

Grants to Community Development Financial Institutions (CDFIs)

The Legislature designed Cal IIP to provide grants enhancing the capacity and ability of CDFIs to provide programs including technical assistance and access to capital to economically disadvantaged communities throughout California.

Initial Grant Awards

- ◆ Regulation development in process
- ◆ Applications available Fall 2023
- ◆ \$15M in grants
- ◆ Initial grants announced by February 1, 2024

Subsequent Years

- ◆ Up to \$15M in total grants awarded per calendar year
- ◆ Grant award announcement February 1 of each year

CDFI Eligibility

- ◆ Current federal CDFI Fund certification
- ◆ Already serving CA
 - Principal office AND officers domiciled in CA or
 - 25% of the CDFI's loan portfolio provides financial assistance to persons or projects in CA or
 - Provided financial assistance in CA totaling >=\$10M in the three (3) years prior to application
- ◆ Five (5) or more loans in the 12 months prior to application
- ◆ Net worth >=\$25,000

Working Capital - CDFIS can use the grants to fund services and operations that contribute to the CDFI's overall community development mission.

Increase Total Net Assets - CDFIs can use the grants to supplement their net assets and increase their capacity to attract additional financing for funding loans and loss reserves, or any of the following:

- ◆ Affordable housing
 - Development or
 - Preservation or
 - Renovation
- ◆ Businesses owned by low-income persons or
 - Providing jobs for low-income persons or
 - Increasing availability of products and services to low-income persons
- ◆ Childcare facilities
- ◆ Commercial facilities promoting
 - Revitalization or
 - Community stability or
 - Job creation/retention
- ◆ Community's access to services such as
 - Automated teller machines, deposit taking, and safe deposit box services
 - Check cashing, certified checks, and money orders
 - Checking and saving accounts
- ◆ Credit building consumer loans
- ◆ Cultural service facilities
- ◆ Educational service facilities
- ◆ Health care facilities
- ◆ Social service facilities