



# Request for Proposals

## Economic Security

## Anti-Payday Lending Policy Advocacy

## Introduction

Silicon Valley Community Foundation advances innovative philanthropic solutions to challenging problems. One of these challenging problems – predatory payday lending - is addressed through our economic security strategy. To better understand our goals and objectives for this strategy, we encourage you to read the community foundation's research paper on the topic at <http://www.siliconvalleycf.org/sites/default/files/research-paper-asset-building.pdf>

The economic security strategy has a three-pronged approach: (1) financial education and asset building; (2) foreclosure prevention; and (3) anti-payday lending policy advocacy. This request for proposals focuses specifically on anti-payday lending policy advocacy. By using an RFP approach, the community foundation aims to solicit the best thinking of nonprofit service providers, public sector agencies, research institutions and other entities serving San Mateo and Santa Clara counties.

**Responses to this RFP are due by 5 p.m. on Friday, November 8, 2013. In order to be fair to all applicants there will be no exceptions to the deadline.**

## Problem Statement

During the past decade, an increasingly complex financial landscape (e.g., “exotic” home mortgage loans and proliferating credit card offerings and savings products) has grown up alongside a slightly older check cashing/payday loan industry that has targeted low-income communities of color whose residents have lacked access to small amounts of credit, bank check cashing and other affordable financial services. Starting in the 1990s, payday lending began in California as an extension of the burgeoning check cashing industry. The result has been an enormous drain on the available income of individuals who pay an average annual percentage rate, also known as APR, of more than 400% for a 14-day loan. It also has led many to become trapped in a circle of debt – individuals take out successive payday loans they are unable to pay back because of a chronic shortage of cash to cover basic living expenses. The situation is even more worrisome in the context of this nation's high consumer debt and low personal savings indices – even with the uptick in the latter over the past couple of years.

In our two-county region, there are wide disparities between those who enjoy financial well-being and those who do not. Specifically, one in five San Mateo and Santa Clara County residents is asset poor – they do not have enough cash reserves or equity in their home or business to meet basic needs for three months during a period of joblessness, health emergency, divorce or other unexpected financial hardship. Low-skilled communities of color, particularly first- and second-generation immigrants are likely to be disproportionately represented in this category. These same individuals, many of whom are single women, are often targeted by payday loan lending establishments and they can not afford to see their earnings depleted by predatory lending practices that include excessive interest rates, high bounced check fees and other negative features.

Alternatives to payday loans do exist, but these products are not as abundant, convenient or well-known to the public. We hope that by informing the general public and public officials at all levels of government we will build greater understanding of the corrosive economic effects of payday lending and support for public policies to curb the practice. We expect these efforts will also help mitigate the abuses and lay a stronger foundation for economic well-being here in Silicon Valley.

## Program Goal

The goal of the community foundation for this strategy is to curb the predatory lending practices of payday lenders in order to improve the economic well-being of households in the two-county region. We support local efforts that seek to restrict the establishment of payday lending establishments. In the long-term we seek to contribute to state level reform by supporting advocacy efforts aimed at passage of a cap on payday loan interest or other measures to reduce predatory consumer lending practices. We also want to foster dialogue on how to increase responsible small dollar loan options for low-income consumers that could serve as an alternative to payday loans.

Under this RFP the community foundation will support two strategies. The first strategy seeks to raise the awareness of key stakeholders and the public concerning the negative effects of predatory payday lending on household financial health and mobilize public support around the issue. It also seeks to provide educational opportunities for residents, particularly in neighborhoods with

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high concentrations of payday lending stores, regarding how to avoid falling into the payday loan debt trap and what alternatives exist to meet consumer credit needs. The second strategy will provide support for efforts to advocate changes in municipal laws to inhibit new payday lending establishments in local jurisdictions.

With regard to public and other stakeholder outreach, education and mobilization activities under the first strategy, the community foundation encourages RFP respondents to focus proposals on cities/neighborhoods with high concentrations of payday lending establishments. The community foundation will also consider proposals focusing on those cities and specific populations that may be disproportionately targeted and affected by payday lenders. The community foundation will also consider proposals that focus on cities that have a high number of payday lenders relative to the number of mainstream banks, such as in Pacifica, San Bruno, Daly City, or on a per capita basis, such as Redwood City.

The community foundation expects RFP respondents to describe specific efforts they would undertake at the municipal or county-wide level to create awareness and knowledge about the negative effects of predatory payday lending and how they would connect their work to efforts around the Bay Area and state. In particular, the RFP should state the specific stakeholder groups and geographies to be targeted and the outreach approaches and tools to be used to conduct the work. The community foundation is especially interested in supporting outreach and public education activities that are culturally and language-appropriate for the target populations being served and that include the use of new technologies and media such as radio, video, neighborhood newspapers, texting and other social media communication channels to effectively disseminate key messages to community members.

Priority will be given to organizations that demonstrate clear understanding of how their proposed activities and multi-media campaigns advances their existing organizational goals and community strategy or agenda, including having a dedicated amount of adequate staff time to the project and a clear plan on how to measure success.

With respect to changing local laws, the focus will be on city ordinances that restrict payday lending or help mitigate the harmful effects of predatory lending on low-income communities of color and other effected populations, such as single women. RFP respondents are encouraged to focus proposals on the cities and neighborhoods noted above. Respondents also are encouraged to consider local ordinance experiences in San Jose, East Palo Alto, Sacramento, Oakland and San Francisco — as well as those of other cities around the country (e.g., permanent moratorium, special zoning, special permits, limits on number of establishments, density and/or distance) — in order to propose lessons that could be applied to Silicon Valley localities. Respondents are also encouraged to describe how their policy advocacy efforts are expected to lead to meaningful reform at the local level and build a constituency for state level reform in the future. The proposal should include a clear description of how the various activities would be coordinated and implemented, including key anticipated milestones and the timeframe for completion.

### **Proposal Eligibility Criteria**

- San Mateo and/or Santa Clara County-serving organizations. Organizations headquartered outside the two-county region must demonstrate significant service to the area.
- Organizations with a 501(c)(3) designation, those that have a fiscal sponsor with a 501(c)(3) designation, public agencies, collaborations of nonprofit and public agencies, or other entities that have a designated charitable purpose.
- Organizations that do not discriminate based on race, color, national origin, citizenship status, creed, religion, religious affiliation, age, gender, marital status, sexual orientation, gender identity, disability, veteran status or any other protected status under applicable law. If an organization only serves a specific population, e.g., women or specific ethnic populations, the community foundation will consider the proposal on a case-by-case basis.
- Organizations with religious affiliations will be considered for funding only if the project for which they seek support attempts to address the needs of the wider community without regard to religious beliefs.

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## Project Proposal Characteristics

We are receptive to concrete, practical and impactful project proposals that:

- Include both well-tested models that can be scaled up or expanded regionally while maintaining local relevance, and new pilots that, if successful, can be grown and replicated.
- Benefit from collaborative work and bring public and private partners together with nonprofit organizations.
- Demonstrate knowledge of the sector and its trends.
- Identify target population to be reached and justification for that focus.
- Provide clear benchmarks for measuring progress.

## Application Process

### 1) Review reference materials.

These may be found at <http://www.siliconvalleycf.org/content/economic-security>.

- Research paper on Economic Security strategy
- RFP for Grantmaking Strategy: Anti-Payday Lending Advocacy

### 2) Participate in the information session.

This is highly encouraged for those interested in responding to this RFP. Because all grant applications must now be submitted online, this session provides an overview of SVCF's online application system, [applySVCF](#). Additionally, information sessions provide an opportunity for applicants to review in more depth the RFP's content and ask questions. To register for this session, please visit our website's calendar.

More specific questions about program concepts, content, eligibility and evaluation can be asked through phone calls and in-person meetings with the program officer, as time permits.

### 3) Submit grant application,

including required attachments, through our new online application system, [applySVCF](#).

Applications must be submitted by **5 p.m. (PST) November, 8, 2013**.

## Key Dates

**October 7, 2013:**

Release of RFP

**October 15, 2013:**

RFP Information session (register through our [online calendar](#))

**November 8, 2013 5 p.m.:**

Proposal submission deadline

**December 2013:**

Announcement of grant awards

## Proposal Evaluation Criteria

Proposals for grants should include a narrative that responds to the questions found at [applySVCF](#). Grant proposals will be evaluated, on a competitive basis, using the following criteria:

- Innovative and effective strategy with potential for systems change.
- Clarity of project description and project activities regarding steps to be taken to achieve desired outcomes.
- Achievable timeline that corresponds to the key activities.
- Meaningful benchmarks and indicators of success.
- Organizational capacity to implement project – including staffing and leadership, operational and fiscal management.
- Established track record in specific program content area or potential to achieve needed content expertise.
- Ability to leverage financial, human and technical resources leading to greater impact.
- Ability to contribute content area knowledge to the field.

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## **Total Awards**

Successful applicants will receive a grant for a maximum one-year period. Approximately \$550,000 is available for grants under this application. Budget requests will be closely analyzed and applicants should include a budget narrative that makes clear the necessity of the project's specific line-items.

Please note that project proposal narratives may be posted publicly on our website to reflect our value of transparency and encourage learning among grantees and future applicants as well as members of the community at large.

## **Review and Selection Process**

An advisory committee with issue expertise for this strategy will help staff to review all proposals recommended for funding to the community foundation's board of directors. Applicants may receive a site visit, telephone call and/or other type of communication from community foundation staff as part of the proposal review process.

**Applicants will be informed of grant decisions in late December 2013.**

## **Evaluation, Monitoring and Grantee Learning Activities**

- Grantees will be expected to meet the community foundation's requirements for a final financial and narrative report as well as a presentation to community foundation staff and donors if requested.
- In an effort to further the overall program goals of this RFP, inform future RFPs related to this topic and contribute to larger field-building objectives, grantees will be asked to participate in periodic meetings to share information on project activities and best practices as well as participate in research-based evaluations.

Thank you very much for your interest in responding to this RFP and in making our region a better place. We look forward to reviewing your proposal.

### MORE INFORMATION

If you have questions, please contact us at [grants@siliconvalleycf.org](mailto:grants@siliconvalleycf.org) or call 650.450.5540

To get all the latest grantmaking information, follow us on Facebook and subscribe to our community e-newsletter at [www.siliconvalleycf.org/enewsletters](http://www.siliconvalleycf.org/enewsletters)

## About Silicon Valley Community Foundation

### **Vision:**

Silicon Valley Community Foundation advances innovative philanthropic solutions to challenging problems, engaging donors to make our region and world a better place for all.

### **Mission:**

Silicon Valley Community Foundation is a comprehensive center of philanthropy. Through visionary leadership, strategic grantmaking and world-class experiences, we partner with donors to strengthen the common good locally and throughout the world.

### **We value:**

Collaboration	Integrity
Diversity	Public Accountability
Inclusiveness	Respect
Innovation	Responsiveness

### **At a Glance**

Silicon Valley Community Foundation makes all forms of philanthropy more powerful. We serve as a catalyst and leader for innovative solutions to our region's most challenging problems. The community foundation has more than \$2.9 billion in assets under management and more than 1,650 philanthropic funds. As Silicon Valley's center of philanthropy, we provide individuals, families and corporations with simple and effective ways to give locally and around the world. Find out more at [www.siliconvalleycf.org](http://www.siliconvalleycf.org).



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To read more about Silicon Valley Community Foundation  
visit [www.siliconvalleycf.org](http://www.siliconvalleycf.org)

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