

**Request for Qualifications
June 15, 2009**

Community Development Block Grant Funding for Small Business Lending

The U.S. Department of Housing and Urban Development (HUD) announced on February 17th that the City of Seattle would receive \$3.26 million in supplemental Community Development Block Grant (CDBG-R) funds through the American Recovery and Reinvestment Act of 2009. The Recovery Act requires that these funds be invested in a manner that maximizes job creation and economic benefit and that the use of these funds be expedited to maximize near-term economic benefit. HUD further advises that these funds should primarily be used in economic development, housing, infrastructure, and other public facilities projects that will quickly spur further economic investment, increased energy efficiency, and job creation or retention.

From the funds available, the City of Seattle is making \$1,440,000 available to community-based loan programs to provide small businesses in Seattle with access to credit during the current economic downturn. The City has prioritized that the funds will be focused on job creation and retention, and service to disadvantaged communities.

The \$1,440,000 in CDBG-R funds will be contracted to one or more Community Development Financial Institutions (CDFIs) selected by the City's Office of Economic Development through a Request for Qualifications (RFQ) process. Businesses receiving loan funds will be required to:

- A. Ensure that 51% of jobs created or retained go to low-/moderate-income people; and
- B. Create or retain as many full-time jobs as possible
- C. Create or retain jobs at a reasonable cost per job ratio.

The availability of CDBG-R funding by the City of Seattle is contingent on HUD's approval of the City's stimulus consolidated plan proposal. All CDBG-R funds must be expended by September 30, 2012.

Preparing a Letter of Qualifications

The City of Seattle seeks one or more organizations engaged in small business lending to deploy these funds. If your organization is interested in competing for use of the funds, please prepare a letter outlining qualifications and respond to the following questions:

1. Provide a brief description of your organization, discuss your experience making small business loans, including but not limited to loans focused on job creation and retention. As part of this description, please describe:
 - a. Experience providing small business and micro-loans;
 - b. Experience working within disadvantaged communities; and
 - c. Experience with Community Development Block Grant funding; and
 - d. Experience working with any particular geographic area of Seattle

2. How would CDBG-R funding leverage your existing efforts to support businesses in creating and retaining jobs?
3. Describe the types of businesses that your organization would target with these funds. Discuss your outreach strategy to low-income businesses/entrepreneurs, refugees or immigrants, limited English speaking entrepreneurs, or businesses/entrepreneurs that serve low-income communities and those most impacted by the current recession.
4. Describe sample loan terms that your organization could offer, including interest rate and a range of loan sizes.
5. The CDBG-R funds for small business lending may be allocated to one or more financial institution. For allocation levels of (a) \$500,000, (b) \$1,000,000 or (c) \$1,440,000:
 - a. How quickly after approval of receipt of funds will lending begin to occur?
 - b. What is the time period anticipated to fully lend this amount of funding?
 - c. How many loans would be anticipated to be made?
 - d. What amount would be retained by your organization to pay for administrative or other internal expenses?
 - e. How much in additional funding would be leveraged?
6. If you plan to partner with other community based organizations in delivering this product, please describe their role and background.

CDBG-R Reporting Requirements:

Lending of CDBG funds will need to comply with all program and reporting requirements specific to use of CDBG-R as described by HUD. Included is quarterly reporting on funds received, status of projects and the number of jobs created or retained for that quarter. Additional reporting requirements will be detailed by HUD at a later date.

Submissions:

Three copies of your response must arrive no later than 5:00 p.m. on Thursday, July 2nd, 2009 to:

Tina Vlasaty
Office of Economic Development
City of Seattle
700 Fifth Avenue, Suite 5752 (deliveries)
P.O. Box 94708 (postal mail)
Seattle, WA 98124-4708

- The City of Seattle retains the right to reject any responses and is not required to award any funds if in its opinion the response failed to meet its requirements.

- All documents and any attachments should be 8-1/2” by 11” and should be printed on both sides of the paper.
- Electronic submissions are requested in addition to hard copy submissions, but not in place of them. Faxes will not be accepted.

Schedule:

Proposals due to Office of Economic Development: July 2, 2009

Respondent interviews: Week of July 13 – July 17, 2009

Notification of selection: July 27, 2009

Contract executed by: August 15, 2009

A selection committee will review the responses to this Request, followed by conversations with the respondents, and selection of one or more organizations. If you have any questions about this Request please contact Tina Vlasaty, City of Seattle’s Office of Economic Development, (206) 684-3348 or tina.vlasaty@seattle.gov.