

# CDFI Capacity Building & Growth Grant (CBGG) FAQs

## Frequently Asked Questions

CDFI Capacity Building & Growth Grant (CBGG), February 16, 2024

The FHLB Dallas CDFI Capacity Building & Growth Grant (CBGG) is a pilot program designed to enhance the effectiveness of Community Development Financial Institution (CDFI) Loan Funds in delivering on their mission and to accelerate the implementation of new mission-related activities.

CBGG recipients will be CDFI Loan Funds with a general mission alignment with FHLB Dallas and engaged in the financing of at least one of the following – affordable housing, small businesses and/or community economic development.

### What benefit can this program provide?

- The CBGG provides resources to enhance CDFI Loan Funds' ability to support affordable housing, small businesses and community economic development in ways that align with FHLB Dallas' mission.

### Who is eligible for this program?

Only nondepository CDFI Loan Funds that meet the following criteria are eligible:

- Members of FHLB Dallas or are sponsored by a member
- Located in the FHLB Dallas District: Texas, Mississippi, New Mexico, Louisiana or Arkansas
- Certified as CDFI by the U.S. Treasury's CDFI Fund
- Focused on affordable housing, small businesses and/or community economic development
- Able to provide financial statements, audited if available

### What does it mean to be "sponsored by a member"?

- Nonmember CDFI Loan Funds must be sponsored by a member to apply for these grants. The sponsoring member will submit the application on behalf of the nonmember CDFI Loan Fund. The sponsoring member does not have to be a CDFI. Any grant awarded to a nonmember CDFI Loan Fund under the program will be disbursed to the sponsoring member.

### What can these grants be used for?

- There are two types of grants, Capacity Building & Growth Grant and an Expertise Grant.
  1. The **Capacity Building & Growth Grant** is a monetary grant that can be used for future operations/technology improvements, leadership/expertise development or developing new sources of income.

Examples of uses that would not qualify include general operating expenses, support for ongoing programs without significant changes in strategy or focus, conferences, publications, production of films or videos and financial deficits.

2. The **Expertise Grant** will leverage FHLB Dallas' technical expertise to assist with projects or initiatives related to communications or marketing strategy and small-scale automation. These grants may include a small monetary component.

Applications for Expertise Grants will be assessed on a case-by-case basis to determine if they align with FHLB Dallas' capabilities and the purpose of the program.

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## Will there be a program volume limit? What is the minimum and maximum for grant amounts?

- A total of \$3 million has been allocated for the CBGG program with the following limits based on whether the applicant is a member or nonmember:

CDFI Loan Funds	Amount per Grant Award/Entity	
	Minimum	Maximum
Members	\$50,000	\$500,000
Non-Members (Sponsored by Members)	\$50,000	\$100,000

- Requests for Expertise Grants will be evaluated on a case-by-case basis to determine whether FHLB Dallas can provide the level of support needed to achieve the goals of a project or initiative. Expertise grants have a maximum of \$50,000 for time and materials estimate per grant.

## What are key dates that members should know about?

- Below is a list of key dates to be aware of for both Capacity Building & Growth Grants (monetary) and Expertise Grants (non-monetary). These dates are subject to change.

## Capacity Building Grant - Key Dates 2024

Grant Types		Responsible Party		Key Deliverables	Due Dates
Monetary	Non-Monetary	Grant Applicant	FHLB Dallas		
✓	✓		✓	Announce Program	Feb 16
✓	✓	✓	✓	FHLB Dallas Conducts Webinar	Mar 5
✓	✓	✓		Submit 'Letter of Inquiry'	April 17
✓			✓	FHLB Dallas Responds to 'Letter of Inquiry' & Provides Proposal Form	May 17
✓		✓		Submit 'Formal Proposal'	June 28
✓			✓	FHLB Dallas Announces Awards	Aug 15
	✓	✓	✓	Conduct Interviews	April 18 – May 16
	✓		✓	FHLB Dallas Announces Awards	May 17

subject to change

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- A Letter of Inquiry form will be available after the Webinar on March 5. Letters of Inquiry for all grants should be sent to [capacitygrants@fhlb.com](mailto:capacitygrants@fhlb.com) no later than April 17 at 5:00 p.m. CST. A sponsoring member must submit the Letter of Inquiry on behalf of a nonmember CDFI Loan Fund.

## Why is there a letter of inquiry process followed by a formal proposal / interview?

- The letter of inquiry allows FHLB Dallas to assess at a high level whether the proposed use of grant funds meets certain criteria and aligns with the spirit of the program. If accepted, applicants may be invited to submit a more formal, detailed proposal.

## What is the next step?

- Attend the webinar on March 5 and encourage any of your CDFI Loan Fund contacts to participate. Letter of Inquiry applications for all grants will be available to complete soon after the Webinar and should be sent to [capacitygrants@fhlb.com](mailto:capacitygrants@fhlb.com) no later than April 17 at 5:00 p.m. CST.

