

that relate directly to the project for which funds are being requested. The agreement should include the goals and objectives (including target groups) that the applicant and the employment education and training office expect to reach through their collaboration. It should describe the cooperative relationship, including specific activities and/or actions each of these entities proposes to carry out in support of the project, and the mechanism(s) to be used in coordinating those activities if the project is funded by OCS.

Documentation that illustrates the organizational experience of the employment education and training office should also be included.

Any applicant which proposes to use the requested OCS funds to make an equity investment such as the purchase of stock, or a loan to a business concern, including a wholly-owned subsidiary, or to make a sub-grant with a portion of the OCS funds, must include in its application a written agreement with the third party that commits the latter to the following:

1. A minimum of 75% of the jobs to be created under the grant will be for low-income individuals.
 2. The grantee will have authority to screen applicants for jobs to be filled by low-income individuals and to verify their eligibility.
 3. The grantee will have a seat on the Board of Directors of the third party's firm if the grantee's investment equals 25% or more of the firm's assets. (Not applicable to loans made to third parties.)
 4. Reports will be made on a quarterly basis to the grantee on the use of grant funds.
 5. A procedure will be developed to assure that there are no duplicative counts of jobs created.
 6. Detailed information will be provided on how the grant funds will be used by the third party by submitting a Source and Use of Funds Statement. In addition, the agreement will provide details on how the community development corporation will provide support and technical assistance to the third-party in areas of recruitment and retention of low-income individuals.
- Any funds that are proposed to be used for training purposes must be limited to providing specific job-related training to those poverty level individuals who have been selected for employment in the grant supported project.

OCS encourages applications that create linkages with community organizations administering the JOBS program which will train and place residents dependent on public

assistance into jobs created by the project funded under this priority area.

Projects which would result in the relocation of a business from one geographic area to another with the possible displacement of employees are discouraged.

OCS will not consider applications that propose to establish or expand revolving loan funds, nor proposals that are geared towards the establishment of Small Business Investment Corporations or Minority Enterprise Small Business Investment Corporations.

OCS does not anticipate approving the funding of applications which propose to sub-grant all or most of the grant activities to an unrelated entity.

Applicants must be aware that projects funded under this priority area must be operational by the end of the project period, i.e., businesses must be in place, and low-income individuals actually employed in those businesses.

See Part F, 7, d, for special instructions on developing a work program for this priority area.

Sub-priority area 1.2 Urban and rural community economic development (HBCU set-aside). For Fiscal Year 1995, a set-aside fund of \$2,250,000 will be included under this priority area for eligible applicants that submit projects that will be carried out in conjunction with Historically Black Colleges and Universities through contract or sub-grant. Such projects must conform to the purposes, requirements and prohibitions applicable to those submitted under Sub-Priority Area 1.1.

Any funds that are proposed to be used for training must be directly related to the project and all individuals trained must be placed in a newly created job or business.

These projects should reflect a significant partnership role for the college or university, and the applicant in doing so will be considered to have fulfilled the goals of the Public-Private Partnerships evaluation criterion and will be granted the maximum number of points in that category. Applications for these set-aside funds which are not funded due to the limited amount of funds available will also be considered competitively within the larger pool of eligible applicants under Sub-Priority Area 1.1.

See Part F, 7, d, for special instructions on developing a work program for this priority area.

Sub-priority area 1.3 Urban and rural community economic development (pre-developmental set-aside). OCS intends in this priority area to provide funds to recently-established private, non-profit

community development corporations which propose to undertake economic development activities in distressed communities.

OCS recognizes that there are a number of newly-organized non-profit community development corporations who have identified needs in their communities but who have not had the staff or other resources to develop projects to address those needs. This lack of resources also might be affecting their ability to compete for funds, such as those provided under OCS's Urban and Rural Community Development Program (Operational Grants) since their limited resources would preclude them from developing a comprehensive business plan and/or mobilizing resources. OCS has an interest in providing support to these new entities in order to enable them to become more firmly established in their communities, thereby bringing technical expertise and new resources to these previously unserved or underserved communities. Therefore, OCS is setting aside \$750,000 in Fiscal Year 1995 for grants to private non-profit community development corporations which have been in existence for no more than three years and have never received OCS funding. From this sum, grants of up to \$75,000 each will be made to eligible applicants. These grants will be made for a period of one year and will not require matching funds.

The grants will be pre-developmental grants under which CDCs may incur costs to: (1) evaluate the feasibility of potential projects which address identified needs in the low-income community and which conform to those projects and activities allowable under Sub-Priority Areas 1.1 and 1.2; (2) develop a Business Plan related to one of those projects; and (3) mobilize resources to be contributed to projects, including the utilization of Historically Black Colleges and Universities. Based on the availability of funds in Fiscal Year 1996, OCS will consider establishing a set-aside to provide operational funds to those organizations which received pre-developmental grants. Grants might be for a maximum of \$250,000 and competition for those funds will be restricted to those organizations receiving Fiscal Year 1995 pre-developmental grants. The Business Plan developed as a result of the pre-developmental grant would be submitted as part of the competitive application.

Each application for Fiscal Year 1995 funded under this Priority Area must include the following as part of the project narrative.