



Funding Opportunity: EDA Releases Phase 2 Solicitation for the Regional Technology and Innovation Hub Program

Lewis-Burke Associates LLC – October 25, 2023

The U.S. Department of Commerce’s Economic Development Administration (EDA) recently released a Notice of Funding Opportunity (NOFO) for Phase 2 of the Regional Technology and Innovation Hubs program (Tech Hubs). In the previous phase, 31 regions were designated as Tech Hubs after demonstrating to EDA that they have the assets, team, and vision to be globally competitive in a key technology area within the next decade. Through this NOFO, which is only open to Designated Tech Hubs, EDA intends to select 5-10 initial consortia to receive Implementation funding to support a series of interconnected projects that address inhibitors to global success. In their responses to this NOFO, applicants will need to justify investments in projects as integral to the region’s growth and leadership in their identified technology areas through increased innovation, technology maturation, business creation, investment, industry engagement, and more.

Applicants for Phase 2 are strongly encouraged to carefully review the NOFO, which provides extensive detail on project expectations; reporting, equity, risk mitigation, workforce, environmental, and security requirements; and more. In general, the NOFO allows regions to be relatively creative in defining their needs, structure, and Component Projects. The program will follow an overall structure that is similar to past EDA programs like the Build Back Better Regional Challenge (BBBRC) in which consortia members will apply for funding for 3-8 closely aligned Component Projects that align with a broader Overarching Narrative provided by the lead member. EDA will review the Overarching Narrative and Component Projects as part of a larger Full Application.

The Overarching Narrative, among other things, outlines a vision and execution plan for how EDA funding for the specific Component Projects, alongside other defined commitments, will enable a region to overcome persistent barriers to technological advancement and ensure long-term, equitable growth based on measurable outcomes. EDA envisions their investments in regions to be complementary to policy, capital, and other commitments; the NOFO provides extensive information for identifying and conveying said commitments, as well as how to account for complementary federal awards. EDA also intends to provide a “Policy and Investment Commitment Menu that includes additional examples and a Commitment Form that applicants should use to document each commitment.”

The 3-8 Component Projects could support a number of construction and non-construction activities across four broad categories: workforce development, business and entrepreneur development, technology maturation, and infrastructure. Projects will be driven by relevant members of the Tech Hub consortium, and can be led by the lead member. Each project will require individual applications within the Full Application that provide additional justification, individual metrics, and other background information. While potentially driven by individual entities, there needs to be a clear cohesion between all projects in a Hub as part of an articulated narrative that the sum of the Tech Hub’s parts and projects are needed to catalyze private sector investment and achieve tangible outcomes for the region’s growth and sustainability as described in the Overarching Narrative.

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At its discretion, EDA may “fund all or only some of the originally proposed component projects, or parts or modified versions thereof, depending on the viability and feasibility of those components and the availability of funds.” Examples of projects and suitable outcomes are provided in the NOFO.

Evaluation Criteria

EDA will evaluate the Full Application holistically, including Overarching Narrative, Component Projects, commitment letters and materials, and various other required forms. In some cases, EDA expects to not fund certain component projects and to negotiate the scope and nature of others. In general, EDA will seek to address various criteria that are rooted in a core framework for regional strategic planning. The criteria and respective point values are provided below. EDA lists several considerations for each in the NOFO:

1. **Project quality, ability to execute, and private sector integration.** (16 points)
2. **Impact on economic and national security.** (16 points)
3. **Investment and policy commitments.** (16 points)
4. **Developing, recruiting, and retaining talent and workforce.** (8 points)
5. **Capital formation, deployment, and access.** (8 points)
6. **Equity and diversity.** (8 points)
7. **Governance, leadership, and evaluation.** (8 points)

In general, applicants should also pay close attention to compliance with the various rules and regulations outlined by EDA as they could be determining factors.

Eligibility: The Phase 2 NOFO is only open to consortia EDA Designated as Tech Hubs in Phase 1. Tech Hubs are allowed to add members between Phase 1 and Phase 2 so long as they are eligible organizations and their addition is clearly justified to EDA. However, although outside organizations can be added to serve the Hub, the geographic footprint defined in Phase 1, which serves as the locus of Tech Hub investments and activity, cannot change.

Total Funding and Award Size: Congress provided \$500 million to jumpstart the program. Through this NOFO, EDA will award approximately \$50-75 million in Implementation grants to each of approximately 5-10 Designated Tech Hubs. Total funding for each Tech Hub will be variable based on the nature of the projects suggested, location of the Hub, core technology area, etc. EDA expects the performance periods for most Component Projects to range from 24 to 60 months. Depending on overall demand for the program, EDA may also seek to adjust to total amount available for awards under this NOFO to ensure maximum impact.

While \$500 million is currently available, the Tech Hubs program was authorized through the *CHIPS and Science Act of 2022* at \$10 billion through 2027. If Congress appropriates additional funds to the program in fiscal year (FY) 2024, EDA has stated that they would be open to allocating additional funding to this competition.

Cost-Sharing: For the initial funding covered by this NOFO, there will be a *maximum* 90 percent federal grant rate for most applicants. Applicants must justify their grant rate and document the sources of non-federal matches.

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Dates: Applications for Phase 2 are due **February 29, 2024**. EDA will host an informational webinar on **November 3, 2023, at 2:00 PM EST**. Webinar registration is available [here](#).

Resources: EDA will provide more information to Phase 2 applicants via webinars, individualized feedback, and guidance posted to the Tech Hubs [website](#). EDA continues to encourage that questions be sent to TechHubs@eda.gov.

Sources and Additional Information:

- The full NOFO is available here <https://www.grants.gov/web/grants/view-opportunity.html?oppld=350598>.
- Additional information on the Tech Hubs program, including a FAQ, overview of federal benefits for Tech Hub designation, and more is available here <https://www.eda.gov/funding/programs/regional-technology-and-innovation-hubs>.