#### Level 1: Program Feasibility Assessment

These basic criteria determine the feasibility of a commercial district improvement program. The focus is on the organizational and financial readiness of the program.

#### 1. NEED

- a. Community Need
  - i. The program serves a need in the local business community.
  - ii. The program serves a need in the local residential community.
- b. Market Study/Needs Analysis
  - i. The study confirms the need for, and viability of the program.
  - ii. The market study informs the organization about demographics of the area and barriers to entry.
- c. Local Support
  - i. The beneficiaries of the program, such as businesses within the area, support the program.
  - ii. Neighbors and local community members support the program.
  - iii. The project is compatible with local land use.
  - iv. The project is in alignment with local city, county, state and/or federal development and transportation goal(s)
  - iv. The project is not located in an area with a moratorium or interim control ordinance that cannot be bypassed.

#### 2. ORGANIZATIONAL READINESS

- a. The organization is willing and able to do the program.
- b. The program is in alignment with the mission of the organization.
- c. The Board of Directors embraces a CED strategy and/or embraces the program as a part of the CED strategy.
- d. The organization and/or its partners have a track record of participating in similar programs.
- e. The organization has the financial and operational capacity to undertake the proposed program.
  - i. The organization can support the additional debt (if any) created by the program.
  - ii. The organization has qualified staff that can undertake the program.
  - iii. The organization has access to reliable, qualified vendors and service providers.

#### 3. FINANCIAL FEASIBILITY

- a. Program cost
  - i. The program is affordable to the organization, and the projected cost is appropriate to the concept.
  - ii. The operator or staff providing the cost estimates is qualified and experienced with business improvement district programs.
- b. Funding sources
  - i. There are enough sources of funding for the uses.
  - ii. The organization has endeavored to secure all available competitive and noncompetitive funding sources for which the program qualifies.
  - iii. The actual disbursement of each source is timely and in sync with the needs of the program.
  - iv. The organization is aware of the compliance implications of each source.
- c. Cash flow
  - i. The program produces enough cash flow to support the proposed debt structure (if any).
  - ii. The program minimally pays for itself over time. It has a sustainable cash flow.
    1. If the program is low-cost or free, it is subsidized enough to sustain the program.
    2. The beneficiaries of the program, such as businesses within the area, contribute financially to the program.

### Level 2: Practical Considerations

These criteria are essential for a successful, operating commercial district improvement program.

1. MARKET BARRIERS
  - a. The organization understands why past programs have not worked and instead addresses prior issues in innovative and alternative ways.
2. DEVELOPMENT TEAM & PARTNERSHIPS
  - a. The organization has assembled the best team for the program, including vendors, employees, trainers, translators, outreach coordinators, and management staff.
  - b. If the organization is lacking in any area (financial, experience), it has partnered with another entity to operate the program.
  - c. The program is supported by public sector, private sector, and community partners.
  - d. Through an open dialogue with the community, the organization has sought and incorporated community participation in the program.
3. SITE CHARACTERISTICS
  - a. The area which is served by the program makes sense.
  - b. The program is located near or adjacent to transit.
4. PROGRAM DESIGN & OPERATION
  - a. The program is run in the appropriate language(s) for the businesses in the area.
  - b. The program is culturally appropriate to the businesses in the area.
  - c. The program is tailored to the specific geography of the businesses in the area.

### Level 3: From Feasible to Exemplary

These criteria elevate a commercial district improvement program to an exemplary one.

1. FUNDING & FUNDING REQUIREMENTS
  - a. The program uses a funding program or funding source that is new and innovative.
  - b. Each funding source was heavily leveraged to gain further resources.
  - c. Certain features of the program were adapted to capture funding, but the program was not completely changed in order to capture one particular funding source.
  - d. There are multiple stakeholders providing funding, and this mix of funding sources maximizes the feasibility of the program.
  - e. The program exceeds minimum standards required by funding sources.
    - i. There is deeper low and moderate income targeting than required by funding sources.
2. FUTURE PROJECTS
  - a. The program strengthens the position (financial, political, capacity, experience) of the organization.
  - b. Through the program, the reputation of the organization was enhanced. Issues that the staff faced were dealt with in a diplomatic manner, enabling future programs.
  - c. The success of the program will enable future funding on other programs.
  - d. The community is happy with the program and will participate in more/similar programs in the future.
  - e. The community is more knowledgeable about commercial district improvements.
3. ENVIRONMENTAL IMPACT
  - a. The program has less environmental impact than traditional programs during operation.
  - b. The program fulfills the triple bottom line.
  - c. The program incorporates green features.
    - i. The program conserves energy and water.
    - ii. The program has an effective recycling program.
  - d. The program takes advantage of green tax incentives.
  - e. The program provides green jobs.
4. ECONOMIC IMPACT
  - a. The program creates jobs.
    - i. Jobs created provide a living wage.
    - ii. Jobs created are for local hires.

- iii. Jobs created are for low and moderate income individuals.
  - iv. Jobs created provide life skills.
  - v. Jobs created provide health benefits.
  - vi. Jobs created have potential for upward mobility.
  - vii. Jobs created require less funding per jobs created.
5. COMPREHENSIVENESS
- a. The organization provides or connects to other programs that provide multiple services e.g. social services.
6. DIVERSITY
- a. The program serves a mixed income clientele.
  - b. The program encourages mixed age, gender, ethnic, etc. participation.
  - c. The program supports minority businesses.
7. PUBLIC BENEFITS
- a. The program provides a service that is needed by the community but is currently lacking.
  - b. The program alleviates existing conditions.
    - i. The program improves the security of the area
    - ii. The program improves the quality of street life.
  - c. The program attracts customers and new businesses to the area.
  - d. The program helps retain existing businesses.
  - e. The program stimulates long-term job creation.
  - f. The program results in other positive physical impacts.
  - g. The program results in other positive economic impacts.
  - h. The program results in other positive social impacts.
8. REPLICABLE/SCALABLE
- a. This program can be replicated in other communities, regions, and/or states.

## **LENDING**

### **Loan Fund**

Use these standards for a loan fund, a lending program in which funding is reallocated as previously made loans are repaid.

#### Level 1: Project Feasibility Assessment

These basic criteria determine the feasibility of a loan fund. The focus is on the organizational and financial readiness of the loan fund.

##### 1. NEED

###### a. Community Need

- i. The loan fund serves those without access to conventional financing.

###### b. Market Study/Needs Analysis

- i. The market study confirms the need for, and viability of the loan fund.

1. There are no other loan funds in the area that can work with the target population.
2. There is enough demand and sources of funding to support the loan fund.

- ii. The market study informs the organization about demographics of the area, competition, and barriers to entry.

1. The loan fund's interest rates and terms are comparable to or better than those of the local area.

###### c. Local Support

- i. The beneficiaries of the program, such as businesses within the area, support the loan fund.
- ii. Neighbors and local community members support the loan fund.
- iii. The loan fund is in alignment with local city, county, state and/or federal development goal(s)

##### 2. ORGANIZATIONAL READINESS

- a. The organization is willing and able to do the loan fund.

- b. The loan fund is in alignment with the mission of the organization.

- c. The Board of Directors embraces a CED strategy and/or embraces the program as a part of the CED strategy.

- d. The organization and/or its partners have a track record of participating in similar loan funds.

- e. The organization has the financial and operational capacity to undertake the proposed loan fund.

- i. The organization can support the additional debt (if any) created by the loan fund.

- ii. The organization has qualified staff that can undertake the loan fund.

- iii. The organization has access to reliable, qualified vendors and service providers.

##### 3. FINANCIAL FEASIBILITY

###### a. Program cost

- i. The loan fund is affordable to the organization, and the projected cost is appropriate to the concept.

- ii. The operator or staff providing the cost estimates is qualified and experienced with loan funds.

###### b. Funding sources

- i. There are enough sources of funding for the uses.

- ii. The organization has endeavored to secure all available competitive and noncompetitive funding sources for which the loan fund qualifies.

- iii. The actual disbursement of each source is timely and in sync with the needs of the loan fund.

- iv. The organization is aware of the compliance implications of each source.

###### c. Cash flow

- i. The loan fund produces enough cash flow to support the proposed debt structure (if any).

- ii. The loan fund minimally pays for itself over time. It has a sustainable cash flow.

1. If the loan fund is low-cost or free, it is subsidized enough to sustain the loan fund.

2. The loan fund can survive beyond the first year.

#### Level 2: Practical Considerations

These criteria are essential for a successful, operating loan fund.

1. MARKET BARRIERS

- a. The organization understands why past loan funds have not worked and instead addresses prior issues in innovative and alternative ways.

2. DEVELOPMENT TEAM & PARTNERSHIPS

- a. The organization has assembled the best team for the program, including vendors, employees, trainers, outreach coordinators, underwriters, and management staff.
- b. If the organization is lacking in any area (financial, experience), it has partnered with another entity to operate the loan fund.
- c. The loan fund is supported by public sector, private sector, and community partners.
- d. Through an open dialogue with the community, the organization has sought and incorporated community participation in the program.

3. SITE CHARACTERISTICS

- a. The area which is served by the loan fund makes sense.
- b. The offices of the loan fund are located near or adjacent to transit.

4. PROGRAM DESIGN & OPERATION

- a. The loan fund is run in the appropriate language(s) for the clientele in the area.
- b. The loan fund is culturally appropriate to the clientele in the area.
- c. The loan fund is tailored to the specific geography of the clientele in the area.
- d. The loan fund has lending guidelines.
- e. The loan fund has underwriting guidelines.
- f. What types of documentations is required.
- g. The loan committee consists of members with expertise in the industry, whether through past experience or current employment.

5. PORTFOLIO MANAGEMENT

- a. What percentage is the loan loss reserve?
- b. Loss tolerance: when do losses become a concern?
- c. The organization has established key ratios that it abides by to manage the loan fund.

Level 3: From Feasible to Exemplary

These criteria elevate a loan fund to an exemplary one.

1. FUNDING & FUNDING REQUIREMENTS

- a. The loan fund uses a funding program or funding source that is new and innovative.
- b. Each funding source was heavily leveraged to gain further resources.
- c. Certain features of the loan fund were adapted to capture funding, but the program was not completely changed in order to capture one particular funding source.
- d. There are multiple stakeholders providing funding, and this mix of funding sources maximizes the feasibility of the loan fund.
  - i. Funding includes conventional funding from bank.
  - ii. Funding includes nonconventional funding, such as start up grants or CDFI money.
- e. The loan fund exceeds minimum standards required by funding sources.
  - i. There is deeper low and moderate income targeting than required by funding sources.

2. FUTURE PROJECTS

- a. The loan fund strengthens the position (financial, political, capacity, experience) of the organization.
- b. Through the loan fund, the reputation of the organization was enhanced. Issues that the staff faced were dealt with in a diplomatic manner, enabling future programs.
- c. The success of the loan fund will enable future funding on other programs.
- d. The community is happy with the loan fund and will participate in more/similar programs in the future.
- e. The community is more knowledgeable about loan funds.

3. ECONOMIC IMPACT

- a. The loan fund attracts customers and new businesses to the area.
- b. The loan fund helps retain existing businesses.

- c. The loan fund stimulates long-term job creation.
  - d. The loan fund encourages development, redevelopment, and investment.
4. PORTFOLIO ANALYSIS
- a. There is a diversity of loans in sizes, terms, and types.
  - b. The loan fund funds green projects/programs and creates green jobs.
  - c. The loan fund funds food security projects.
  - d. There is a low cost per loan disbursed.
5. COMPREHENSIVENESS
- a. The organization provides or connects to other programs that provide multiple services e.g. technical assistance.
6. DIVERSITY
- a. The loan fund serves a mixed income clientele.
  - b. The loan fund encourages mixed age, gender, ethnic, etc. participation.
  - c. The loan fund supports minority businesses.
7. PUBLIC BENEFITS
- a. The loan fund provides a service that is needed by the community but is currently lacking.
  - b. The loan fund results in other positive physical impacts.
  - c. The loan fund results in other positive economic impacts.
  - d. The loan fund results in other positive social impacts.
8. REPLICABLE/SCALABLE
- a. This loan fund can be replicated in other communities, regions, and/or states.

## LENDING

### Equity Investment in Businesses

Use these standards for an organization's equity investment program that invests money in a business in exchange for partial ownership.

#### Level 1: Project Feasibility Assessment

These criteria are the basic minimum foundation needed for a investing in a successful, operating business or project. The focus is on the organizational readiness of the investing organization and financial readiness of the business that requires equity.

#### 1. NEED

- a. Community Need
  - i. The business serves a need in the community for the service or goods it provides.
- b. Market Study
  - i. The study confirms the need for, and viability of the business.
  - ii. The business owner(s) is informed about competition, demographics of target customers, and barriers to entry.
- c. Local Support
  - i. Neighbors and local community members support the business.
  - ii. The business is compatible with local land use.
  - iii. The business is in alignment with local city, county, state and/or federal development and transportation goal(s).
  - iv. The business is not located in an area with a moratorium or interim control ordinance that cannot be bypassed.

#### 2. ORGANIZATIONAL READINESS

- a. The organization is willing and able to invest equity in the business.
- b. The equity investment is in alignment with the mission of the organization.
- c. The Board of Directors embraces a CED strategy and/or embraces the program as a part of the CED strategy.
- d. The organization and/or its partners have a track record of participating in similar equity investments.
- e. The organization has the financial and operational capacity to undertake the proposed equity investment.
  - i. The organization has qualified staff that can undertake the equity investment.

#### 3. FINANCIAL FEASIBILITY

- a. Program cost
  - i. The equity investment is affordable to the organization, and the projected cost is appropriate to the business.
  - ii. The operator or staff providing the cost estimates is qualified and experienced with the type of business requiring equity.
- b. Funding sources
  - i. There are enough sources of funding for the uses.
  - ii. The business owner has endeavored to secure all available competitive and noncompetitive funding sources for which the business qualifies.
  - iii. The actual disbursement of each source is timely and in sync with the needs of the business.
  - iv. The business owner is aware of the compliance implications of each source.
- c. Cash flow
  - i. The business produces enough cash flow to support the proposed debt structure (if any).
  - ii. The business minimally pays for itself over time. It has a sustainable cash flow.
- d. Business Owner & Business Credibility/History
  - i. The business owner's personal financial documents are reviewed and satisfactory.
  - ii. The business operator is invested financially and personally in the business.
  - iii. The business' balance sheets, profit and loss statements, operating budget, and historical cash flow are reviewed and satisfactory.

### Level 2: Practical Considerations

These criteria are essential for investing in a successful, operating business.

1. MARKET BARRIERS
  - a. The business understands why past business have failed and instead addresses prior issues in innovative and alternative ways.
2. DEVELOPMENT TEAM & PARTNERSHIPS
  - a. The business owner has assembled the best team, including vendors, employees, and management staff.
  - b. The business is supported by public sector, private sector, and community partners.
  - c. Through an open dialogue with the community, the business owner has sought and incorporated community participation in the program.
3. SITE CHARACTERISTICS
  - a. The area which is served by the business makes sense.
  - b. The business is located near or adjacent to transit.
4. BUSINESS DESIGN & OPERATION
  - a. The business is run in the appropriate language(s) for the targeted customers in the area.
  - b. The business is culturally appropriate to the targeted customers in the area.
  - c. The business is tailored to the specific geography of the targeted customers in the area.
5. BASIC BUSINESS DOCUMENTS
  - a. The Business Plan is a realistic handbook that dictates how the business will operate.
  - b. The business' Marketing Plan is detailed and provides a realistic strategy for marketing the business.

### Level 3: From Feasible to Exemplary

These criteria elevate an equity investment to an exemplary business investment.

1. FUNDING & FUNDING REQUIREMENTS
  - a. The business uses a funding program or funding source that is new and innovative.
  - b. Each funding source was heavily leveraged to gain further resources.
  - c. Certain features of the business were adapted to capture funding, but the program was not completely changed in order to capture one particular funding source.
  - d. There are multiple stakeholders providing funding, and this mix of funding sources maximizes the feasibility of the business.
2. FUTURE PROJECTS
  - a. The equity investment strengthens the position (financial, political, capacity, experience) of the organization.
  - b. Through the investment, the reputation of the organization was enhanced. Issues that the staff faced were dealt with in a diplomatic manner, enabling future investments.
  - c. The success of the business will enable future funding on other businesses.
  - d. The community is happy with the project and will participate in more/similar equity investments in the future.
  - e. The community is more knowledgeable about equity investments.
3. ENVIRONMENTAL IMPACT
  - a. The business has less environmental impact than traditional businesses during construction and during operation.
  - b. The business meets green building standards such as adaptive reuse or LEED certification.
  - c. The business conserves energy and water.
  - d. The business has an effective recycling program.
  - e. The business fulfills the triple bottom line.
  - f. The project stimulates green job creation.
4. ECONOMIC IMPACT
  - a. The equity investment will increase the independence of the recipients.
  - b. The equity investment creates jobs.
    - i. Jobs created provide a living wage.

- ii. Jobs created are for local hires.
  - iii. Jobs created are for low and moderate income individuals.
  - iv. Jobs created provide life skills.
  - v. Jobs created provide health benefits.
  - vi. Jobs created have potential for upward mobility.
  - vii. Jobs created require less funding per job created.
5. COMPREHENSIVENESS
- a. The organization provides or connects to other programs that provide multiple services e.g. business development, business TA, marketing, technology, access to markets, economic literacy, etc.
6. DIVERSITY
- a. The business serves a mixed income clientele.
  - b. The business encourages mixed age, gender, ethnic, etc. participation.
  - c. The business is a minority business.
7. PUBLIC BENEFITS
- a. The business provides a service or product that is needed by the community but is currently lacking.
  - b. The business stimulates long-term job creation.
  - c. The business removes blight with an active storefront or office.
  - d. The business improves the security of the area.
  - e. The business results in other positive physical impacts.
  - f. The business results in other positive economic impacts.
  - g. The business results in other positive social impacts.
8. EVALUATION
- a. The organization reevaluates its programs periodically and adapts to the changing needs of the community.
  - b. The program tracks its participants during and following the program.
9. REPLICABLE/SCALABLE
- a. This program can be replicated in other communities, regions, and/or states.

## LENDING

### Community Development Financial Institutions (CDFI) + Others

Use these standards for community development financial institutions, multibank community development corporations, shared pool financing, lending consortiums, and other alternative forms of lending.

#### Level 1: Project Feasibility Assessment

These basic criteria determine the feasibility of a CDFI. The focus is on the organizational and financial readiness of the CDFI.

#### 1. NEED

- a. Community Need
  - i. The CDFI serves those without access to conventional financing.
- b. Market Study/Needs Analysis
  - i. The market study confirms the need for, and viability of the CDFI.
    1. There are no other CDFIs in the area that can work with the target population.
    2. There is enough demand and sources of funding to support the CDFI.
  - ii. The market study informs the organization about demographics of the area, competition, and barriers to entry.
    1. The CDFI's interest rates and terms are comparable to or better than those of the local area.
- c. Local Support
  - i. The beneficiaries of the CDFI, such as businesses within the area, support the CDFI.
  - ii. Neighbors and local community members support the CDFI.
  - iii. The CDFI is in alignment with local city, county, state and/or federal development goal(s)

#### 2. ORGANIZATIONAL READINESS

- a. The organization is willing and able to do the CDFI.
- b. The CDFI is in alignment with the mission of the organization.
- c. The Board of Directors embraces a CED strategy and/or embraces the CDFI as a part of the CED strategy.
- d. The organization and/or its partners have a track record of participating in similar CDFIs.
- e. The organization has the financial and operational capacity to undertake the proposed CDFI.
  - i. The organization can support the additional debt (if any) created by the CDFI.
  - ii. The organization has qualified staff that can undertake the CDFI.
  - iii. The organization has access to reliable, qualified vendors and service providers.
  - iv. The organization is aware of and able to dedicate time and financial resources toward applying for CDFI certification.

#### 3. FINANCIAL FEASIBILITY

- a. Program cost
  - i. The CDFI is affordable to the organization, and the projected cost is appropriate to the concept.
  - ii. The operator or staff providing the cost estimates is qualified and experienced with CDFI.
- b. Funding sources
  - i. There are enough sources of funding for the uses.
  - ii. The organization has endeavored to secure all available competitive and noncompetitive funding sources for which the CDFI qualifies.
  - iii. The actual disbursement of each source is timely and in sync with the needs of the CDFI.
  - iv. The organization is aware of the compliance implications of each source.
- c. Cash flow
  - i. The CDFI produces enough cash flow to support the proposed debt structure (if any).
    1. The CDFI minimally pays for itself over time. It has a sustainable cash flow, or the CDFI is subsidized enough to sustain itself.
    2. The CDFI can survive beyond the first year.
    3. The CDFI will be able to capitalize itself each year.

## Level 2: Practical Considerations

These criteria are essential for a successful, operating CDFI.

1. MARKET BARRIERS
  - a. The organization understands why past CDFIs have not worked and instead addresses prior issues in innovative and alternative ways.
2. DEVELOPMENT TEAM & PARTNERSHIPS
  - a. The organization has assembled the best team for the CDFI, including vendors, employees, trainers, outreach coordinators, underwriters, and management staff.
  - b. If the organization is lacking in any area (financial, experience), it has partnered with another entity to operate the CDFI.
  - c. The CDFI is supported by public sector, private sector, and community partners.
  - d. Through an open dialogue with the community, the organization has sought and incorporated community participation in the CDFI.
3. SITE CHARACTERISTICS
  - a. The area that is served by the CDFI makes sense.
  - b. The offices of the CDFI are located near or adjacent to transit.
4. PROGRAM DESIGN & OPERATION
  - a. The CDFI is run in the appropriate language(s) for the clientele in the area.
  - b. The CDFI is culturally appropriate to the clientele in the area.
  - c. The CDFI is tailored to the specific geography of the clientele in the area.
  - d. The CDFI has lending guidelines.
  - e. The CDFI has underwriting guidelines.
  - f. What types of documentations is required?
  - g. The loan committee consists of members with expertise in the industry, whether through past experience or current employment.
5. PORTFOLIO MANAGEMENT
  - a. What percentage is the loan loss reserve?
  - b. Loss tolerance: when do losses become a concern?
  - c. The organization has established key ratios that it abides by to manage the CDFI.

## Level 3: From Feasible to Exemplary

These criteria elevate a CDFI to an exemplary one.

1. FUNDING & FUNDING REQUIREMENTS
  - a. The CDFI uses a funding program or funding source that is new and innovative.
  - b. Each funding source was heavily leveraged to gain further resources.
  - c. Certain features of the CDFI were adapted to capture funding, but the CDFI was not completely changed in order to capture one particular funding source.
  - d. There are multiple stakeholders providing funding, and this mix of funding sources maximizes the feasibility of the CDFI.
    - i. Funding includes conventional funding from bank.
    - ii. Funding includes nonconventional funding, such as start up grants.
  - e. The CDFI exceeds minimum standards required by funding sources.
    - i. There is deeper low and moderate income targeting than required by funding sources.
2. FUTURE PROJECTS
  - a. The CDFI strengthens the position (financial, political, capacity, experience) of the organization.
  - b. Through the CDFI, the reputation of the organization was enhanced. Issues that the staff faced were dealt with in a diplomatic manner, enabling future programs.
  - c. The success of the CDFI will enable future funding on other programs.
  - d. The community is happy with the CDFI and will participate in more/similar programs in the future.
  - e. The community is more knowledgeable about CDFIs.
3. ECONOMIC IMPACT

- a. The CDFI attracts customers and new businesses to the area.
  - b. The CDFI helps retain existing businesses.
  - c. The CDFI stimulates long-term job creation.
  - d. The CDFI encourages development, redevelopment, and investment.
4. PORTFOLIO ANALYSIS
- a. There is a diversity of loans in sizes, terms, and types.
  - b. The CDFI funds green projects/programs and creates green jobs.
  - c. The CDFI funds food security projects.
  - d. There is a low cost per loan disbursed.
5. MISSION ADHERENCE
- a. The financial products are accessible to or benefit the local community.
  - b. The CDFI stays true to its mission during tough economic times.
  - c. The CDFI serves neighborhoods and projects that are more complicated and require more time and effort, and are generally undesired by conventional lenders.
6. COMPREHENSIVENESS
- a. The organization provides or connects to other programs that provide multiple services e.g. technical assistance.
7. DIVERSITY
- a. The CDFI serves a mixed income clientele.
  - b. The CDFI encourages mixed age, gender, ethnic, etc. participation.
  - c. The CDFI supports minority businesses.
8. PUBLIC BENEFITS
- a. The CDFI provides a service that is needed by the community but is currently lacking.
  - b. The CDFI results in other positive physical impacts.
  - c. The CDFI results in other positive economic impacts.
  - d. The CDFI results in other positive social impacts.
9. REPLICABLE/SCALABLE
- a. This CDFI can be replicated in other communities, regions, and/or states.

## LENDING

### New Markets Tax Credits (NMTC)

Use these standards for projects financed with New Markets Tax Credits, which include commercial buildings and mixed use buildings.

#### Level 1: Project Feasibility Assessment

These basic criteria determine the feasibility of a NMTC project. The focus is on the organizational and financial readiness of the project.

#### 1. NEED

##### a. Community Need

- i. If applicable, the project serves a need for low-income housing.
- ii. If applicable, the project serves a need for commercial space.
- iii. If applicable, the project serves a need for industrial space.
- iv. If applicable, the project serves a need for a specific community facility.

##### b. Market Study

- i. The market study confirms the need for, and viability/competitive advantage of the project.
- ii. The market study informs the organization about competition, demographics of the area, and barriers to entry.

##### c. Local Support & Initial Site Assessment

- i. The project fits the zoning of the site.
- ii. The project is compatible with local land use.
- iii. The project is not located in an area with a moratorium or interim control ordinance that cannot be bypassed.
- iv. Neighbors and local community members support the project.
- v. The project is in alignment with local city, county, state and/or federal housing and development goal(s).

#### 2. ORGANIZATIONAL READINESS

- a. The organization is willing and able to do this project.
- b. The project is in alignment with the mission of the organization.
- c. The Board of Directors embraces a CED strategy and/or embraces the project as a part of the CED strategy.
- d. The organization and/or its partners have a track record of completing similar projects.
- e. The organization has the financial and operational capacity to undertake the proposed development.
  - i. The organization can support the additional debt (if any) created by the project.
  - ii. The organization has qualified staff that can undertake the project.
  - iii. The organization has access to reliable, qualified vendors and service providers.

#### 3. FINANCIAL FEASIBILITY

##### a. Project cost

- i. The project is affordable to the developer, and the cost is appropriate to the concept or design.
- ii. If the total development cost is not readily available, the project is phased.
- iii. The contractor or operator providing the cost estimates is qualified and experienced in mixed use projects.

##### b. Funding sources

- i. There are enough sources of funding for the uses.
- ii. The organization has endeavored to secure all available competitive and noncompetitive funding sources for which the project qualifies.
- iii. The actual disbursement of each source is timely and in sync with the needs of the project.
- iv. The developer is aware of the compliance implications of each source.

##### c. Cash flow

- i. The project produces enough cash flow to support the proposed debt structure (if any).
- ii. The project minimally pays for itself over time. It has a sustainable cash flow.

- iii. The organization has secured tenants for commercial and/or retail components.

### Level 2: Practical Considerations

These criteria are essential for further developing a successful, operating project.

#### 1. MARKET BARRIERS

- a. The organization understands why past proposals have not worked and instead addresses prior issues in innovative alternative ways.

#### 2. DEVELOPMENT TEAM & PARTNERSHIPS

- a. The organization has assembled the best team for the project, including architects, project managers, property managers, contractors, real estate brokers, leasing agents, and other third party consultants.
- b. If the organization is lacking in any area (financial, experience), it has partnered with another entity to develop the project.
- c. The project is supported by public sector, private sector, and community partners.
- d. Through an open dialogue with the community, the organization has sought and incorporated community input and approval.

#### 3. SITE CHARACTERISTICS AND PROJECT DESIGN

- a. The location makes sense for the project.
- b. The design makes sense for the targeted use (e.g. provides correct amount of parking).
- c. The project is located near or adjacent to existing or future transit.
- d. If the site is a known brownfield or historic structure, the project accounts for increased time, costs, and other issues associated with these environmental and/or historic considerations.
- e. The proposed project is the highest and best use of the site
- f. The design is compatible with the characteristics of the community and surrounding buildings.
- g. If applicable, the project does not “look” like it offers rents lower than market.
- h. If applicable, the project does not “look” like affordable housing.
- i. If located in a redevelopment area or contains blighted or dilapidated structures, the project accounts for increased costs and also takes advantage of resources for redevelopment projects.
- j. If the project does not comply with the underlying zoning and land use intensity, the timeline and budget for entitlement have been extended.

#### 4. CONSTRUCTION

- a. Project met major construction milestones and was completed on schedule.
- b. Construction timeline was in sync with financing requirements.
- c. Construction loan was converted to permanent loan on time.

#### 5. RENT UP, MANAGEMENT & OPERATION

- a. Upon construction, the lease up of the project was completed in a timely manner.
- b. The project is fully occupied.
- c. Tenants are provided with opportunities to participate in the management and/or operation of the project.

### Level 3: From Feasible to Exemplary

These criteria elevate a functioning project to an exemplary project.

#### 1. FUNDING & FUNDING REQUIREMENTS

- a. The project uses a program or funding source that is new and innovative.
- b. Each funding source was heavily leveraged to gain further resources.
- c. The project would not have happened without NMTC financing.
- d. Certain features of the project were adapted to capture funding, but the project was not completely changed in order to capture one particular funding source.
- e. There are multiple stakeholders providing funding, and this mix of funding sources maximizes the feasibility of the project.
- f. The design of the project exceeds minimum standards required by funding sources.
  - i. The quality of the construction used on the project exceeds minimum standards required by funding sources.

- ii. The amenities provided by the project exceed minimum standards required by funding sources.
  - iii. The sizes of the units exceed minimum standards required by funding sources.
  - iv. The project creates more jobs than required by the funding sources.
  - g. The design of the project and units are culturally appropriate.
  - h. The project is located in close proximity to jobs and public transit.
2. FUTURE PROJECTS
- a. The project strengthens the position (financial, political, capacity, experience) of the organization.
  - b. Through the development process, the reputation of the organization was enhanced. Issues that the project team faced were dealt with in a diplomatic manner, enabling future projects.
  - c. The success of the project will enable future funding on other projects.
  - d. The community is happy with the project and will support more/similar development in the future.
  - e. The community is more knowledgeable about NMTCs.
3. ENVIRONMENTAL IMPACT
- a. The project has less environmental impact than traditional projects during construction and during operation.
  - b. The project meets green building standards such as adaptive reuse or LEED certification.
  - c. The project conserves energy and water.
  - d. The project has an effective recycling program.
  - e. The project fulfills the triple bottom line.
  - f. The project has an educational component that teaches tenants about using green features effectively.
  - g. The project stimulates green job creation.
4. ECONOMIC IMPACT
- a. The project increases the independence of tenants.
  - b. The project creates jobs and businesses.
    - i. Jobs created provide a living wage.
    - ii. Jobs created are for local hires.
    - iii. Jobs created are for low and moderate income individuals.
    - iv. Jobs created provide life skills.
    - v. Jobs created provide health benefits.
    - vi. Jobs created have potential for upward mobility.
    - vii. Jobs created require less funding per jobs created.
5. FOOD SECURITY
- a. The project contains a community garden, farmers' market, education, and/or urban gardening component.
6. COMPREHENSIVENESS
- a. There are multiple services provided by the project e.g. social services or education centers.
  - b. There are complementary uses of the spaces created by the project.
7. DIVERSITY
- a. The project serves a mixed income clientele.
  - b. The project encourages mixed age, gender, ethnic, etc. participation.
8. PROPERTY MANAGEMENT
- a. Property management communicates in languages with which tenants are familiar.
  - b. Property management maintains a good relationship with tenants.
  - c. Property management consistently collects rents in a timely manner.
  - d. Tenants remain happy with the project after 1 year, 5 years, etc. of operations.
9. PUBLIC BENEFITS
- a. The project serves the community's need for community facilities, commercial space, and/or housing.
  - b. The project creates spaces available for public uses (commercial, open, green).
  - c. The project removes blight in the neighborhood.
  - d. The project improves neighborhood security.
  - e. The project stimulates long-term job creation.
  - f. The project stimulates small business creation.

- g. The project supports minority businesses.
  - h. The project results in local employment.
  - i. The project stimulates housing development in the area.
  - j. The project serves as a reinvestment/investment catalyst by incentivizing development as a result of the project's success.
  - k. Public improvements that support the project such as bus routes and street improvements benefit the entire neighborhood.
  - l. The project results in other positive physical impacts.
  - m. The project results in other positive economic impacts.
  - n. The project results in other positive social impacts.
10. REPLICABLE/SCALABLE
- a. This project can be replicated in other communities, regions, and/or states.

## LENDING

### Credit Unions

Use these standards for credit unions, which are nonprofit financial that are cooperatively owned and organized.

#### Level 1: Program Feasibility Assessment

These basic criteria determine the feasibility of a credit union. The focus is on the organizational and financial readiness of the credit union.

#### 1. NEED

- a. Community Need
  - i. The credit union serves those without access to conventional financing.
- b. Market Study/Needs Analysis
  - i. The market study confirms the need for, and viability of the credit union.
    1. There are no other credit unions in the area that can work with the target population.
    2. There is enough demand and sources of funding to support the credit union.
  - ii. The market study informs the organization about demographics of the area, competition, and barriers to entry.
    1. The credit union's interest rates and terms are comparable to or better than those of the local area.
- c. Local Support
  - i. The beneficiaries of the credit union, such as businesses within the area, support the credit union.
  - ii. Neighbors and local community members support the credit union.
  - iii. The credit union is in alignment with local city, county, state and/or federal development goal(s)

#### 2. ORGANIZATIONAL READINESS

- a. The organization is willing and able to do the credit union.
- b. The credit union is in alignment with the mission of the organization.
- c. The Board of Directors embraces a CED strategy and/or embraces the credit union as a part of the CED strategy.
- d. The organization and/or its partners have a track record of participating in similar credit unions.
- e. The organization has the financial and operational capacity to undertake the proposed credit union.
  - i. The organization can support the additional debt (if any) created by the credit union.
  - ii. The organization has qualified staff that can undertake the credit union.
  - iii. The organization has access to reliable, qualified vendors and service providers.

#### 3. FINANCIAL FEASIBILITY

- a. Program cost
  - i. The credit union is affordable to the organization, and the projected cost is appropriate to the concept.
  - ii. The operator or staff providing the cost estimates is qualified and experienced with credit unions.
- b. Funding sources
  - i. There are enough sources of funding for the uses.
  - ii. The organization has endeavored to secure all available competitive and noncompetitive funding sources for which the credit union qualifies.
  - iii. The actual disbursement of each source is timely and in sync with the needs of the credit union.
  - iv. The organization is aware of the compliance implications of each source.
- c. Cash flow
  - i. The credit union produces enough cash flow to support the proposed debt structure (if any).
    1. The credit union minimally pays for itself over time. It has a sustainable cash flow, or the credit union is subsidized enough to sustain itself.
    2. The credit union can survive beyond the first year.
    3. The credit union will be able to capitalize itself each year.

## Level 2: Practical Considerations

These criteria are essential for a successful, operating credit union.

### 1. MARKET BARRIERS

- a. The organization understands why past credit unions have not worked and instead addresses prior issues in innovative and alternative ways.

### 2. DEVELOPMENT TEAM & PARTNERSHIPS

- a. The organization has assembled the best team for the credit union, including vendors, employees, trainers, outreach coordinators, underwriters, and management staff.
- b. If the organization is lacking in any area (financial, experience), it has partnered with another entity to operate the credit union.
- c. The credit union is supported by public sector, private sector, and community partners.
- d. Through an open dialogue with the community, the organization has sought and incorporated community participation in the credit union.

### 3. SITE CHARACTERISTICS

- a. The area that is served by the credit union makes sense.
- b. The offices of the credit union are located near or adjacent to transit.

### 4. PROGRAM DESIGN & OPERATION

- a. The credit union is run in the appropriate language(s) for the clientele in the area.
- b. The credit union is culturally appropriate to the clientele in the area.
- c. The credit union is tailored to the specific geography of the clientele in the area.
- d. The credit union has lending guidelines.
- e. The credit union has underwriting guidelines.
- f. What types of documentations is required?
- g. The loan committee consists of members with expertise in the industry, whether through past experience or current employment.

### 5. PORTFOLIO MANAGEMENT

- a. What percentage is the loan loss reserve?
- b. Loss tolerance: when do losses become a concern?
- c. The organization has established key ratios that it abides by to manage the credit union.

## Level 3: From Feasible to Exemplary

These criteria elevate a credit union to an exemplary one.

### 1. FUNDING & FUNDING REQUIREMENTS

- a. The credit union uses a funding program or funding source that is new and innovative.
- b. Each funding source was heavily leveraged to gain further resources.
- c. Certain features of the credit union were adapted to capture funding, but the credit union was not completely changed in order to capture one particular funding source.
- d. There are multiple stakeholders providing funding, and this mix of funding sources maximizes the feasibility of the credit union.
  - i. Funding includes conventional funding from bank.
  - ii. Funding includes nonconventional funding, such as start up grants.
- e. The credit union exceeds minimum standards required by funding sources.
  - i. There is deeper low and moderate income targeting than required by funding sources.

### 2. FUTURE PROJECTS

- a. The credit union strengthens the position (financial, political, capacity, experience) of the organization.
- b. Through the credit union, the reputation of the organization was enhanced. Issues that the staff faced were dealt with in a diplomatic manner, enabling future programs.
- c. The success of the credit union will enable future funding on other programs.
- d. The community is happy with the credit union and will participate in more/similar programs in the future.
- e. The community is more knowledgeable about credit union.

### 3. ENVIRONMENTAL IMPACT

- a. The credit union has less environmental impact than traditional banks during construction and during operation.
  - b. The credit union meets green building standards such as adaptive reuse or LEED certification.
  - c. The credit union conserves energy and water.
  - d. The credit union has an effective recycling program.
  - e. The credit union fulfills the triple bottom line.
  - f. The credit union stimulates green job creation.
4. ECONOMIC IMPACT
- a. The credit union attracts customers and new businesses to the area.
  - b. The credit union helps retain existing businesses.
  - c. The credit union stimulates long-term job creation.
  - d. The credit union encourages development, redevelopment, and investment.
5. PORTFOLIO ANALYSIS
- a. There is a diversity of loans in sizes, terms, and types.
  - b. The credit union funds green projects/programs and creates green jobs.
  - c. The credit union funds food security projects.
  - d. There is a low cost per loan disbursed.
6. MISSION ADHERENCE
- a. The financial products are accessible to or benefit the local community.
  - b. The credit union stays true to its mission during tough economic times.
  - c. The credit union serves neighborhoods and projects that are more complicated and require more time and effort, and are generally undesired by conventional lenders.
7. COMPREHENSIVENESS
- a. The organization provides or connects to other programs that provide multiple services e.g. technical assistance.
8. DIVERSITY
- a. The credit union serves a mixed income clientele.
  - b. The credit union encourages mixed age, gender, ethnic, etc. participation.
  - c. The credit union supports minority businesses.
9. PUBLIC BENEFITS
- a. The credit union provides financial services that are needed by the community but are currently not provided or accessible.
  - b. The credit union results in other positive physical impacts.
  - c. The credit union results in other positive economic impacts.
  - d. The credit union results in other positive social impacts.
10. REPLICABLE/SCALABLE
- a. This credit union can be replicated in other communities, regions, and/or states.

## SERVICES

### Financial Education

Use these standards for programs that provide financial education to consumers. Financial education includes classes or workshops on topics such as credit and debt, retirement planning, taxes, budgeting, family financial planning, and insurance.

#### Level 1: Program Feasibility Assessment

These basic criteria determine the feasibility of a financial education program. The focus is on the organizational and financial readiness of the program.

##### 1. NEED

###### a. Community Need

- i. There is a population that is unbanked or underbanked.
- ii. There is a population lacking financial education and information about financial services.

###### b. Market Study/Needs Analysis

- i. The market study confirms the need for, and viability of the program.
  1. There are no other financial education programs in the area that can work with the target population.
  2. There is enough demand for services and sources of funding to support the program.
- ii. The market study informs the organization about demographics of the area, competition, and barriers to entry.

###### c. Local Support

- i. The beneficiaries of the program support the program.
- ii. Neighbors and local community members support the program.
- iii. The program is in alignment with local city, county, state and/or federal development goal(s)

##### 2. ORGANIZATIONAL READINESS

- a. The organization is willing and able to do the program.
- b. The program is in alignment with the mission of the organization.
- c. The Board of Directors embraces a CED strategy and/or embraces the program as a part of the CED strategy.
- d. The organization and/or its partners have a track record of participating in similar programs.
- e. The organization has the financial and operational capacity to undertake the proposed program.
  - i. The organization can support the additional debt (if any) created by the program.
  - ii. The organization has qualified staff that can undertake the program.
  - iii. The organization has access to reliable, qualified vendors and service providers.

##### 3. FINANCIAL FEASIBILITY

###### a. Program cost

- i. The program is affordable to the organization, and the projected cost is appropriate to the concept.
- ii. The operator or staff providing the cost estimates is qualified and experienced with financial education programs.

###### b. Funding sources

- i. There are enough sources of funding for the uses.
- ii. The organization has endeavored to secure all available competitive and noncompetitive funding sources for which the program qualifies.
- iii. The actual disbursement of each source is timely and in sync with the needs of the program.
- iv. The organization is aware of the compliance implications of each source.

###### c. Cash flow

- i. The program produces enough cash flow to support the proposed debt structure (if any).
  1. If the program is low-cost or free, it is subsidized enough to sustain itself beyond the first year.

#### Level 2: Practical Considerations

These criteria are essential for a successful, operating financial education program.

1. MARKET BARRIERS

- a. The organization understands why past programs have not worked and instead addresses prior issues in innovative and alternative ways.

2. DEVELOPMENT TEAM & PARTNERSHIPS

- a. The organization has assembled the best team for the program, including vendors, employees, trainers, outreach coordinators, and management staff.
- b. If the organization is lacking in any area (financial, experience), it has partnered with another entity to operate the program.
- c. The program is supported by public sector, private sector, and community partners.
- d. Through an open dialogue with the community, the organization has sought and incorporated community participation in the program

3. SITE CHARACTERISTICS

- a. The area that is served by the program makes sense.
- b. The offices and training sites of the program are located near or adjacent to transit.

4. PROGRAM DESIGN & OPERATION

- a. The program is run in the appropriate language(s) for the clientele in the area.
- b. The program is culturally appropriate to the clientele in the area.
- c. The program is tailored to the specific geography of the clientele in the area.

Level 3: From Feasible to Exemplary

These criteria elevate a financial education program to an exemplary program.

1. FUNDING & FUNDING REQUIREMENTS

- a. The program uses a funding program or funding source that is new and innovative.
- b. Each funding source was heavily leveraged to gain further resources.
- c. Certain features of the program were adapted to capture funding, but the program was not completely changed in order to capture one particular funding source.
- d. There are multiple stakeholders providing funding, and this mix of funding sources maximizes the feasibility of the program.
- e. The program exceeds minimum standards required by funding sources.
  - i. There is deeper low and moderate income targeting than required by funding sources.

2. FUTURE PROJECTS

- a. The program strengthens the position (financial, political, capacity, experience) of the organization.
- b. Through the program, the reputation of the organization was enhanced. Issues that the staff faced were dealt with in a diplomatic manner, enabling future programs.
- c. The success of the program will enable future funding on other programs.
- d. The community is happy with the program and will participate in more/similar programs in the future.
- e. The community is more knowledgeable about financial education programs.

3. ENVIRONMENTAL IMPACT

- a. The program has less environmental impact than traditional programs during operation.
- b. The program stimulates green job creation.

4. ECONOMIC IMPACT

- a. The program attracts new businesses to the area.
- b. The credit union helps retain existing businesses.
- c. The program improves matching of employees with employers.
- d. The program encourages development, redevelopment, and investment.

5. COMPREHENSIVENESS

- a. The organization provides or connects to other programs that provide multiple services e.g. social services.

6. DIVERSITY

- a. The program serves a mixed income clientele.
- b. The program encourages mixed age, gender, ethnic, etc. participation.

- c. The program supports minority businesses.
- 7. PUBLIC BENEFITS
  - a. The program provides financial education that is needed by the community but is currently not provided or accessible.
  - b. The program results in other positive physical impacts.
  - c. The program results in other positive economic impacts.
  - d. The program results in other positive social impacts.
- 8. LONGITUDINAL DATA
  - a. The program tracks financial indicators of its participants (e.g. # of participants who have gone on to open savings accounts)
- 9. REPLICABLE/SCALABLE
  - a. This program can be replicated in other communities, regions, and/or states.

## SERVICES

### Individual Development Account

Use these standards for programs that provide clients with Individual Development Accounts, in which the organization match individual's savings into the account.

#### Level 1: Program Feasibility Assessment

These basic criteria determine the feasibility of an IDA program. The focus is on the organizational and financial readiness of the program.

##### 1. NEED

- a. Community Need
  - i. There is a population that is unbanked or underbanked.
  - ii. There is a population lacking financial education and information about financial services.
- b. Market Study/Needs Analysis
  - i. The market study confirms the need for, and viability of the program.
    - 1. There are no other IDA programs in the area that can work with the target population.
    - 2. There is enough demand for services and sources of funding to support the program.
  - ii. The market study informs the organization about demographics of the area, competition, and barriers to entry.
- c. Local Support
  - i. The IDA account holders support the program.
  - ii. Neighbors and local community members support the program.
  - iii. The program is in alignment with local city, county, state and/or federal development goal(s)

##### 2. ORGANIZATIONAL READINESS

- a. The organization is willing and able to do the program.
- b. The program is in alignment with the mission of the organization.
- c. The Board of Directors embraces a CED strategy and/or embraces the program as a part of the CED strategy.
- d. The organization and/or its partners have a track record of participating in similar programs.
- e. The organization has the financial and operational capacity to undertake the proposed program.
  - i. The organization can support the additional debt (if any) created by the program.
  - ii. The organization has qualified staff that can undertake the program.
  - iii. The organization has access to reliable, qualified vendors and service providers.

##### 4. FINANCIAL FEASIBILITY

- a. Program cost
  - i. The program is affordable to the organization, and the projected cost is appropriate to the concept.
  - ii. The operator or staff providing the cost estimates is qualified and experienced with financial education programs.
- b. Funding sources
  - i. There are enough sources of funding for the uses.
  - ii. There are enough sources to match the savings of individuals.
  - iii. The organization has endeavored to secure all available competitive and noncompetitive funding sources for which the program qualifies.
  - iv. The actual disbursement of each source is timely and in sync with the needs of the program.
  - v. The organization is aware of the compliance implications of each source.
- c. Cash flow
  - i. The program produces enough cash flow to support the proposed debt structure (if any).
  - iv. If the program is low-cost or free, it is subsidized enough to sustain itself beyond the first year.

#### Level 2: Practical Considerations

These criteria are essential for a successful, operating IDA program.

##### 1. MARKET BARRIERS

- a. The organization understands why past programs have not worked and instead addresses prior issues in innovative and alternative ways.
2. DEVELOPMENT TEAM & PARTNERSHIPS
  - a. The organization has assembled the best team for the program, including employees, trainers, outreach coordinators, and management staff.
  - b. If the organization is lacking in any area (financial, experience), it has partnered with another entity to operate the program.
  - c. The program is supported by public sector, private sector, and community partners.
  - d. Through an open dialogue with the community, the organization has sought and incorporated community participation in the program
3. SITE CHARACTERISTICS
  - a. The area that is served by the program makes sense.
  - b. The offices of the program are located near or adjacent to transit.
4. PROGRAM DESIGN & OPERATION
  - a. The program is run in the appropriate language(s) for the clientele in the area.
  - b. The program is culturally appropriate to the clientele in the area.
  - c. The program is tailored to the specific geography of the clientele in the area.

### Level 3: From Feasible to Exemplary

These criteria elevate an IDA program to an exemplary program.

1. FUNDING & FUNDING REQUIREMENTS
  - a. The program uses a funding program or funding source that is new and innovative.
  - b. Each funding source was heavily leveraged to gain further resources.
  - c. Certain features of the program were adapted to capture funding, but the program was not completely changed in order to capture one particular funding source.
  - d. There are multiple stakeholders providing funding, and this mix of funding sources maximizes the feasibility of the program.
  - e. The program exceeds minimum standards required by funding sources.
    - i. There is deeper low and moderate income targeting than required by funding sources.
2. FUTURE PROJECTS
  - a. The program strengthens the position (financial, political, capacity, experience) of the organization.
  - b. Through the program, the reputation of the organization was enhanced. Issues that the staff faced were dealt with in a diplomatic manner, enabling future programs.
  - c. The success of the program will enable future funding on other programs.
  - d. The community is happy with the program and will participate in more/similar programs in the future.
  - e. The community is more knowledgeable about IDA programs.
3. ENVIRONMENTAL IMPACT
  - a. The program has less environmental impact than traditional programs during operation.
4. ECONOMIC IMPACT
  - a. The program attracts new businesses to the area.
  - b. The program helps retain existing businesses.
  - c. The program improves matching of employees with employers.
  - d. The program encourages development, redevelopment, and investment.
5. COMPREHENSIVENESS
  - a. The organization provides or connects to other programs that provide multiple services e.g. social services.
6. DIVERSITY
  - a. The program serves a mixed income clientele.
  - b. The program encourages mixed age, gender, ethnic, etc. participation.
  - c. The program supports minority businesses.
7. PUBLIC BENEFITS

- a. The program provides a financial service that is needed by the community but is currently not provided or accessible.
  - b. The program results in other positive physical impacts.
  - c. The program results in other positive economic impacts.
  - d. The program results in other positive social impacts.
8. LONGITUDINAL DATA
- a. The program tracks financial indicators of its participants (e.g. # of participants who have gone on to purchase homes)
9. REPLICABLE/SCALABLE
- a. This program can be replicated in other communities, regions, and/or states.

## SERVICES

### Homeownership Education

Use these standards for programs that provide homeownership education and counseling programs. Homeownership education programs are for groups, and homeownership counseling is on a one-on-one basis.

#### Level 1: Program Feasibility Assessment

These basic criteria determine the feasibility of a homeownership education and counseling program. The focus is on the organizational and financial readiness of the program.

#### 1. NEED

##### a. Community Need

- i. There are low-income residents.
- ii. There are low homeownership rates.
- iii. There is a high cost of loans for homeownership.
- iv. There is a population lacking education, information, and counseling on homeownership.
- v. There are scams targeting homebuyers and homeowners.

##### b. Market Study/Needs Analysis

- i. The market study confirms the need for, and viability of the program.
  1. There are no other homeownership education and counseling programs in the area that can work with the target population.
  2. There is enough demand for services and sources of funding to support the program.
- ii. The market study informs the organization about demographics of the area, competition, and barriers to entry.

##### c. Local Support

- i. The beneficiaries of the program support the program.
- ii. Neighbors and local community members support the program.
- iii. The program is in alignment with local city, county, state and/or federal development goal(s).

#### 2. ORGANIZATIONAL READINESS

- a. The organization is willing and able to do the program.
- b. The program is in alignment with the mission of the organization.
- c. The Board of Directors embraces a CED strategy and/or embraces the program as a part of the CED strategy.
- d. The organization and/or its partners have a track record of participating in similar programs.
- e. The organization has the financial and operational capacity to undertake the proposed program.
  - i. The organization can support the additional debt (if any) created by the program.
  - ii. The organization has qualified staff that can undertake the program.
    1. Staff is trained in topics ranging from lending to loss mitigation strategies.
    2. Staff has the capacity to track, report, and manage files.
  - iii. The organization has access to reliable, qualified vendors and service providers.

#### 3. FINANCIAL FEASIBILITY

##### a. Program cost

- i. The program is affordable to the organization, and the projected cost is appropriate to the concept.
- ii. The operator or staff providing the cost estimates is qualified and experienced with homeownership education and counseling programs.
- iii. There is a low cost per client assisted.

##### b. Funding sources

- i. There are enough sources of funding for the uses.
- ii. The organization has endeavored to secure all available competitive and noncompetitive funding sources for which the program qualifies.
- iii. The actual disbursement of each source is timely and in sync with the needs of the program.
- iv. The organization is aware of the compliance implications of each source.

##### c. Cash flow

- i. The program produces enough cash flow to support the proposed debt structure (if any).
- ii. If the program is low-cost or free, it is subsidized enough to sustain itself beyond the first year

### Level 2: Practical Considerations

These criteria are essential for a successful, operating homeownership education and counseling program.

#### 1. MARKET BARRIERS

- a. The organization understands why past programs have not worked and instead addresses prior issues in innovative and alternative ways.

#### 2. DEVELOPMENT TEAM & PARTNERSHIPS

- a. The organization has assembled the best team for the program, including vendors, employees, trainers, outreach coordinators, and management staff.
- b. If the organization is lacking in any area (financial, experience), it has partnered with another entity to operate the program.
- c. The program is supported by public sector, private sector, and community partners.
- d. Through an open dialogue with the community, the organization has sought and incorporated community participation in the program

#### 3. SITE CHARACTERISTICS

- a. The area that is served by the program makes sense.
- b. The offices and training sites of the program are located near or adjacent to transit.

#### 4. PROGRAM DESIGN & OPERATION

- a. The program is run in the appropriate language(s) for the clientele in the area.
- b. The program is culturally appropriate to the clientele in the area.
- c. The program is appropriate for the income of the clientele; homeownership is financially feasible.
- d. The program is tailored to the specific geography of the clientele in the area.
- e. The program's triage system effectively intakes clients and also directs more time toward clients who are most likely to succeed.
- f. The program uses many mediums, such as email, phone, internet, and in-person.

### Level 3: From Feasible to Exemplary

These criteria elevate a homeownership education and counseling program to an exemplary program.

#### 1. FUNDING & FUNDING REQUIREMENTS

- a. The program uses a funding program or funding source that is new and innovative.
- b. Each funding source was heavily leveraged to gain further resources.
- c. Certain features of the program were adapted to capture funding, but the program was not completely changed in order to capture one particular funding source.
- d. There are multiple stakeholders providing funding, and this mix of funding sources maximizes the feasibility of the program.
- e. The program exceeds minimum standards required by funding sources.
  - i. There is deeper low and moderate income targeting than required by funding sources.

#### 2. FUTURE PROJECTS

- a. The program strengthens the position (financial, political, capacity, experience) of the organization.
- b. Through the program, the reputation of the organization was enhanced. Issues that the staff faced were dealt with in a diplomatic manner, enabling future programs.
- c. The success of the program will enable future funding on other programs.
- d. The community is happy with the program and will participate in more/similar programs in the future.
- e. The community is more knowledgeable about homeownership education and counseling programs.

#### 3. ENVIRONMENTAL IMPACT

- a. The program has less environmental impact than traditional programs during operation.

#### 4. ECONOMIC IMPACT

- a. The program encourages development, redevelopment, and investment.
- b. The program encourages asset development or retention.

5. COMPREHENSIVENESS

- a. The organization provides or connects to other programs that provide multiple services e.g. financial education, IDAs, lenders.

6. DIVERSITY

- a. The program serves a mixed income clientele.
- b. The program encourages mixed age, gender, ethnic, etc. participation.
- c. The program supports minority businesses.

7. PUBLIC BENEFITS

- a. The program provides homeownership education and counseling that is needed by the community but is currently not provided or accessible.
- b. The program results in other positive physical impacts.
- c. The program results in other positive economic impacts.
- d. The program results in other positive social impacts.

8. EVALUATION

- a. The organization reevaluates the program periodically and adapts to the changing needs of the community.
- b. The organization edits the curriculum and materials as necessary.
- c. The program tests whether skills are really gained, not just taught.

9. LONGITUDINAL DATA

- a. The program tracks financial indicators of its participants (e.g. # of participants who have gone on to purchase homes, # of participants that improved their credit scores)

10. REPLICABLE/SCALABLE

- a. This program can be replicated in other communities, regions, and/or states.

## SERVICES

### Foreclosure Prevention

Use these standards for programs that provide foreclosure prevention education and counseling.

#### Level 1: Program Feasibility Assessment

These basic criteria determine the feasibility of a foreclosure prevention program. The focus is on the organizational and financial readiness of the program.

#### 1. NEED

##### a. Community Need

- i. There are low-income residents.
- ii. There are high rates of foreclosure.
- iii. There is a population lacking education, information, and counseling on foreclosure.
- iv. There are scams targeting homebuyers and homeowners.

##### b. Market Study/Needs Analysis

- i. The market study confirms the need for, and viability of the program.
  1. There are no other foreclosure prevention education and counseling programs in the area that can work with the target population.
  2. There is enough demand for services and sources of funding to support the program.
- ii. The market study informs the organization about demographics of the area, competition, and barriers to entry.

##### c. Local Support

- i. The beneficiaries of the program support the program.
- ii. Neighbors and local community members support the program.
- iii. The program is in alignment with local city, county, state and/or federal development goal(s).

#### 2. ORGANIZATIONAL READINESS

- a. The organization is willing and able to do the program.
- b. The program is in alignment with the mission of the organization.
- c. The Board of Directors embraces a CED strategy and/or embraces the program as a part of the CED strategy.
- d. The organization and/or its partners have a track record of participating in similar programs.
- e. The organization has the financial and operational capacity to undertake the proposed program.
  - i. The organization can support the additional debt (if any) created by the program.
  - ii. The organization has qualified staff that can undertake the program.
  - iii. The organization has access to reliable, qualified vendors and service providers.

#### 3. FINANCIAL FEASIBILITY

##### a. Program cost

- i. The program is affordable to the organization, and the projected cost is appropriate to the concept.
- ii. The operator or staff providing the cost estimates is qualified and experienced with foreclosure prevention programs.

##### b. Funding sources

- i. There are enough sources of funding for the uses.
- ii. The organization has endeavored to secure all available competitive and noncompetitive funding sources for which the program qualifies.
- iii. The actual disbursement of each source is timely and in sync with the needs of the program.
- iv. The organization is aware of the compliance implications of each source.

##### c. Cash flow

- i. The program produces enough cash flow to support the proposed debt structure (if any).
- ii. If the program is low-cost or free, it is subsidized enough to sustain itself beyond the first year

#### Level 2: Practical Considerations

These criteria are essential for a successful, operating foreclosure prevention program.

1. MARKET BARRIERS
  - a. The organization understands why past programs have not worked and instead addresses prior issues in innovative and alternative ways.
2. DEVELOPMENT TEAM & PARTNERSHIPS
  - a. The organization has assembled the best team for the program, including vendors, trainers, outreach coordinators, and management staff.
  - b. If the organization is lacking in any area (financial, experience), it has partnered with another entity to operate the program.
  - c. The program is supported by public sector, private sector, and community partners.
  - d. The organization is connected to public sector (e.g. assessor's office) and private sector (e.g. title company, attorney) partners who provide assistance to the program
  - e. Through an open dialogue with the community, the organization has sought and incorporated community participation in the program
3. SITE CHARACTERISTICS
  - a. The area that is served by the program makes sense.
  - b. The offices and training sites of the program are located near or adjacent to transit.
4. PROGRAM DESIGN & OPERATION
  - a. The program is run in the appropriate language(s) for the clientele in the area.
  - b. The program is culturally appropriate to the clientele in the area.
  - c. The program is tailored to the specific geography of the clientele in the area.

Level 3: From Feasible to Exemplary

These criteria elevate a foreclosure prevention program to an exemplary program.

1. FUNDING & FUNDING REQUIREMENTS
  - a. The program uses a funding program or funding source that is new and innovative.
  - b. Each funding source was heavily leveraged to gain further resources.
  - c. Certain features of the program were adapted to capture funding, but the program was not completely changed in order to capture one particular funding source.
  - d. There are multiple stakeholders providing funding, and this mix of funding sources maximizes the feasibility of the program.
  - e. The program exceeds minimum standards required by funding sources.
    - i. There is deeper low and moderate income targeting than required by funding sources.
2. FUTURE PROJECTS
  - a. The program strengthens the position (financial, political, capacity, experience) of the organization.
  - b. Through the program, the reputation of the organization was enhanced. Issues that the staff faced were dealt with in a diplomatic manner, enabling future programs.
  - c. The success of the program will enable future funding on other programs.
  - d. The community is happy with the program and will participate in more/similar programs in the future.
  - e. The community is more knowledgeable about foreclosure prevention programs.
3. ENVIRONMENTAL IMPACT
  - a. The program has less environmental impact than traditional programs during operation.
4. ECONOMIC IMPACT
  - a. The program encourages development, redevelopment, and investment.
5. COMPREHENSIVENESS
  - a. The organization provides or connects to other programs that provide multiple services e.g. referrals to lawyers.
6. DIVERSITY
  - a. The program serves a mixed income clientele.
  - b. The program encourages mixed age, gender, ethnic, etc. participation.
  - c. The program supports minority businesses.
7. PUBLIC BENEFITS

- a. The program provides foreclosure prevention education and counseling that is needed by the community but is currently not provided or accessible.
  - b. The program prevents the negative impacts of foreclosure, such as decreased property values, instability in the community, etc.
  - c. The program results in other positive physical impacts.
  - d. The program results in other positive economic impacts.
  - e. The program results in other positive social impacts.
8. EVALUATION
- a. The organization reevaluates the program periodically and adapts to the changing needs of the community.
  - b. The organization edits the curriculum and materials as necessary.
  - c. The program tests whether skills are really gained, not just taught.
9. LONGITUDINAL DATA
- a. The program tracks financial indicators of its participants (e.g. # of participants who avoided foreclosure, received a loan modification, received a forbearance, conducted a short sale)
  - b. The program tracks the reach of its services? (e.g. # of clients, income status)
10. REPLICABLE/SCALABLE
- a. This program can be replicated in other communities, regions, and/or states.

## SERVICES

### Employment Training

Use these standards for programs that provide employment training. Employment training includes skills training, resume workshops, business plan workshop classes, finance and accounting training, and access to capital.

#### Level 1: Program Feasibility Assessment

These basic criteria determine the feasibility of an employment training program. The focus is on the organizational and financial readiness of the program.

##### 1. NEED

- a. Community Need
  - i. There is high unemployment and/or underemployment.
- b. Market Study/Needs Analysis
  - i. The market study confirms the need for, and viability of the program.
    1. There are no other employment training programs in the area that can work with the target population.
    2. There is enough demand for services and sources of funding to support the program.
  - ii. The market study informs the organization about demographics of the area, competition, and barriers to entry.
- c. Local Support
  - i. The beneficiaries of the program support the program.
  - ii. Neighbors and local community members support the program.
  - iii. The program is in alignment with local city, county, state and/or federal development goal(s)

##### 2. ORGANIZATIONAL READINESS

- a. The organization is willing and able to do the program.
- b. The program is in alignment with the mission of the organization.
- c. The Board of Directors embraces a CED strategy and/or embraces the program as a part of the CED strategy.
- d. The organization and/or its partners have a track record of participating in similar programs.
- e. The organization has the financial and operational capacity to undertake the proposed program.
  - i. The organization can support the additional debt (if any) created by the program.
  - ii. The organization has qualified staff that can undertake the program.
  - iii. The organization has access to reliable, qualified vendors and service providers.

##### 3. FINANCIAL FEASIBILITY

- a. Program cost
  - i. The program is affordable to the organization, and the projected cost is appropriate to the concept.
  - ii. The operator or staff providing the cost estimates is qualified and experienced with employment training programs.
- b. Funding sources
  - i. There are enough sources of funding for the uses.
  - ii. The organization has endeavored to secure all available competitive and noncompetitive funding sources for which the program qualifies.
  - iii. The actual disbursement of each source is timely and in sync with the needs of the program.
  - iv. The organization is aware of the compliance implications of each source.
- c. Cash flow
  - i. The program produces enough cash flow to support the proposed debt structure (if any).
    1. If the program is low-cost or free, it is subsidized enough to sustain itself beyond the first year.

#### Level 2: Operating Considerations

These criteria are essential for a successful, operating employment training program.

##### 1. MARKET BARRIERS

- a. The organization understands why past programs have not worked and instead addresses prior issues in innovative and alternative ways.
2. DEVELOPMENT TEAM & PARTNERSHIPS
  - a. The organization has assembled the best team for the program, including vendors, employees, trainers, outreach coordinators, and management staff.
  - b. If the organization is lacking in any area (financial, experience), it has partnered with another entity to operate the program.
  - c. The program is supported by public sector, private sector, and community partners.
  - d. Through an open dialogue with the community, the organization has sought and incorporated community participation in the program
3. SITE CHARACTERISTICS
  - a. The area that is served by the program makes sense.
  - b. The offices and training sites of the program are located near or adjacent to transit.
4. PROGRAM DESIGN & OPERATION
  - a. The program is run in the appropriate language(s) for the clientele in the area.
  - b. The program is culturally appropriate to the clientele in the area.
  - c. The program is tailored to the specific geography of the clientele in the area
  - d. The program teaches skills that prepare participants for employment.
    - i. The program teaches basic life skills.
    - ii. The program teaches occupational skills.
    - iii. The program provides job readiness.
    - iv. The program teaches skills that are in demand by local employers.
  - e. The program places graduates of the program into employment.
    - i. Jobs provide a living wage.
    - ii. Jobs are for local hires.
    - iii. Jobs are for low and moderate income individuals.
    - iv. Jobs provide life skills.
    - v. Jobs provide health benefits.
    - vi. Jobs have potential for upward mobility.

### Level 3: From Feasible to Exemplary

These criteria elevate an employment training program to an exemplary program.

1. FUNDING & FUNDING REQUIREMENTS
  - a. The program uses a funding program or funding source that is new and innovative.
  - b. Each funding source was heavily leveraged to gain further resources.
  - c. Certain features of the program were adapted to capture funding, but the program was not completely changed in order to capture one particular funding source.
  - d. There are multiple stakeholders providing funding, and this mix of funding sources maximizes the feasibility of the program.
  - e. The program exceeds minimum standards required by funding sources.
    - i. There is deeper low and moderate income targeting than required by funding sources.
2. FUTURE PROJECTS
  - a. The program strengthens the position (financial, political, capacity, experience) of the organization.
  - b. Through the program, the reputation of the organization was enhanced. Issues that the staff faced were dealt with in a diplomatic manner, enabling future programs.
  - c. The success of the program will enable future funding on other programs.
  - d. The community is happy with the program and will participate in more/similar programs in the future.
  - e. The community is more knowledgeable about employment training programs.
3. ENVIRONMENTAL IMPACT
  - a. The program has less environmental impact than traditional programs during operation.
  - b. The program provides green job training.

4. ECONOMIC IMPACT
  - a. The program attracts new businesses to the area.
  - b. The program helps retain existing businesses.
  - c. The program improves matching of employees with employers.
  - d. The program encourages development, redevelopment, and investment.
5. COMPREHENSIVENESS
  - a. The organization provides or connects to other programs that provide multiple services e.g. social services.
6. DIVERSITY
  - a. The program serves a mixed income clientele.
  - b. The program encourages mixed age, gender, ethnic, etc. participation.
  - c. The program supports minority businesses.
7. PUBLIC BENEFITS
  - a. The program provides job training that is needed in the neighborhood but is currently lacking.
  - b. The program provides a skilled labor market for local employers.
  - c. The program results in other positive physical impacts.
  - d. The program results in other positive economic impacts.
  - e. The program results in other positive social impacts.
8. EVALUATION
  - a. The organization reevaluates the program periodically and adapts to the changing needs of the community.
  - b. The organization edits the curriculum and materials as necessary.
  - c. The program tests whether skills are really gained, not just taught.
9. LONGITUDINAL DATA
  - a. The program tracks financial indicators of its participants (e.g. # of participants who have gone on to open savings accounts)
  - b. The program track job retention/employment status after completion of the program.
10. REPLICABLE/SCALABLE
  - a. This program can be replicated in other communities, regions, and/or states