


2016 CDBG Application Workshop:  
EDSA; Career Link; Employment Transportation



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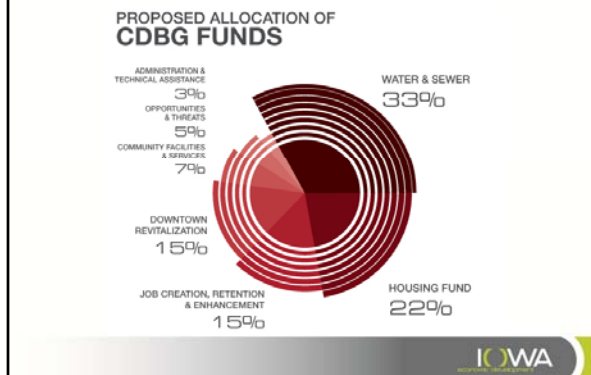
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2016 Allocation Chart



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❖ Economic Development Set Aside

Forgivable Loans for job creation/ retention


❖ Career Link

Grants for Job Training Directly Linked to Existing  
Employment Opportunities

❖ Career Link (Employment Transportation)

Grants for Transportation Services for Individuals to Job  
Sites or Job Training Locations

All funded from 15% job creation, retention and  
enhancement allocation of HUD allotment



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### Economic Development Set Aside (EDSA)

- » EDSA program has existed since the 1990's. It is issued as a forgivable loan if private entity meets goals
- » Use of the program dropped significantly after 2006 when program rules were revised
- » Program administrative rules were revised in 2015 in an effort to make the program more usable
- » Wage and benefit requirements are now more flexible

IOWA<sup>4</sup>

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### Economic Development Set Aside (EDSA)

- » EDSA provides funding for projects resulting in capital investment and job creation/retention for LMI individuals.
- » Communities/ counties must apply for funds
- » Private business is a sub-recipient of funds
- » Maximum award is \$1 million but usually about \$5,000 per created or retained job

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### Economic Development Set Aside (EDSA)

- » At least 51% of jobs created or retained must be filled by LMI individuals. This is determined at the time of hire.
- » Jobs created or retained must pay at least 80% of the area laborshed wage (Available on IEDA website)
- » Business must offer health and dental coverage to employees
- » If business is locating from another state, please talk to IEDA early. There are regulations regarding when federal funds may and may not be used for these projects.

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## Economic Development Set Aside (EDSA)

- » Projects must be "necessary and appropriate."
- » Only the minimum amount of funds necessary to meet this may be provided to a project
- » A letter-of credit is strongly preferred as security
- » Three ways to meet HUD required need:
  - Financing gap
  - Insufficient return
  - Location disadvantage

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## Economic Development Set Aside (EDSA)

- » All federal CDBG requirements apply to EDSA
  - Environmental review
  - Davis Bacon
- » Timing is important! Start early if you have a potential EDSA project.
- » Applications are accepted at any time as funds are available
- » Must talk to IEDA first before applying for funds to make sure the program is a good "fit" for the project. IEDA will explore other programs as well (state) to determine if those may be more beneficial

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## Career Link



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## Career Link Program – Job Training (JT) Overview

- » Is a matching grant program – only one program currently active
- » Usually involves participation of a community college
- » Can receive up to \$ (?) No actual maximum set
- » Targeted to under or unemployed individuals of LMI status
- » Private business must identify/document specific skills and positions to be filled by trainees (the two must match)

UNEMPLOYED



IOWA<sup>10</sup>

## Career Link Program (JT)

### Steps to a Career Link project:

1. Identify companies with the same type of training need
2. Those companies work with the training provider to help design a training program/ curriculum (Companies must be involved with program design)
3. Each company agrees to sponsor a certain number of training slots, based on the number of job openings they will have
4. Each company agrees to interview/consider training participants for those positions

IOWA<sup>11</sup>

## Career Link Program (JT)

- » Applications are accepted on a continuing basis through [iowagrants.gov](http://iowagrants.gov)

IOWA<sup>12</sup>

## Career Link Program – Job Training (JT)

- » Training is often provided through community colleges but could also be other entities (CAAs; Workforce Dev; private cos.)
- » Maximum project length is 24 months – no extensions permitted
- » Funds can pay for related costs, (child care, transportation, administration of 5%)
- » Training provider must demonstrate experience
- » Created jobs must be at reasonable wage but no longer tied to any specific threshold
- » Training provider must have agreement with recipient or with administrative entity



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## Career Link Program – Job Training (JT)

- » Application Evaluation Criteria
  - Training's match in need and number to identified employment positions
  - Quality of overall training plan
  - Level of local investment /participation
  - Program fit for target audience
  - Income level of proposed beneficiaries
  - Level of business involvement in curriculum development
  - Cost per person trained
  - Overall cost efficiency, reasonableness
  - Administrative experience and capacity

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## Career Link Program – Job Training (JT)

- » Some Program Tips
  - Establish vital links with private businesses and jointly define employment positions before beginning application
  - Be prepared for a certain percentage of trainees not completing training (for a variety of reasons)
  - Keep detailed documentation on all matching funds
  - Keep detailed records on trainee income verification, socio-demographics, numbers and outcome
  - Work closely with training provider
  - Remember this is CDBG money so all federal provisions still apply



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### Other CDBG Programs III

#### Career Link (Employment Transportation)



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#### Career Link Program (ET) Overview

- » Career Link provides funding for transportation services for individuals to job activities and adult students to educational training/instructional opportunities
- » Assists employers with ensuring they have an available workforce able to travel to and from work
- » Addresses the transportation barrier and ensures employees have means to travel to the workplace

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#### Career Link Program (ET) Overview

- » Eligible applicants for CDBG funds are local governments- cities & counties (federal requirement)
- » HUD designated entitlement cities may **not** apply
- » Funds will flow through a local government and to a non-profit transportation entity providing the transportation service (subrecipient agreement)
- » Expectation that transportation provider is working with employer(s) to develop a service specific to the needs of participating businesses

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## Career Link Program (ET) Overview

- » Maximum Award - \$150,000
- » \$1 for \$1 cash match will be required. Can come from participating businesses, local, state and federal sources
- » Participating businesses may not include retail or service businesses
- » Funds to be used for operational expenses only (not buses/equipment)

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## Career Link Program (ET) Overview

- » Beneficiaries (those utilizing transportation) must reside in non-entitlement communities
- » For each project, the majority of beneficiaries (51%) must be "low to moderate income" individuals, as defined by HUD. Grant recipients must document compliance by collecting income surveys from those utilizing transportation services

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## Career Link Program (ET) Overview

The most current income limits can always be found on the IEDA website:

<http://www.iowaeconomicdevelopment.com/Community/CDBG>

EXAMPLE:

County	1 Person	2 Person	3 Person	4 Person	5 Person	6 Person	7 Person	8 Person
Carroll	\$ 37,450	\$ 42,800	\$ 48,150	\$ 53,450	\$ 57,750	\$ 62,050	\$ 66,300	\$ 70,600

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### Career Link Application Tips/ Reminders

- » Work with entity familiar with CDBG application requirements (COG or consultant)
- » The applicant must be the city or county. The city or county must be the lead entity and be involved in the application process.
- » Applications must be complete with all attachments included
- » Please make sure all budget figures add up correctly (Keep in mind budget should reflect 24 month project)
- » Career Link projects can NOT be extended past 24 months
- » Don't forget to include funds for grant administration in the budget



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### Career Link Application Tips/ Reminders

- » Applications to be accepted on an ongoing basis as funds are available
- » The amount of funds available will vary depending on other projects (Other Career Link & EDSA) that are funded. Contact IEDA prior to application submission to see if funds are available
- » Projects cannot start until approved by IEDA and IEDA has issued a release of funds letter



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### Career Link Application Tips/ Reminders

- » Please contact IEDA early to discuss a project if you have questions or are unsure as to whether or not it is eligible
- » Please make sure all project financing is committed and documented
- » Think about how service can continue after CDBG contract ends. Will need to describe in the application.



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## Career Link Application Tips/ Reminders

- » Post award compliance is very important! Grant administrators will need to coordinate with city, companies and transit agencies
- » Companies will need to be willing to collect & keep income information from employees utilizing service. Form provided by IEDA.

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## QUESTIONS

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