LOCAL INNOVATION FACT SHEET

The Local Innovation Program is a component of the Open Submission Fund under the Virginia Community Development Block Grant Program. The Community Development Innovation Fund provides resources for the implementation of new, innovative, and/or timely community development projects.

The Local Innovation Program targets funding for innovative, small-scale pilot projects, such as Individual Development Account programs, loan programs to support economic restructuring activities, construction trades training programs, entrepreneurship development, heritage tourism, telecommunications, projects, or other efforts which provide unique, unmatched benefits to eligible Virginia communities. The basic thresholds are that a project must target CDBG-eligible activities, meet a CDBG National Objective, and be designed in accordance with the CDBG Citizen Participation Plan.

Up to $200,000 is available per project and up to $300,000 may be available for a regional project. Applicants must first submit a Letter of Interest in accordance with the format contained herein as the initial step towards securing Local Innovation Program funding. Letters of Interest will be reviewed by DHCD and DHCD will respond with additional guidance and an invitation to submit a full proposal. Localities must time public hearings, resolutions, and other required items to be completed prior to submitting a Local Innovation Program proposal. **All Local Innovation Program proposals must be received by September 30, 2015.**

The Local Innovation Program Request for Proposals and all other documentation related to proposal development under the Virginia Community Development Block Grant Program must be used in conjunction with the **2015 CDBG Program Design**. *Please refer to the CDBG Program Design for information regarding CDBG National Objectives and Virginia's Goals and Objectives.*

Local Innovation Project Examples

Entrepreneurship Development

CDBG assistance will be targeted for those projects which cover gaps in one or more of the following five elements:

Access to Capital and Financial Assistance Examples:

- Loan funding (such as offered in microenterprise assistance programs), equity funding, or working capital for business start-up or expansion; or,
- Development of peer lending pools, individual development accounts (particularly those targeting business creation), or other innovative business financing mechanisms.

Technical and Managerial Assistance
Examples

- Physical or operational assistance to a small business incubator which provides a broad array of entrepreneurial assistance services;
- Establishment of business mentoring programs;
- Market feasibility and business planning assistance; or,
- Other forms of business management assistance.

Technology Transfer Example

- Product development assistance resulting in the creation of new businesses and/or jobs.

Entrepreneurial Education and Training
Examples:

- Training and workforce development in declining or fledgling industries or businesses; or,
- Other entrepreneurial education and training efforts resulting in the creation of new businesses and/or jobs.

Entrepreneurial Networks Examples:

- Development of entrepreneurial assistance efforts targeting business creation or expansion in specific business sectors with tangible involvement of affected entrepreneurs;
- Development of peer-to-peer relationships among entrepreneurs in similar or compatible businesses or other business to business linkages; or,

- CDBG assistance will be targeted to those entrepreneurship development efforts which have a comprehensive focus. Applicants must:
- Show consideration of all facets of assistance to entrepreneurs;
- Demonstrate that CDBG resources will be applied to those assistance efforts which currently do not exist or which are inadequate towards meeting the demand for such assistance

CDBG assistance will not be provided to establish duplicate efforts to serve entrepreneurs or to create economies of scale among existing efforts which will not result in drastic increases in entrepreneur service levels. Applicants must provide evidence that other options for funding specific entrepreneurship development efforts either do not exist or have been exhausted by the applicant prior to requesting CDBG assistance.

All Entrepreneurship projects must demonstrate that they will meet a National Objective and produce a documentable outcome in terms of specific numbers of business created, specific numbers of jobs created, and specific numbers persons employed.

Telecommunications Projects

Up to $200,000 per project is available for telecommunications efforts which may include implementation (e.g., installation of a fiber network) or system development and support (e.g., community business training and education). All projects must demonstrate that they meet a National Objective and demonstrate a direct relationship between intended project efforts and measurable, tangible improvements to the health of the community being served. Please note that CDBG funds can only be used for open-access networks that allow for competition among different service providers.

- All projects funded must first submit a community telecommunications plan for approval to DHCD. This plan must:
    - Assess current broadband availability and usage
    - Address demand aggregation and future use
    - Address the relationship to regional planning and telecommunications networks
    - Address community development applications and CDBG National Objective
- Only implementation projects which target "last mile" installation of broadband applications will be considered for funding, i.e., no long-haul backbone systems will be installed with CDBG funds.

Applications for telecommunications projects may combine planning and system development / technical support or planning and implementation.

Local Innovation Program projects will be evaluated on eligibility (meeting National Objective) and threshold criteria of the program. Projects must clearly address the following factors:

- Performance targets and project outcomes
- Nature of the innovation
- Need for CDBG investment
- Capacity to carry out the project
- Sustainability / replicability of the project

Applicants for telecommunications implementation projects under the Local Innovation Fund must provide match with local funds in an amount equal to 50% of the CDBG request up to a maximum of $100,000.

Regional Local Innovation Projects

Local Innovation projects that will have a regional impact and involve clear participation from two or more applicant localities are eligible for up to $300,000 in CDBG assistance. These projects must meet all other qualifications of the Local Innovation Program, and must have at least a 25% cash match from at least one of the applicant localities.

Localities considering applying for Local Innovation Funds should contact DHCD for further project development guidance.

SUBMISSION

Please note that applications are now accepted electronically through the Agency's Centralized Application and Management System (CAMS). To access CAMS, visit the website at www.dhcd.virginia.gov and click on the CAMS icon in the upper-right hand corner. You may then create a locality profile, add staff members, and access the CDBG Planning Grant program using the APPLY button.

Potential applicants are encouraged to contact DHCD prior to submission of a Letter of Interest to discuss the innovation being targeted. Contact information is as follows:

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