



NARRATIVE QUESTIONS GUIDANCE

FY 2016 CDFI & NACA Program Application

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THE CDFI FUND
U.S. Department of the Treasury

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Overview

This document contains the Narrative Questions for all Technical Assistance (TA), Financial Assistance (FA), and Healthy Food Financing Financial Assistance (HFFI-FA) applications and is organized by these three application types. Within each application type, the document contains an executive summary and narrative questions for each of the major application sections: Purpose, Products, Policies, People, Partnerships, Performance, and Projections. All of the narrative questions generally relate to corresponding components in the Award Management Information System (AMIS) and other related attachments in the application which are noted under each section. All of the narrative questions are mandatory, unless stated otherwise.

Responses to the below Narrative Questions must be entered in the Narratives Related List in the application in AMIS. Please note that the full text for each narrative question is not available in AMIS, but is provided below for your reference. Additionally, the AMIS application components and related attachments that should inform your narrative responses are highlighted below.

You must read the CDFI Program and/or NACA Program Notice of Funds Availability (NOFA) to determine your eligibility to apply for a CDFI Program and/or NACA Program award before responding to these Narrative Questions. It is also highly recommended that you view the Application Presentation Materials on the CDFI Fund's website prior to responding to these Narrative Questions.

If you have not submitted an SF-424 by the deadline listed in the NOFA, do not answer the Narrative Questions, as you will not be eligible to submit your Narrative Question responses.

Approach

Applicants must answer each of the narrative questions using clear, concise, factually-based text, while adhering to the stated character maximums. Applicants are encouraged to discuss their organization's unique situation within the framework of each question being asked. Applicants should be prepared to discuss their previous activities as well as provide an explanation of future plans.

Narrative questions should address the information requested, as well as cross-reference and explain any pertinent information contained in AMIS, or the other related attachments. Where applicable, cite any secondary data sources, reports, statistics, or other sources. Be sure to use the most recent data and information available.

Character Limits

Each question in the Narratives section of AMIS has character limits. The exact character limits are listed immediately following the question text throughout this document in *[italicized text.]* Be mindful that the character limits include spaces, punctuation marks, and special characters. AMIS will not allow responses beyond the specified character limit.

TECHNICAL ASSISTANCE

Summary

The Narrative Questions for Technical Assistance applications are below. The questions are organized per each of the major application sections: Executive Summary, Purpose, Products, Policies, People, Partnerships, Performance, and Projections. All of the narrative questions generally relate to corresponding components in AMIS and other related attachments which are noted under each section.

All questions are mandatory, with the exception of the Technical Assistance Purpose questions at the end of a section or sub-section, in *italicized text*. Applicants should only respond to a Technical Assistance Purpose question if the requested TA activities included in their award request directly relate to the corresponding section or sub-section.

Only respond to the Technical Assistance Narrative Questions **if you are seeking a CDFI or NACA Technical Assistance award, which can be no greater than \$150,000 as a NACA Applicant or \$125,000 as a CDFI Applicant. All responses to the Narrative Questions must be in answered in the Narratives Related List in AMIS.**

You must read the CDFI Program and/or NACA Program NOFA to determine your eligibility to apply for a Technical Assistance Award before responding to these Narrative Questions. It is also highly recommended that you view the Application Presentation Materials on the CDFI Fund's website prior to responding to these Narrative Questions.

If you have not submitted an SF-424 by the deadline listed in the NOFA, do not answer the Narrative Questions, as you will not be eligible to submit your Narrative Question responses.

Sections

Executive Summary

- Possible Points: **0 (Not scored)**
- The executive summary provides an introductory overview of your application.
- Character Limits: 500 characters

Questions

- Provide your organization's mission statement.
- Provide a brief description of the main products and services offered.
- Describe the geographic and, if applicable, population-based Target Market(s) you serve.
- Detail plans to become certified, focusing on lending and providing development services, if the Applicant is not currently certified/certifiable.

Purpose

- Possible Points: **15**
- The Purpose Narrative Questions relate to the **Technical Assistance Request Summary** located in the AMIS CDFI/NACA Funding Application Detail.

Questions:

- 1.1. Discuss your CDFI's strategic goals for the next five years and describe the extent to which the requested award (as listed in the **Technical Assistance Request Summary**) will build organizational capacity to achieve the identified strategic goals. *[3,250 character maximum.]*
- 1.2. Discuss the major needs and challenges of your Target Market and describe how use of the requested award (as listed in the **Technical Assistance Request Summary**) will build organizational capacity to address the identified needs and challenges. *[3,250 character maximum.]*

Products

- Possible Points: **10**
- The Products Narrative Questions relate to the **Customer Snapshot Table** located in the AMIS CDFI/NACA Funding Application Detail > Customer Snapshot Table and the **Product Design Related List** located in the AMIS CDFI/NACA Funding Application Detail > Product Design.

Questions

- 2.1. Explain how your CDFI's financial products, financial services, and development services are or will be designed to meet the specific needs of your intended Target Market (as previously identified in the **Purpose** section) using the **Customer Snapshot Table** and any additional statistical data as necessary. *[3,000 character maximum.]*
- 2.2. Describe how your CDFI has determined that there is market demand for your financial products and financial services, (described in the **Product Design Related List**) in both quantitative and qualitative terms citing market studies and or any other relevant data. *[2,500 character maximum.]*
- 2.3. Describe how your CDFI's financial products, financial services, and development services (described in the **Product Design Related List**) currently or will work together to provide a comprehensive approach to meeting the needs of your Target Market (described in the **Customer Snapshot Table** and question 2.1). *[2,000 character maximum.]*
- 2.4. Identify who your CDFI's primary competitors are or will be (e.g. CDFIs, non-CDFI banks and/or credit unions, pay day lenders, etc.). Explain how your CDFI's financial products, financial services, and development services (described in the **Product Design Related List** and the preceding questions) meet a need that is currently unmet by the identified competitors. *[2,000 character maximum.]*

- 2.5. Describe your marketing and outreach strategy. Explain how the marketing and outreach efforts will encourage potential borrowers to access your financial products, financial services, and development services. [2,000 character maximum.]
- 2.6. *If your TA award request will directly impact your financial products, financial services, and development services, explain how each pertinent TA activity will build organizational capacity to achieve the strategic goals listed in the **Purpose** section and include a justification for the associated costs. [3,000 character maximum.]*

Policies

- Possible Points: **10**
- The Policies Narrative Questions relate to the **Product Design Related List** located in the AMIS CDFI/NACA Funding Application Detail > Product Design.

Lending Policies and Underwriting Procedures Questions:

- 3.1. Describe what the underwriting processes are or will be for the products listed in the Product Design Related List. [3,000 character maximum.]
- 3.2. Describe your CDFI's current or intended loan approval structure for staff, management, and board. [2,500 character maximum.]
- 3.3. Explain how loan closings and disbursements are or will be performed. [2,000 character maximum.]
- 3.4. Explain how collateral is or will be secured. [2,500 character maximum.]
- 3.5. Describe how your CDFI protects or will protect itself against loan losses. [2,500 character maximum.]
- 3.6. *If your award request will directly impact your lending policies and procedures, explain how each pertinent TA activity will build organizational capacity to achieve the strategic goals listed in the **Purpose** section and include a justification for the associated costs. [3,000 character maximum.]*

Information and Financial Systems Management Questions:

- 3.7. Describe your organization's current or intended processes for tracking the use of funds from private and public sources. [1,000 character maximum.]
- 3.8. Describe the internal controls that are or will be in place to prevent fraud in your financial accounts. [1,000 character maximum.]
- 3.9. Describe your CDFI's current or intended systems for accounting, underwriting, portfolio monitoring, data tracking, and client management, etc. [3,000 character maximum.]
- 3.10. *If your award request will directly impact your management of information and financial systems, explain how each pertinent TA activity will build organizational capacity to achieve the strategic goals listed in the **Purpose** section and include a justification for the associated costs. [3,000 character maximum.]*

People

- Possible Points: **15**
- The People Narrative Questions relate to **Key Personnel, Committees, and Board Members** all located in the AMIS CDFI/NACA Funding Application Detail > Key Personnel Related List and your **Resumes** and **Organizational Chart** attached at Organization Profile and assigned to Funding Application.

Questions

- 4.1. *If your award request will directly impact your staff and management, explain how each pertinent TA activity will build organizational capacity to achieve the strategic goals listed in the **Purpose** section and include a justification of the associated costs. [3,000 character maximum.]*

Partnerships

- Possible Points: **5**
- The Partnerships Narrative Questions relate to the **Funders Related List** located in the AMIS CDFI/NACA Funding Application Detail > Historic Financial Data > Funders Related List and, *if applicable*, any **Community Partnership Agreements** attached at Organization Profile and assigned to Funding Application.

Leverage Strategy Questions:

- 5.1. Discuss your plan(s) for pursuing other private and public financial support to meet your CDFI's strategic goals as listed in the **Purpose** section. [2,000 character maximum.]
- 5.2. If your award request will directly impact your operational strategy, explain how each pertinent TA activity will build organizational capacity to achieve the strategic goals listed in the **Purpose** section and include a justification for the associated costs. [3,000 character maximum.]

Community Coordination Questions:

- 5.3. Explain how your CDFI works with other organizations (including federal, state, local and tribal government assistance programs, and private sector financial services) to provide comprehensive services to your target market. [1,000 character maximum.]
- 5.4. Describe how your CDFI's partnerships assist in achieving your strategic goals (as identified in the **Purpose** section). [1,000 character maximum.]
- 5.5. Explain how the existing community and economic development plans align with your CDFI's strategic goals (as identified in the **Purpose** section). [1,000 character maximum.]
- 5.6. *If your award request will directly impact your community coordination, explain how each pertinent TA activity will build organizational capacity to achieve the strategic goals listed in the **Purpose** section and include a justification of the associated costs. [3,000 character maximum.]*

Performance

- Possible Points: **30**
- The Performance Narrative Questions relate to the following:
 - **Activities Level Related List** located in the AMIS CDFI/NACA Funding Application Detail > Financial Data Related List > Financial Data Records
 - **Impacts Related List** located in the AMIS CDFI/NACA Funding Application Detail > Financial Data Related List > Financial Data Records
 - **Financial MPS Ratio Chart** located in the AMIS CDFI/NACA Funding Application Detail > Financial Data Related List > Financial Data Records
 - **Loan Portfolio MPS Ratio Chart** located in the AMIS CDFI/NACA Funding Application Detail > Financial Data Related List > Financial Data Records
 - **Awards Related List** located at the Organization Profile, *if applicable*
 - **Audited Financial Statements including Management Letters or Unaudited Financial Statements, Financial Performance Reports, or Uniform Bank Performance Reports, as applicable, for the three most recently completed fiscal years**, attached at Organization Profile and assigned to Funding Application
 - **Internally prepared financial statements for the most recently completed quarter** attached at Organization Profile and assigned to Funding Application

Financial Performance Questions

- 6.1. Explain how accurately the financial health of your institution is presented in the TA Application as compared to the financial statements or Federal Regulator performance reports provided. If necessary, please provide additional information where there are discrepancies between the financial information provided in the TA Application and your financial statements or Federal Regulator performance reports. *[2,000 character maximum.]*
- 6.2. Discuss your organization's performance in relation to the CDFI Fund's Minimum Prudent Standards (MPS) for financial health and portfolio management which are automatically calculated in the TA Application. Describe what factors contributed to meeting or failing each ratio. For regulated CDFIs, discuss any regulatory constraints affecting your performance. *[2,000 character maximum.]*
- 6.3. Explain any other financial benchmarks that are important to your CDFI achieving the strategic goals as listed in the **Purpose** section. *[1,000 character maximum.]*
- 6.4. If your award request will directly impact your financial performance, explain how each pertinent TA activity will build organizational capacity to achieve the strategic goals listed in the **Purpose** section and include a justification for the associated costs. *[3,000 character maximum.]*

Organizational Impact Questions

- 6.5. Describe the trends shown in your **Activities Level Related List** (location: Program Profile - Financial Applications/Funding Application Detail/Application Financial Data) and explain the circumstances driving these trends using the automatically generated graphs that appear within the TA Application. *[1,000 character maximum.]*

- 6.6. Discuss organizational milestones achieved and progress made toward your CDFI's strategic goals listed in the **Purpose** section. If your CDFI is a prior TA Award Recipient, discuss the use of the previous TA award(s) and the impact the award(s) had on your CDFI achieving its strategic goals. *[2,500 character maximum.]*
- 6.7. *If your award request will directly impact your organizational impact, explain how each pertinent TA activity will build organizational capacity to achieve the strategic goals listed in the **Purpose** section and include justification for the associated costs. [3,000 character maximum.]*

Projections

- Possible Points: **15**
- The Projections Narrative Questions relate to the following:
 - **Activities Level Related List** located in the AMIS CDFI/NACA Funding Application Detail > Financial Data Related List > Financial Data Records
 - **Impacts Related List** located in the AMIS CDFI/NACA Funding Application Detail > Financial Data Related List > Financial Data Records
 - **Financial MPS Ratio Chart** located in the AMIS CDFI/NACA Funding Application Detail > Financial Data Related List

Questions

- 7.1. Discuss how your organization's financial, lending activity, and impact projections align with your strategic goals (as identified in the **Purpose** section). *[2,500 character maximum.]*
- 7.2. Explain the rationale behind the projected figures included in the **Financial MPS Ratio Charts and Reports, Activities Level Related List, and Impacts Related List** (location: CDFI/NACA Program Profile - Financial Applications/Funding Application Detail/Application Financial Data/ Application Financial Data Detail). *[3,000 character maximum.]*
- 7.3. Identify and describe the financial and programmatic risks associated with your organization's financial and lending activity projections. Explain how your organization will mitigate the identified risks. *[3,000 character maximum.]*
- 7.4. *If your award request will directly impact your financial and lending activity projections, explain how each pertinent TA activity will build organizational capacity to achieve its strategic goals listed in the **Purpose** section and include a justification of the associated costs. [3,000 character maximum.]*

End of Technical Assistance Narrative Questions

FINANCIAL ASSISTANCE

Summary

The Narrative Questions for Financial Assistance applications are below. The questions are organized per each of the major application sections: Executive Summary, Purpose, Products, Policies, People, Partnerships, Performance, and Projections. All of the narrative questions generally relate to corresponding components in AMIS and other related attachments which are noted under each section. **All questions are mandatory, unless stated otherwise.**

Only respond to the Financial Assistance Narrative Questions **if you are seeking a CDFI or NACA Financial Assistance award, which can be no greater than \$1,000,000 as a NACA Applicant, \$700,000 as a CDFI SECA Applicant or \$2,000,000 as a CDFI Core Applicant. All responses to the Narrative Questions must be in answered in the Narratives Related List in AMIS.**

You must read the CDFI Program and/or NACA Program NOFA to determine your eligibility to apply for a Financial Assistance Award before responding to these Narrative Questions. It is also highly recommended that you view the Application Presentation Materials on the CDFI Fund's website prior to responding to these Narrative Questions.

If you have not submitted an SF-424 by the deadline listed in the NOFA, do not answer the Narrative Questions, as you will not be eligible to submit your Narrative Question responses.

Sections

Executive Summary

- Possible Points: **0 (Not scored)**
- The executive summary provides an introductory overview of your application.
- Character Limits: 500 characters

Questions

- Provide your organization's mission statement.
- Provide a brief description of the main products and services offered.
- Describe the geographic and, if applicable, population-based Target Market(s) you serve.

Purpose

- Possible Points: **10**
- The Purpose Narrative Questions relate to the **Requested Financial Assistance Amount** located in the AMIS CDFI/NACA Funding Application Detail.

Questions

- 1.1. Discuss your CDFI's strategic goals for the next five years and describe the extent to which the requested award (as listed in the **Requested Financial Assistance Amount**) will build organizational capacity to achieve the identified strategic goals. *[3,250 character maximum.]*

- 1.2. Discuss the major needs and challenges of your Target Market and how financial assistance will help you expand your operations including new products and services and/or increase the volume of lending to address the identified needs and challenges. *[3,250 character maximum.]*

Products

- Possible Points: **10**
- The Products Narrative Questions relate to the **Customer Snapshot Table** located in the AMIS CDFI/NACA Funding Application Detail > Customer Snapshot Table and the **Product Design Related List** located in the AMIS CDFI/NACA Funding Application Detail > Product Design.

Questions

- 2.1. Explain how your CDFI's financial products and financial services are designed to meet the specific needs of your Target Market, (as identified in the **Purpose** section), using the **Customer Snapshot Table** and any additional statistical data as necessary. *[3,000 character maximum.]*
- 2.2. Describe the market demand for your CDFI's financial products and financial services and how it supports your ability to expand operations including new products and services and/or increase the volume of lending, in both quantitative and qualitative terms such as pipeline, number of applications in progress, and/or number of customer inquiries. *[2,000 character maximum.]*
- 2.3. Explain how your CDFI's development services are designed and delivered to meet the specific needs of your Target Market. *[3,000 character maximum.]*
- 2.4. Describe how your CDFI's financial products, financial services, and development services (described in the **Product Design Related List**), work together to provide a comprehensive approach to meeting the needs of your Target Market (described in the **Customer Snapshot Table** and question 2.1). *[2,000 character maximum.]*
- 2.5. Identify your CDFI's primary competitors (e.g. other CDFIs, non-CDFI banks and/or credit unions, pay day lenders, etc.). Explain how your CDFI's financial products, financial services, and development services (described in the **Product Design Related List** and the preceding questions) meet a need that is currently unmet by the identified competitors. *[2,000 character maximum.]*
- 2.6. Describe your CDFI's marketing and outreach strategy. Explain how the marketing and outreach efforts encourage potential customers to access your products and services instead of those offered by your competition. *[2,000 character maximum.]*

Policies

- Possible Points: **10**
- The Policies Narrative Questions relate to the **Policy Detail** located in the AMIS CDFI/NACA Funding Application Detail > Policies Related List and your **Policies and Procedures** attached at Organization Profile and assigned to Funding Application.

Questions

- 3.1. Describe your CDFI's processes for tracking the use of funds from public and private sources. *[2,000 character maximum.]*
- 3.2. Describe the internal controls that are in place to prevent fraud in your CDFI's financial accounts. *[2,000 character maximum.]*
- 3.3. Describe your CDFI's most critical Management Information Systems and how they support your operations. *[2,000 character maximum.]*

People

- Possible Points: **10**
- There are no People Narrative Questions.
- Be sure to complete the following sections in AMIS: **Key Personnel, Committees, and Board Members** all located in the AMIS CDFI/NACA Funding Application Detail > Key Personnel Related List and your **Resumes** and **Organizational Chart** attached at Organization Profile and assigned to Funding Application.

Partnerships

- Possible Points: **10**
- The Partnerships Narrative Questions related to the **Funders Related List** located in the AMIS CDFI/NACA Funding Application Detail > Historic Financial Records > Funders Related List and, *if applicable*, any Community Partnership Agreements attached at Organization Profile and assigned to Funding Application.

Leverage Strategy Questions

- 5.1. Describe how the requested award will help achieve your CDFI's strategic goals (as identified in the **Purpose** section) by obtaining or augmenting private and public financial support. *[2,000 character maximum.]*
- 5.2. Assuming your CDFI receives the requested award, discuss the rate at which your CDFI will combine the award with private or public capital to increase Total Assets and/or Revenue. *[2,000 character maximum.]*
- 5.3. Discuss the rate at which your CDFI has raised private or public capital to increase Total Assets and/or Revenue. Prior recipients should include a discussion of previous Financial Assistance (FA) awards in their response. *[2,000 character maximum.]*

Community Coordination Questions

- 5.4. Explain how your CDFI works with other organizations (including federal, state, local and tribal government assistance programs, and private sector financial services) to provide comprehensive services to your target market. *[2,000 character maximum.]*
- 5.5. Describe how your CDFI's partnerships assist in achieving your strategic goals (as identified in the **Purpose** section). *[2,000 character maximum.]*
- 5.6. Explain how existing community and economic development plans align with your CDFI's strategic goals (as identified in the **Purpose** section). *[1,000 character maximum.]*

Performance

- Points Possible: **40**
- The Performance Narrative Questions relate to the following:
 - **Activities Level Related List** located in the AMIS CDFI/NACA Funding Application Detail > Financial Data Related List > Financial Data Records
 - **Impacts Related List** located in the AMIS CDFI/NACA Funding Application Detail > Financial Data Related List > Financial Data Records
 - **Financial MPS Ratio Chart** located in the AMIS CDFI/NACA Funding Application Detail > Financial Data Related List > Financial Data Records
 - **Loan Portfolio MPS Ratio Chart** located in the AMIS CDFI/NACA Funding Application Detail > Financial Data Related List > Financial Data Records
 - **Awards Related List** located at the Organization Profile, *if applicable*
 - **Audited Financial Statements including Management Letters, Financial Performance Reports, or Uniform Bank Performance Reports, as applicable, for the three most recently completed fiscal years**, attached at Organization Profile and assigned to Funding Application
 - **Internally prepared financial statements for the most recently completed quarter** attached at Organization Profile and assigned to Funding Application

Financial Performance Questions

- 6.1. Discuss all material and non-material findings in your audits or findings from your most recent Federal Regulator examination, as applicable, and explain measures being taken to address the findings. If there are no findings please indicate so below. *[3,000 character maximum.]*
- 6.2. Explain how accurately the financial health of your institution is presented in the FA Application as compared to the audited financial statements or Federal Regulator performance reports provided. If necessary, please provide additional information where there are discrepancies between the financial information provided in the FA Application and your audited financial statements or Federal Regulator performance reports. *[2,000 character maximum.]*
- 6.3. Discuss your organization's performance in relation to the CDFI Fund's Minimum Prudent Standards (MPS) for financial health and portfolio management which are automatically calculated in the FA Application. Describe what factors contributed to meeting or failing each ratio. For regulated CDFIs, discuss any regulatory constraints affecting your performance. *[4,000 character maximum.]*
- 6.4. Explain your CDFI's internal financial health ratios and how they reflect your CDFI's overall financial performance goals. These ratios may be similar, more stringent, or a departure from the CDFI Fund's MPS ratios, for example: your CDFI has a financial performance goal of 90% deployment or a goal of increasing earned income by 50% each year for the next three years. *[3,000 character maximum.]*

- 6.5. Explain your CDFI's internal portfolio management ratios and how they reflect your CDFI's overall portfolio management goals. These ratios may be similar, more stringent, or a departure from the CDFI Fund's MPS ratios, for example: your CDFI has a portfolio management goal of Portfolio at Risk (PAR) of 60+ days less than 1% or a 5% threshold of restructured loans within your portfolio. *[3,000 character maximum.]*

Organizational Performance Questions

- 6.6. Describe the trends shown in your **Activities Level Related List** and explain the circumstances driving these trends. *[4,000 character maximum.]*
- 6.7. Explain the community and economic development impacts listed in the **Impacts Related** and how they resulted from your overall activities. *[2,000 character maximum.]*

Projections

- Possible Points: **10**
- The Projections Narrative Questions relate to the following:
 - **Activities Level Related List** located in the AMIS CDFI/NACA Funding Application Detail > Financial Data Related List > Financial Data Records
 - **Impacts Related List** located in the AMIS CDFI/NACA Funding Application Detail > Financial Data Related List > Financial Data Records
 - **Financial MPS Ratio Chart** located in the AMIS CDFI/NACA Funding Application Detail > Financial Data Related List

Questions

- 7.1. Discuss how your organization's financial, lending activity, and impact projections align with your strategic goals (as identified in the **Purpose** section). *[2,000 character maximum.]*
- 7.2. Explain the rationale behind the projected figures included in the **Financial MPS Ratio Reports, Activities Level Related List, and Impacts Related List**. *[4,000 character maximum.]*
- 7.3. Describe how each use of the requested award (as listed in the **Requested Financial Assistance Table**) will enable your CDFI to achieve its financial, lending activity, and impact projections. *[2,000 character maximum.]*
- 7.4. Identify and describe the financial and programmatic risks associated with your organization's financial and lending activity projections. Explain how your organization will mitigate the identified risks. *[4,000 character maximum.]*

End of Financial Assistance Narrative Questions

HEALTHY FOOD FINANCING INITIATIVE – FINANCIAL ASSISTANCE

Summary

The Narrative Questions for Healthy Food Financing Initiative - Financial Assistance applications are found below. The questions are organized per each of the major application sections: HFFI Target Market Profile, Healthy Food Financial Products, Healthy Food Financing Development Services, Projected HFFI-FA Activities, Track Record, Management Capacity for Providing Healthy Food Financing, and Healthy Food Financing Outcomes. **All questions are mandatory, if applying for HFFI-FA.**

HFFI-FA In Addition to FA

Only complete the HFFI-FA Application narrative questions if you are requesting a HFFI-FA award **in addition** to a FA AWARD. The maximum HFFI FA award size is \$5,000,000 in addition to an FA award. You **must** apply for FA to also be eligible to apply for HFFI-FA. HFFI-FA awards are treated as a supplement to FA awards, therefore only those applicants selected to receive an FA award will be eligible to receive an HFFI-FA award

You must read the CDFI Program and/or NACA Program NOFA to determine your eligibility to apply for a Financial Assistance Award and Healthy Food Financing Initiative Financial Assistance Award before responding to these Narrative Questions. It is also highly recommended that you view the Application Presentation Materials on the CDFI Fund's website prior to responding to these Narrative Questions.

If you have not submitted an SF-424 by the deadline listed in the NOFA, do not answer the Narrative Questions, as you will not be eligible to submit your Narrative Question responses.

A Note to Applicants

Applicants should **not** reference their FY 2016 Financial Assistance Application Narrative Question Responses since those materials will be not be assessed during the evaluation process for HFFI-FA.

Future Requirements if Selected for an Award

HFFI-FA award recipients will be required, as a condition of their assistance agreements, to direct at least 75% of the equivalent amount of their HFFI-FA awards to healthy food retail outlets in food deserts in their Certified Target Market(s). Healthy food retail outlets are commercial sellers of "healthy foods" including, but not limited to, a grocery store, mobile food retailer, farmers market, cooperative, corner store, bodega or a store that sells other food and non-food items along with a full range of "healthy foods." A healthy food retail outlet might also be an existing retail store that upgrades to offer a full range of healthy food choices, or a nonprofit organization that expands the availability of healthy foods, particularly fresh fruits and vegetables, in underserved areas.

Sections

HFFI Target Market Profile

- Possible Points: 4
- To further facilitate the response to question H1.1 below, Applicants are encouraged to use the following list of tools available for identifying areas with high need for healthy food interventions, including:
 - USDA’s Food Access Research Atlas at <http://www.ers.usda.gov/data-products/food-access-research-atlas.aspx>
 - USDA’s Food Environment Atlas, available on the USDA’s website at <http://www.ers.usda.gov/data-products/food-environment-atlas.aspx> which provides a resource for obtaining census tract level data relating to food access, food consumption, diet-related health indicators, and participation in food assistance programs.
 - The Center for Disease Control’s Behavioral Risk Factors Surveillance System at <http://apps.nccd.cdc.gov/brfss-smart/>
 - Any locally defined methodology that has been adopted for use by a governmental or philanthropic healthy food initiative

Questions

- H1.1 Quantify the extent to which the Applicant’s activities will provide goods and services to communities that: (i) lack access to healthy food options (for example, food deserts); (ii) indicate patterns of non-healthy food consumption (such as low rates of fruit and vegetable consumption); (iii) suffer from poor health indicators (such as high rates of obesity, diabetes and other diet-related chronic disease); (iv) have high concentrations of persons participating in food assistance programs (for instance, Supplemental Nutrition Assistance Program; Women, Infants, and Children food packages; school lunch programs); or (v) demonstrate other indications of need for healthy food finance interventions. *[4,000 character maximum.]*

Healthy Food Financial Products

- Possible Points: 5

Questions

- H2.1 Describe the proposed financial products that will be funded through a HFFI-FA award, and how these compare with prior financial products that the Applicant has previously provided in support of healthy food interventions. *[4,000 character maximum.]*
- H2.2 Describe how the Applicant’s proposed and/or current financial products that support healthy food interventions address the financing needs of the Applicant’s customers. *[2,000 character maximum.]*
- H2.3 Discuss how the Applicant’s current and/or proposed financial products that support healthy food interventions are (or will be) leveraged with:
- Public sector resources made available under other programs identified as part of the Federal government’s proposed Healthy Food Financing Initiative. For a

complete list of HFFI programs, please see the following website:

<http://apps.ams.usda.gov/fooddeserts/>.

- Other public sector resources, such as Choice Neighborhoods (HUD) or Promise Neighborhoods (Education), that promote a comprehensive approach to neighborhood transformation;
- Private sector resources, including philanthropic contributions; and
- Other resources including local community resources.

[1,000 character maximum.]

Healthy Food Financing Development Services

- Possible Points: 2

Questions

- H3.1 Describe the development services (e.g., training, technical assistance) that the Applicant offers and/or intends to offer in conjunction with its HFFI-FA activities. Describe the format of the instruction (such as one-on-one sessions, group training, or on-line counseling), any fees or costs charged to the customer, and any systems used to evaluate effectiveness. *[2,000 character maximum.]*
- H3.2 Discuss how these development services are linked to the financial products that support healthy food interventions. What is the relationship between the number of clients receiving development services and ultimately qualifying for financial products that support healthy food interventions? How will development services make an impact within the next 24 months? *[2,000 character maximum.]*
- H3.3 Describe the Applicant's strategy to ensure that community residents will utilize the healthy food options being financed through HFFI-FA. The Applicant should specifically discuss its (and any partner's) education and outreach efforts to residents of the communities. *[1,000 character maximum.]*

Projected HFFI-FA Activities

- Possible Points: 7

Questions

- H4.1 Describe the Applicant's strategy for identifying potential borrowers, investees or activities, including the extent to which the Applicant has used or will be using community alliances or strategic partners (including banks, credit unions, CDFIs, local governments, tribal agencies, schools, health departments, community based organizations, non-governmental organizations, etc.) to identify projects aimed at increasing access to healthy foods. *[4,000 character maximum.]*
- H4.2 Describe the extent to which the Applicant's HFFI-FA interventions will work in concert with other federal and local initiatives as part of a broader strategy for revitalizing local communities. *[1,000 character maximum.]*

H4.3 Describe the Applicant’s pipeline of HFFI-FA projects. Be sure to identify the number and dollar amount of transactions that have already been identified, for which underwriting is completed or underway. Of those underway, please describe a sample of transactions (up to three) that can reasonably be expected to close within 24 months. Provide the amount of HFFI-FA financing needed and total activity or project costs, and the status of project financing. *[5,000 character maximum.]*

HFFI Track Record

- Possible Points: **4**

Questions

H5.1 Discuss prior healthy food financing activities, with a particular focus on those that were specifically provided in the Applicant’s designated Target Market. *[4,000 character maximum.]*

Management Capacity for Providing Healthy Food Financing

- Possible Points: **1**

Questions

H6.1 What key staff and management team are responsible for implementing the Applicant’s healthy food financing activities? What are the qualifications of these staff members and how do they help implement the Applicant’s products and services? *[3,000 character maximum.]*

H6.2 Describe the status of new or vacant positions and the strategy for filling the positions, as well as the expected date of filling them. *[2,000 character maximum.]*

Healthy Food Financing Outcomes

- Possible Points: **2**

Questions

H7.1 What outcomes does the Applicant intend to track and measure to report on program success (e.g., number and type of healthy food outlets developed or rehabilitated; total square footage of commercial retail space developed and rehabilitated; number of jobs created for residents of low-income communities; etc.)? *[2,000 character maximum.]*

H7.2 Describe the Applicant’s experiences in collecting and analyzing outcome data, particularly as it relates to healthy food financing activities, tracking those results over time, and reporting findings. *[2,000 character maximum.]*

H7.3 Discuss how the Applicant will ensure that its HFFI-FA financed activities will lead to significantly improved healthy food options in low-income communities. *[2,000 character maximum.]*

H7.4 Describe specific program design features, outreach methods or other aspects of the Applicant's HFFI-FA strategy that the Applicant believes can be replicated by other service providers. [2,000 character maximum.]

H7.5 Discuss the Applicant's strategy for sharing program outcomes, including both "best practices" and "lessons learned," to better inform the national agenda. [2,000 character maximum.]

End of Healthy Food Financing Initiative – Financial Assistance Narrative Questions