

EXECUTIVE OFFICE OF HOUSING AND ECONOMIC DEVELOPMENT

MASSACHUSETTS GROWTH CAPITAL CORPORATION

CDFI-CDC Matching Capital Program

RFP Release Date: March 22, 2021

Deadline for Proposals: April 19, 2021

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Deadline for Proposals: April 19
Grants Reviewed: April 19-30
Awards letters sent out by: May 3-14

Application via: Submittable Platform accessible on www.empoweringsmallbusiness.org

CDFI & CDC Capital Match Program FY2021 Program Application

Program Overview

In accordance with the Commonwealth's economic development plan, Partnerships for Growth, the CDFI & CDC Capital Match Program seeks to spur job creation across the Commonwealth, support entrepreneurship and small business recovery, sustainability, resilience, and growth by lowering the barriers to capital access faced by small businesses.

The CDFI & CDC Capital Match Program is a procurement of the Executive Office of Housing and Economic Development (EOHED) and Massachusetts Growth Capital Corp.

7002-8001 For the Massachusetts Growth Capital Corporation established in section 2 of chapter 40W of the General Laws, for a program to provide matching grants to community development financial institutions (CDFIs) certified by the United States Treasury or community development corporations (CDCs) certified under chapter 40H of the General Laws to enable the community development financial institution or community development corporation to leverage federal or private investments for the purpose of making loans to small businesses, including but not limited to businesses owned by women, veterans, minorities and immigrants.

7007-0801 For microlending grants, which shall be issued to established United States Treasury-certified community development financial institutions and United States Small Business Administration microlenders making direct microenterprise and small business loans to borrowers on a regional basis and providing technical assistance to applicants and borrowers in order to foster business establishment and success; provided, that the funds shall be used to support the eligible organizations' lending and technical assistance activities; provided further, that not later than February 15, 2021, the Massachusetts office of business development shall file a report with the house and senate committees on ways and means identifying the: (i) United States Treasury-certified community development financial institutions receiving grant issuances; (ii) names and loan amounts of each business receiving grant funds from the lending institution; (iii) federal dollar match received as a result of making the loan; (iv) number of jobs created through the business loans; and (v) number of failed loans

In FY2021, MGCC will award grants to eligible nonprofit community-based lenders with proven history and track record of small business lending/investment in underserved communities in Massachusetts.

Applications will be accepted beginning March 22, 2021. The deadline for applications will be April 19, 2021 at 11:59pm EST.

Program Goals

The CDFI & CDC Capital Match Program seeks to increase the flow of capital into Massachusetts's small businesses and create recovery, sustainability, resilience, and growth. By providing a new source of matching funds for established regional certified nonprofit lenders, the program seeks to build the capacity of nonprofit community-based lenders to finance regional business growth.

Successful grantees will leverage state funds, along with significant non-state capital sources, to provide small businesses with direct loans and grants. In addition, allowance for loan loss reserves and creation of new loan fund programs will also be supported by this the CDFI & CDC Capital Match Program.

Successful grantees will provide capital to small businesses that unlocks job growth and put small businesses on a path toward bankability. Successful grantees will fuel small business growth and revitalize their communities.

Consideration will be given to:

- Organizations with a diverse portfolio make-up, particular an investment pool of at least 60% in businesses that are Women-Owned Enterprises, Minority-Owned Enterprises, LGBTQ+-Owned Enterprises, Veteran-Owned Enterprises, Disabled Individual-Owned Enterprises, Immigrant or Non-Native English-speaking Populations, Low-to-Moderate Income Entrepreneurs, Businesses located in economic disadvantaged urban or rural communities, Businesses located in Gateway Cities.
- Organizations currently assisting small businesses and entrepreneurs impacted by COVID-19.
- Organizations providing multilingual services and resources.

GRANT AMOUNTS AND DISTRIBUTION

The CDFI & CDC Matching Grant Program will accept proposals from individual organizations. Award amounts will not exceed \$1,250,000. Award disbursements will be at the discretion of MGCC depending on the structure of applicant’s matching funds.

Eligible activity	Eligible activity definition
1. Small business loans	<ul style="list-style-type: none"> • Funds used as small business loans, <i>requires 50% organization matching funds.</i>
2. Small business grants	<ul style="list-style-type: none"> • Up to 25% of total request. Grants to small businesses up to \$10,000 to help pay for services and other resources which promote stabilization- may be used to cover payroll, interest on existing loan, rent, benefit, utilities, payroll, <i>requires 25% organization matching funds.</i>
3. Allowance for loan loss reserves for new investments	<ul style="list-style-type: none"> • Grant funds set aside as reserves to mitigate any possible loss on new loan investments. Covers up to 7.5% of loan portfolio request, <i>requires 50% organization matching funds.</i>
4. New loan fund to address community need (such a support for contracts)	<ul style="list-style-type: none"> • 10% of this request can be used for planning for strategic initiatives, <i>requires 25% organization matching funds.</i>

Program Eligibility, Application Process, and Contract Process

Eligible applicants are Community Development Financial Institutions certified by the United States Treasury, and Community Development Corporations certified under Chapter 40H of the Massachusetts General Laws.

Provide direct services to small business clients of whom a minimum of 60% reflect the following underserved target populations: Women-Owned Enterprises, Minority-Owned Enterprises, LGBTQ+-Owned Enterprises, Veteran-Owned Enterprises, Disabled Individual-Owned Enterprises, Immigrant or

Non-Native English-speaking Populations, Low-to-Moderate Income Entrepreneurs, Businesses located in economic disadvantaged urban or rural communities, Businesses located in Gateway Cities. Applicants may submit applications electronically, on the MGCC **Submittable website**. A completed application, and any supplemental information, including the applicant's most recent annual report and audited financial statement will be required to be uploaded and submitted.

Applications will be accepted beginning March 22, 2021 until April 19, 2021 at 11:59pm EST.

Applications will be reviewed for responsiveness, track record and historical impact, projected grant impact, and consistency with Administration funding priorities. As needed, MGCC will gather a team of independent reviewers to review pending applications and develop recommendations for funding. Final decisions will be rendered by MGCC. Overall program funding decisions are at the discretion of the Secretary of Executive Office of Housing and Economic Development and are not subject to challenge or appeal.

Applicants that are approved for funding will be notified in writing of the approval, with instructions for demonstrating readiness and any other required submissions, as determined by MGCC. All awards are contingent upon the execution of a binding funding agreement between MGCC and the applicant. Awards may be subject to conditions as set out in the award notification letter. Grant contracts will only be issued for projects that successfully meet all requirements set out as a condition of the award. Any project that receives an award but does not meet the requirements by a specified date will lose its funding commitment for that year and may be penalized during future funding rounds.

CONTACT INFORMATION

Attn: Ari Veloz, Community Programs Manager
CDFI & CDC Matching Grant Program
Massachusetts Growth Capital Corporation
Schrafft's City Center 529 Main Street, Suite 201
Charlestown, MA 02129

Thank you for your interest in the CDFI & CDC Capital Match Program.

Application Questions (Submittable Platform)

Eligibility Questions

1. Are you a certified CDFI or CDC, non-profit community lender making small business loans in Massachusetts?
 - YES, CDFI certified by the United States Treasury
 - YES, CDC certified under Chapter 40H of the Massachusetts General Laws
 - NO
- This program requires matching funds. Do you have secured funds available to be used as matching funds?
 - YES
 - NO, but anticipate matching funds being available by the end of 2021
 - NO
- Does your organization provide direct services to small business clients of whom a minimum of 60% reflect the following underserved target populations: Target populations: Women-Owned Enterprises, Minority-Owned Enterprises, LGBTQ+-Owned Enterprises, Veteran-Owned Enterprises, Disabled Individual-Owned Enterprises, Immigrant or Non-Native English-speaking Populations, Low-to-Moderate Income Entrepreneurs, Businesses located in economic disadvantaged urban or rural communities, Businesses located in Gateway Cities?
 - YES
 - NO

ORGANIZATION QUESTION

1. Name of Organization
2. Is your organization a certified CDFI or CDC? *
 - CDFI
 - CDC
3. Legal/Billing Address
4. CDFI/CDC Programming Address, if different from address listed above
5. Organization Website (if applicable)
6. Service Area (check all that apply) *
 - Statewide
 - Boston
 - Central
 - Northeast
 - West
 - Southeast
 - Berkshires
 - Metro-West

- Cape & Islands
- Other Service Areas

7. Name of Organization Leader or Authorized Signer for Organization

8. Title of Organization's Leader or Authorized Signer for Organization

9. Email Address of Organization's Leader or Authorized Signer for Organization

10. Phone Number of Organization's Leader or Authorized Signer for Organization

11. Is there someone different who will be the point of contact for MGCC regarding this program?

- Yes
- No

NARRATIVE

12. Describe the mission of your organization and the community it serves.

13. Does your organization currently offer programming designed to help small businesses recover and thrive from the pandemic? *

- Yes
- No

14. Does your organization currently provide multilingual services and resources? *

- Yes
- No

15. Which populations have been supported by your organization's services? (Check all that apply) *

- Women-Owned Enterprises
- Minority-Owned Enterprises
- LGBTQ+-Owned Enterprises
- Veteran-Owned Enterprises
- Disabled Individual-Owned Enterprises
- Immigrant or Non-Native English-speaking Populations
- Low-to-Moderate Income Entrepreneurs
- Businesses located in economic disadvantaged urban or rural communities
- Businesses located in a Gateway City
- None of the Above

GRANT AMOUNT REQUEST

16. Matching Capital Request \$

Requests cannot exceed \$1,250,000.

17. Proposed Uses of Fund

- Small Business Loans

- Small Business Grants
- Loan Loss Reserves
- New Loan Fund Program

18. Please indicate the amount of non-State matching funds to be leveraged by CDFI & CDC Capital Match Program \$

SOURCE OF MATCHING FUNDS

19. Please detail the organizational match you will apply to the CDFI & CDC Capital Match Program. A ranging match between 25% - 50% is required depending on proposed uses. Applications that significantly exceed a factor of one-to-one will be more competitive. For each source of matching funds, including competitive federal programs, please indicate whether the match has been secured, or is pending. Bank lines of credit are not a source of matching. Organizations must show proof and commitment of match.

Proposed Uses	\$ Request Amount	\$ Organization Matching Amount	What is the source of matching funds?	Matching %	Matching Requirement
Small business loans					* at least .5
Small business grants					* at least .25
Allowance for loan loss reserves for new investments					* at least .5
New loan fund to address community need					* at least .1
Total	\$ -	\$ -			* global match

CAPITAL REQUEST DETAILS

20. What is the request amount intended to be used for small business lending? \$

21. How many small business loans are you anticipating being able to make as a result of the CDFI & CDC Matching Capital Program?

22. What is the anticipated average loan amount? \$

23. What are the current sources of your small business lending capital? (Check all that apply)

- Earned interest
- Banks funded
- Lines of credit
- Partner- specific
- General fundraising efforts (grants, donations)
- CDFI Fund
- Other

24. What is the total value (\$) of your small business loan portfolio? \$

25. What percentage (%) of your total portfolio value (\$) is invested in the target populations? %

Target populations: Women-Owned Enterprises, Minority-Owned Enterprises, LGBTQ+-Owned Enterprises, Veteran-Owned Enterprises, Disabled Individual-Owned Enterprises, Immigrant or Non-Native English-speaking Populations, Low-to-Moderate Income Entrepreneurs, Businesses located in economic disadvantaged urban or rural communities, Businesses located in Gateway Cities.

26. What is the total volume (#) of your small business loan portfolio?

27. What percentage (%) of your total portfolio volume (#) is invested in the target populations? %

Target populations: Women-Owned Enterprises, Minority-Owned Enterprises, LGBTQ+-Owned Enterprises, Veteran-Owned Enterprises, Disabled Individual-Owned Enterprises, Immigrant or Non-Native English-speaking Populations, Low-to-Moderate Income Entrepreneurs, Businesses located in economic disadvantaged urban or rural communities, Businesses located in Gateway Cities.

28. Describe small business lending initiatives within the target populations that you are a part of. Briefly describe how these initiatives will be enhanced by the CDFI & CDC Capital Match Grant Program and the anticipated impact.

Target populations: Women-Owned Enterprises, Minority-Owned Enterprises, LGBTQ+-Owned Enterprises, Veteran-Owned Enterprises, Disabled Individual-Owned Enterprises, Immigrant or Non-Native English-speaking Populations, Low-to-Moderate Income Entrepreneurs, Businesses located in economic disadvantaged urban or rural communities, Businesses located in Gateway Cities.

PROPOSED USE OF FUNDS- SMALL BUSINESS GRANTS

PROPOSED USE OF FUNDS- LOAN LOSS RESERVES

29. What is the request amount intended to be used for small business grants? \$

30. How many small business grants are you anticipating making? \$

31. Describe small business grant initiatives within the target populations that you are a part of. Briefly describe how these initiatives would be enhanced by the CDFI & CDC Capital Match Grant Program and the anticipated impact.

Target populations: Women-Owned Enterprises, Minority-Owned Enterprises, LGBTQ+-Owned Enterprises, Veteran-Owned Enterprises, Disabled Individual-Owned Enterprises, Immigrant or Non-Native English-speaking Populations, Low-to-Moderate Income Entrepreneurs, Businesses located in economic disadvantaged urban or rural communities, Businesses located in Gateway Cities.

32. What is the request amount intended to be used as allowance for loan loss reserves? \$

33. What is the anticipated loan portfolio that will be supported by the loan loss reserves? \$

34. Briefly describe the anticipated impact on the target populations and how it responds to the region's specific economic needs.

PROPOSED USE OF FUNDS- NEW LOAN FUND TO ADDRESS COMMUNITY NEED

35. What is the request amount intended to be used to create a New Loan Fund Program? \$

36. Will the New Loan Fund Program serve a specific type of business or industry?

- YES
- NO

37. What is the organization's anticipated loan volume for this New Loan Fund Program? \$

38. Do you currently have any partnerships in place for the proposed New Loan Fund Program?

- YES
- NO

39. Provide detail description of proposed New Loan Fund Program. Briefly describe the anticipated impact on the target populations and how it responds to the region's specific economic needs.

Target populations: Women-Owned Enterprises, Minority-Owned Enterprises, LGBTQ+-Owned Enterprises, Veteran-Owned Enterprises, Disabled Individual-Owned Enterprises, Immigrant or Non-Native English-speaking Populations, Low-to-Moderate Income Entrepreneurs, Businesses located in economic disadvantaged urban or rural communities, Businesses located in Gateway Cities.

40. If proposed New Loan Fund Program is in the planning phase, how much funds are you requesting to support activities to establish the proposed New Loan Fund Program? (10% of New Loan Fund Program request is the maximum allowance for planning phase) \$

41. When will proposed new Loan Fund Program start making loans?

Documentation Required (uploads):

1. Organization's latest Annual CDFI Fund Certification Report (CDFIs) or MACDC Small Business T.A. & Lending Survey Submission (CDCs)
2. Letter(s) of support and commitment from capital matching entities
3. Most recent audited financial statement or review
4. Current year-to-date organizational financial statement (Income and Expense Statement and Balance Sheet).
5. A copy of your Certificate of Good Standing from the Massachusetts Secretary of State's office.
6. If you need to request a Certificate of Good Standing, click here:
7. <https://corp.sec.state.ma.us/CorpWeb/Certificates/CertificateOrderForm.aspx>
8. (<https://corp.sec.state.ma.us/CorpWeb/Certificates/CertificateOrderForm.aspx>).
9. Board of Directors Roster
10. U.S. IRS Tax Exempt Certification (Determination Letter)

PROGRAM REPORTING

MGCC will require quarterly reports on performance, demographic, and outcome data. Reporting templates will be provided help gather data, but all reports and files must be submitted **through Submittable**. Deadlines for submitting these reports will be included with the Grant Agreement.

By checking the below box, the submitter certifies the following: I have read the document "CDFI & CDC Program Reporting" and understand that my organization will be required to track specific activities and report on them on quarterly basis. The document provides a detail list of outcomes that will need to track for each loan and grant made. Outcomes sections include:

- Stabilization & Growth
- Job Creation & Preservation
- Access to Financing & Grants
- Outcomes - Access to Financing & Grants

I have read and understand the above statement.

By typing my name in the signature line below, I am signing the document electronically. I agree and understand that my electronic signature has the same meaning, validity, and effect as my handwritten signature. By typing my name in the signature line below, I am signing the document electronically. I agree and understand that my electronic signature has the same meaning, validity, and effect as my handwritten signature.

Signature of Authorized Signer for the Organization

Date

Performance Data/ Demographic Profile/Outcome	(April 1-December 31, 2021)
Communities Served	
Total # of businesses served	
Total # of women	
Total # of African Americans	
Total # of Hispanic/Latino	
total # of Asian	
total # of Native American	
total # of identify as multiracial	
total # of identify as other	
total # identify as LGBTQ	
total # of Immigrants/non-native English speakers	
total # of non-minority clients?	
total # of men who are also a minority	
total # of women who are also a minority	
total # of US Military Veterans	
total # of Cooperatives	
total # of businesses located in low/moderate income community (as defined by HMDA/CRA – use: www.ffiec.gov/geocode)	
total # of Low/Moderate income business owners? (use HUD guidelines https://www.huduser.gov/portal/datasets/il/il2020/select_Geography.odn)	
Business Stage	
Start-Up clients (business operating/generating revenue)	
Established business clients (is/was profitable and employing at least 1 FTE)	
Outcomes- Job Creation & Preservation	
# of FTE jobs created as a result of services	
# of PT jobs created as a result of services	
# of FTE jobs preserved as a result of services (applies to businesses stabilized)	
# of PT jobs preserved as a result of services (applies to businesses stabilized)	
Outcomes- Access to Financing & Grants	
# of direct loans made	

Total \$ value of these direct loans	
# of indirect loans made (loan packaging)	
Total \$ value of these indirect loans	
Outcomes- Stabilization & Growth	
# of businesses started	
# of businesses stabilized	
# of businesses that grow/increase revenue	
# of businesses with no positive outcome	
Outcomes- Job Creation & Preservation	
# of FTE jobs created	
# of PT jobs created	
# of FTE jobs preserved	
# of PT jobs	
Outcomes- Access to Financing & Grants	
# of businesses served who received a direct loan (segment of total)	
Total value (\$) of loans made	
# of businesses served who received a grant (segment of total)	
Total value (\$) of grants made	
Industry Sector	
% Breakdown of industry sectors businesses served belong to	