



Response by

National Development Council
for
City of Frisco/Frisco Economic
Development Corporation

Third Party Administrator for CARES Act Federal
Grant Management Program

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Cover Letter



June 10, 2020

Frisco Economic Development Corporation
Attn: John Bonnot, Director, Economic Development
6801 Gaylord Parkway, Suite 400
Frisco, Texas 75034
RE: **Response** – Third-Party Administrator for CARES Act Federal Grant Management Program

Dear Mr. Bonnot:

On behalf of the National Development Council (“NDC”), I am pleased to submit for your consideration the enclosed response to the City of Frisco/Frisco Economic Development Corporation’s (FEDC) solicitation letter seeking a Third-Party Administrator for a CARES Act federal grant management program. I am authorized to legally bind NDC for purposes of this response and our DUNS number is 073 273 294.

NDC understands that the FEDC, along with the City of Allen/Allen Economic Development Corporation and the City of McKinney/McKinney Economic Development Corporation, are seeking a qualified and experienced firm with demonstrated experience and capabilities to serve as a third-party administrator for a CARES Act federal grant management program. NDC also understands that the FEDC wishes to move quickly in the launch of the CARES Act small business recovery grant program and that the Frisco City Council has asked that disbursement of grant funds be completed no later than July 10, 2020. We possess the experience and capacity necessary to perform these services within the identified timeframe.

NDC is the nation’s oldest non-profit community development organization also recognized as a Community Development Financial Institution (CDFI). Established in 1969, at the beginning of the community development movement, NDC has played a significant role in shaping the strategies and methods that have set the standards for practice in the field. Throughout the history of the organization, NDC professionals have delivered a unique combination of economic and housing development services – including policy solutions, technical assistance, training, and financing. In addition, NDC has worked with federal, state and local government and non-profit officials to create job opportunities and generate investment in distressed communities. **We are currently serving as the third-party administrator for both the City and County of Dallas’s CARES Act-funded small business loan funds.**

Our team brings the in-depth local knowledge and unparalleled technical expertise to successfully provide the requested services. Please contact me at 210-215-0707 or via e-mail at rfavela@ndconline.org if you have any questions or need additional information.

Sincerely,
NATIONAL DEVELOPMENT COUNCIL

Raquel Favela
Senior Director

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Qualifications and Scope of Services



Qualifications and Workplan

The National Development Council (“NDC”) is pleased to submit its statement of qualifications and interest to serve as a third-party administrator for CARES Act funding for the Tri-Cities Communities. NDC possesses the experience and capacity to administer a small business grant program capitalized with federal funds.

NDC is one of the nation's leading not-for-profit providers of technical assistance and specialized training in the areas of economic development and housing development finance and underwriting, including small business underwriting. For 50 years, NDC's staff has worked with nonprofit and public practitioners in every one of the 50 states, more than 100 entitlement cities, and hundreds of small cities to help leverage public funds in exchange for community development projects that generate long-term and sustainable community wealth. Our three mission-based areas of focus are described below.



Homes	Jobs	Community
We assist in the development of housing by leveraging scarce public resources to ensure that access to housing will also mean access to transportation, jobs, and amenities.	We use our knowledge of the private sector's strengths and limitations to structure and employ programs that provide capital to small businesses.	We provide access to tools for the financing and development of infrastructure that can facilitate economic development and improve quality of life.

NDC undertakes its work through two areas of activity focus: capacity building and financing and development, as shown below.





NDC acts as a teacher, advisor, investor, developer, and lender all in one, working tirelessly to increase the flow of investment capital, spur job creation and bring community development to America's economically challenged areas. NDC's focus as a mission-based not-for-profit has always been to attract capital to communities where it is needed most. For 50 years, this has meant working towards a more equitable form of development by facilitating access to housing, infrastructure, and jobs.

NDC's core expertise is in assisting its client communities in strategic uses of public resources and incentives in order to leverage private investment in economic and community development efforts. NDC has excelled at delivering effective public-private partnerships that demonstrate these principles by providing direct technical assistance, building the capacity of our client staff, applying extensive knowledge of public sector financing with direct development experience and helping our clients negotiate the best possible development outcomes.

NDC's technical assistance is deeper and broader than consulting. We design and structure economic development and public facility finance programs, identify sources for funding, secure the capitalization, and train and work alongside our clients' staff in program operations. NDC's mission is skills-transfer in order to build local capacity.

NDC's organizational capacity to provide the services needed by the City is deep and strong. NDC's staff is a talented group of former bankers, developers, entrepreneurs, and economic development leaders. This diverse mix of backgrounds gives NDC a special understanding of both private and public sectors and their financing sources.

NDC's Experience Administering Grant Funds and Ability to Timely Disburse Funds

Currently, NDC provides direct small business lending in low-income communities through our SBA Small Business Lending Company, the Grow America Fund (GAF). GAF is a small business loan fund whose mission is to create jobs, stimulate investment, and build the strength of the entrepreneurial and small business sector in low-income communities. GAF is the nation's first U.S. Small Business Administration-licensed small business lending company (SBLC) owned and operated by a nonprofit organization. GAF made its first loan in 1992 and became a Community Development Financial Institution (CDFI) in 1997. GAF works within the context of its parent entity, NDC, and is a key part of NDC's comprehensive programs and services. GAF has loaned more than \$250 million to over 650 small businesses, creating and retaining over 15,000 jobs, as well as thousands of construction jobs.

Additionally, NDC has considerable experience operating non-SBA loan funds capitalized with both public and private funds that offer a range of loan sizes, including loans under \$50k. Notably, NDC has already helped several cities across the county redesign and redeploy their existing loan programs in response to the COVID-19 crisis. For example, for one mid-sized city in California, NDC successfully reviewed and approved over 60 loans in less than one month. And, using capital it raised for its GAF, on April 27, 2020—the day that the SBA's Paycheck Protection Program loan portal re-opened—NDC was able to obtain SBA loan numbers for over \$30 million in loans.



As the third-party administrator for both the City and County of Dallas’s CARES Act-funded small business loan funds, NDC has already developed the policies and procedures, as well as forms and checklists necessary to quickly initiate a CARES Act-funded grant/loan program.

If selected to operate the Tri-City Communities’ Small Business Grant Program, NDC will use ZoomGrants™ as its subcontractor for the Tri-City Communities’ grant application platform.

ZoomGrants™ is an online application management system that allows for efficient application design, document submission, application review and approval, and post-funding reporting. For the purpose of efficiently and effectively administering a small business grant fund, ZoomGrants™ includes two forms of functionality that are worth highlighting. First, ZoomGrants™ will allow members of each Tri-City Community to be designated as Committee Members/Reviewers to review grant applications submitted to their city’s particular program for purposes of approving the disbursement of funds. Committee Members/Reviewers will only have access to the programs to which they’ve been assigned by an administrator. Additionally, ZoomGrants™ will allow small business owners (i.e. applicants) to invite others to “collaborate” on their application. This will allow the small business owner’s accountant, bookkeeper, or other business professional to directly upload documents into ZoomGrants™, thereby speeding up the process by which a small business owner can provide all of the documentation required for full submission of an application.



Scope of Services to Be Provided by NDC

The following chart provides an overview of the services to be provided by NDC as the TPA.

Service Type	Major Deliverables	Timelines
<p>Small Business Assistance</p>	<ol style="list-style-type: none"> 1. Deploy an existing website portal that allows for status reports and direct communication between applicants and relevant parties. 2. Provide a dedicated 1-800 call-in phone number and dedicated email address for grant applicants' use. 3. Administer the CARES Act grant application intake process for all three EDCs. 4. Perform all due diligence related to the review of the CARES Act grant applications and corresponding supporting documents required for submission for all three EDCs. 1. Oversee the evaluation of applications and assess the merits of each application using an established, objective set of criteria and score applications accordingly. Provide funding recommendations to each Tri-City Community. 2. Oversee all file management. 	<p>June 15-23</p> <ol style="list-style-type: none"> 1. Design/refine program. 2. Develop grant agreements, document checklists, other forms, and policies and procedures. 3. Create and provide training to Tri-City staff. 4. Create custom grant portal with custom content and program processes in ZoomGrants. 5. Market program and respond to questions from potential borrowers. <p>June 24-June 30</p> <ol style="list-style-type: none"> 6. Open grant application process. 7. Begin reviewing and scoring applications as they are submitted. <p>July 1-July 10</p> <ol style="list-style-type: none"> 8. Finish reviewing applications. 9. Rank applications. 10. Provide grant recommendations to each Tri-City Community. <p>July 10-end of contract</p> <ol style="list-style-type: none"> 11. Perform any post-grant compliance. (i.e. documentation that funding spent on eligible uses; documentation of business remaining in operation, etc.) 12. Administer all CARES Act compliance reporting.
<p>Technical Assistance and Reporting</p>	<ol style="list-style-type: none"> 3. Offer guidance and/or critique of CARES Act grant program criteria guidelines provided by the FEDC in accordance with all applicable federal, state, county, and/or city guidelines. 4. Create the CARES Act grant application based on agreed-upon program criteria/guidelines provided by the FEDC. 5. Offer ongoing communications and updates to all three EDCs. 6. Offer suggestions and guidance to the EDCs regarding scoring metrics and funding recommendations. 7. Provide all necessary training and training materials for all relevant City/EDC staff. 	
<p>Post-Funding Services</p>	<ol style="list-style-type: none"> 1. Develop, administer, and manage all compliance reporting processes that may be required of the CARES Act grant program both during and upon completion of all grant awards. 	

Recommendations on Changes to Scope of Services and Limitations on Scope of Services to Be Provided by NDC

Due to the ambitious timeline for disbursing funds, NDC recommends the following changes to the Scope of Services and places the following limitations on its proposed Scope of Services:

1. It is unclear whether the grant program design has been finalized, including the eligibility criteria and pre-/post-grant documentation requirements, if any.
 - a. The grant program design should mirror or substantially align with an existing local CARES Act-funded program, so that all grant program documents, and the grant-management portal do not require substantial re-design.
 - b. The Tri-Cities Communities should not impose eligibility and documentation requirements that require in-depth analysis of a business's financial documents.
 - c. The scoring parameters should require only that a business obtain a minimum score. This will allow applications to be reviewed, scored, and approved on a rolling basis. If all applications must be compared against one another, then NDC will not be able to even begin obtaining signatures on grant agreements until the grant application process closes and scoring has been completed.
2. The Application process should include pre-screening criteria. This does not mean that there needs to be a separate pre-application and full application period. However, as part of the application process, an applicant should first be required to answer pre-screening questions that determine whether they are eligible to apply for a grant.
3. NDC understands from the solicitation letter and clarifying emails that it will not serve as the funder for the grant program. NDC understands that it will be responsible for providing the scores and/or funding recommendations but that the Tri-Cities will approve applications for payment and disburse funds. Therefore, NDC's pricing does not include disbursement of funds.



Key Personnel



Key Personnel

NDC's approach to managing the services outlined is to have one director accountable to a Client to manage workloads and respond to the varied needs of client communities. **Andria Martinez** will serve as the lead director and main point of contact for the Tri-City Communities staff. Ms. Martinez will be supported by **NDC's team of 16 economic development and lending professionals** from across the organization who will communicate with applicants, review all applications, draft funding recommendation reports, process all funding, and provide technical assistance. Ms. Martinez will be responsible for assigning NDC staff all funding applications and technical assistance requests provided to her by each City/EDC. Finally, she will compile and submit all reports completely, accurately, and timely as requested by the City/EDC, supported with validating documentation. As necessary, NDC subcontracts from a pool of pre-qualified contractors in order to meet client deadlines. NDC anticipates using subcontractors with accounting, legal, and compliance expertise to provide services pursuant to a contract with any of the Tri-City Communities.

The following six individuals will serve as the key personnel providing services to the Tri-City Communities:

Andria Martinez is a Central Region Field Director and previously served as a Small Business Loan Officer for NDC's Grow America Fund. As a small business loan officer, she was responsible for marketing the program, as well as underwriting small business loans for GAF. She has worked as a professional in the field of economic development for more than a decade. She joined NDC in late 2009 after working for a regional non-profit organization dedicated to micro-enterprise development called Women's Economic Ventures (WEV) for nearly 4 years. In addition, Andria has 10 years of small business experience as co-owner and manager of Expert Strokes Swimming, a family-owned, home-based swim school located in Long Beach, California.

Maureen Milligan is a Central Region Field Director and has been working on community revitalization efforts for the past twelve years. For two of those years, she served as an Assistant Director in the City of Dallas's Department of Housing and Neighborhood Revitalization where she led the implementation of the City's Comprehensive Housing Policy. She also was responsible for restarting the City's Land Bank and Home Repair programs, which included redesigning the programs; developing each program's application, policies and procedures, and standard forms; and conducting staff training and community outreach related to the new programs. During her first decade at the City of Dallas, Ms. Milligan worked in the City Attorney's Office where she helped community leaders take back their neighborhoods by pursuing strategies that addressed the root causes of neglect and nuisance, including drafting new ordinances and state legislation. Ms. Milligan is a Certified Economic Development Professional and licensed attorney who joins practical experience with problem solving for communities.

Raquel Favela is a recognized expert in economic development and housing with 25 years of experience. As a Senior Director, she leads the central regional team in helping public sector clients understand their markets and develop customized strategic plans and policy solutions that build eco-systems critical to equitable job creation and diverse housing options. Raquel's unique brand combines practical experience with her long-range planning and policy acumen to bring balanced problem solving to communities.



A thought leader and authority, she has walked in the shoes of most of the major participants in real estate development: owner, investor, developer, consultant, governmental entity, lender and landlord. Known for delivering results, while at the City of San Antonio, Raquel is credited with producing San Antonio's first Strategic Community Development Plan in 2007. Ten years later while serving as the City of Dallas' Chief of Economic Development and Neighborhood Services, Raquel was lauded for delivering the city's first Comprehensive Housing Policy that addressed longstanding fair housing issues and disparate impact. In her role with NDC, Raquel has been the trusted advisor to clients across the country to include East Chicago, Indiana, Rockford, Illinois, Memphis, Tennessee, Los Angeles County, Commonwealth of Puerto Rico, the State of Illinois and in Texas, San Antonio, Irving, and Temple. Raquel has guided clients on financing structures for challenging redevelopment projects, a role that garnered her extensive transactional experience with federal, state and local tools available to maximize public benefits.

Stephanie Dugan is an economic development professional based in McKinney, Texas and currently is Director of Real Estate Development. She manages several technical assistance contracts and also teaches NDC courses in Economic Development Finance, Business Credit Analysis, Problem Solving & Deal Structuring, Home Ownership Finance, Mixed Use Real Estate Finance and Low-Income Housing Tax Credits. She has assisted a number of clients to secure federal and state Historic Rehabilitation Tax Credits and New Markets Tax Credits. She provides development assistance to nonprofit organizations interested in using Low-Income Housing Tax Credits for affordable housing projects. Most recently, she assisted a small housing authority with its fourth tax credit project – the \$20 million redevelopment of a former public housing site into 80 units of affordable housing using a combination of LIHTC equity, HOME Investment Partnership funds, public housing funds and private debt.

She draws on experience gained as the Assistant Director of Economic Development for the City of Abilene where she administered a small business finance and incentive program, capitalized at \$6 million per year. Prior to leaving the City of Abilene, she served as project manager for the "Windsor Hotel," a \$5 million downtown restoration project.

Sheldon Bartel is a Central Region Field Director and previously served as a Small Business Loan Officer for NDC's Grow America Fund where he was responsible for finding, analyzing, structuring, and underwriting SBA 7(a) loans. Sheldon teaches two courses for NDC's Economic Development Finance Certification Program: ED101 (Economic Development Finance) and ED201 (Small Business Credit Analysis). In addition, Sheldon teaches Economic Development Credit Analysis for the International Economic Development Council on behalf of NDC.

Before joining NDC in 2011, Sheldon served as the VP of Lending at the Economic and Community Development Institute in Columbus, OH, VP of Lending at the Great Falls (MT) Development Authority, Executive Director at the Montana Business Assistance Connection, and prior to that as the Executive Director at the Uptown CDC in Sacramento, CA.

John Palyo currently serves as President of NDC's Grow America Fund (NDC GAF). NDC GAF is a community development bank authorized to make loans under the Small Business Administration 7(a)



program throughout the United States. John has been a Director with the National Development Council since 1998 and as President of GAF he oversees all lending operations of the Fund, which is also operates as a Certified Development Financial Institution. John regularly teaches several NDC training courses including ED101–Economic Development Finance and ED201–Business Credit Analysis.

Prior to joining GAF, John worked for five years at JP Morgan Chase and Nat West as a loan underwriter working on a range of business loan products ranging in size from \$50,000 to \$2 million.



References



References

Below is a list of five organizations, including organization name, contact name, and title. These individuals are able to verify NDC's ability to serve as a third-party administrator for a grant management program. Included within four of the references are details regarding NDC's experience operating loan programs, including how much capital was provided under those loan programs and our previous experience operating loan programs capitalized with federal funding. Included within one of the references are details related to NDC's experience providing technical assistance related to grant management and compliance with federal regulations.

Reference 1:

Organization Name: City of Long Beach

Contact Name and Title: Seyed Jalali, Economic Development Officer, 562-570-6172

Brief description of services provided: The Long Beach Microloan program is funded by Economic Development Administration (EDA) and CDBG funds. This program focuses on providing loans ranging from \$25K to \$99K. Eligible uses of funds include working capital and equipment as well as the refinancing of high interest loans. (Contract duration: Contract is ongoing.)

NDC's Role Prior to COVID-19: NDC is the underwriter for the program. The Field Director works with the Long Beach contact to meet with businesses that approach the City about the program and collect the needed documents to complete the underwriting. If a business is not ready, they are referred to the local SBDC for help. Since the beginning of the program in 2002, the loan fund has provided a total of approximately \$5 million to 59 businesses with over 328 jobs created.

NDC's Role Post-COVID-19: NDC assisted the City of Long Beach with restructuring the program to be an emergency loan program with the capacity to provide up to 65 loans with a maximum loan amount of \$10K. NDC developed the restructured program guidelines and is serving as underwriter for the loans. Since the program opened on April 1, 2020, the City received 68 applications, and NDC was able to review and approve 53 loans in less than 30 days.

Reference 2:

Organization Name: Los Angeles County Development Authority (formerly LACDC)

Contact Name and Title: Carolina Romo, Supervisor, (626) 296-6298

Brief description of services provided: The LACDA Small Business Loan program is funded by Economic Development Administration (EDA) and CDBG funds. This program focuses on providing loans ranging from \$25K to \$2M. Eligible uses of funds include working capital and equipment as well as the refinancing of high interest loans. (Contract duration: Contract is ongoing.)

NDC's Role Prior to COVID-19: NDC is the underwriter for the program. The Field Director works with the LACDA contact to meet with businesses that approach the County about the program and collect the needed documents to complete the underwriting. If a business is not ready, they are referred to the local SBDC for help.

NDC's Role Post-COVID-19: NDC assisted LACDA with structuring an emergency loan program and is providing underwriting services and well as training and technical assistance for staff.



Reference 3:

Organization Name: City of Salinas, California

Contact Name and Title: Lisa Brinton, Senior Community Development Specialist, Community Development Department, (831) 758-7206

Brief description of services provided: The Grow Salinas Fund was established in 2012 in partnership with NDC's Grow America Fund (GAF) and served as an economic development tool designed to assist small business within the City of Salinas. It was capitalized with \$550,000, which was a combination of CDBG funds and a corporate donation. During the six years that the fund was active, GAF was able to leverage the city's investment 4:1; the fund loaned over \$2.2M with an average loan size of \$453k. (Contract duration: 2012-2018.)

NDC's Role: NDC served as the underwriter, loan closer and servicer for all loans.

Reference 4:

Organization Name: Grow America Fund – Rural Washington

Contact Name and Title: N/A; NDC owns and operates the fund

Brief description of services provided: NDC operates a revolving loan fund in six rural counties in Washington State. NDC took over the then-dormant loan fund from two public agencies that had previously operated the fund. Capitalized with funding from the Economic Development Administration (EDA), the \$2M fund provides loans up to \$700,000 to small businesses. NDC has made 7 loans totaling approximately \$1.3M and created or preserved about 50 jobs. (Contract duration: Loan fund is still operating.)

NDC's Role Prior to COVID-19: NDC served as the originator, underwriter, loan closer and servicer for all loans.

NDC's Role Post-COVID-19: In response to changing business needs due to closures from COVID-19, NDC adapted the fund to provide emergency loans up to \$25,000 with payments deferred for six months, the lowest interest rate allowed by the EDA (2.44%), and a streamlined underwriting process.

Reference 5:

Organization Name: City of New Braunfels, Texas

Contact Name and Title: Jeff Jewell, Director of Economic and Community Development, (830) 221-4621

Brief description of services provided: NDC developed a housing policy town hall series and is assisting City staff with facilitating the City's Workforce Housing Advisory Committee. NDC is also using its knowledge of federal regulations and financing sources, including HUD's Section 108 loan program, to recommend new policies to facilitate the development of affordable housing. (Contract duration: Contract is ongoing.)

NDC's Role Prior to COVID-19: NDC serves as technical advisor and underwriter for real estate projects.

NDC's Role Post-COVID-19: NDC reviewed and provided feedback to City staff regarding a proposed small business grant program and a Downtown E-Commerce Grant Program.



Professional Fees



Professional Fees

NDC proposes an administrative fee of 7% of the CARES Act funding allocated to any program for which NDC is selected to administer, as those services are described in NDC's Scope of Services as "Small Business Assistance." For example, if NDC is selected to administer the City of Frisco's/FEDC's Grant Program and the City allocates \$1,000,000 to the Program, NDC's administrative fee will be \$70,000.

For the services listed in NDC's Scope of Services as "Technical Assistance and Reporting" and "Post-Funding Services," NDC proposes a technical assistance fixed annual rate of \$78,000 to be paid in two equal installments; first installment of \$39,000 upon launch of application and second installment upon final Post-Funding report submittal. The fee includes all of NDC's time, travel expenses, supplies, postage, telephone, and other similar expenses.

Additionally, if selected to provide "Technical Assistance" for a Tri-City, NDC will provide one scholarship per city/EDC for a Tri-City/EDC employee to obtain up to 20 days of classroom training in NDC's Certified Economic Development Finance and/or Housing Development Finance Professional Training Program at no additional cost.



SAMS Search Results



SAM Search Results		
List of records matching your search for :		
Record Status: Active		
DUNS Number: 073273294		
ENTITY	National Council For Community Development, Inc.	Status: Active
DUNS: 073273294	+4:	CAGE Code: 1MV62 DoDAAC:
Expiration Date: 08/12/2020	Has Active Exclusion?: No	Debt Subject to Offset?: No
Address: 1 Battery Park Plz Ste 710		
City: New York	State/Province: NEW YORK	
ZIP Code: 10004-1704	Country: UNITED STATES	

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