

\$50MM COMMUNITY FINANCE INNOVATION FUND GUIDELINES AND FREQUENTLY ASKED QUESTIONS

BACKGROUND:

Citi Foundation has been a longtime supporter of Community Development Financial Institutions (CDFIs) in the United States and recognizes the critical role they play in bringing financial services to low- and moderate-income and underserved communities. During the COVID-19 pandemic, the CDFI industry reported a dramatic 52.3% increase in lending and investment activity over previous levels, totaling more than \$38.7 billion in financing¹. While this is a milestone moment for the CDFI sector, we have heard from our network of stakeholders that there is a need for further sector level investments in training and technical assistance to promote the adoption of best practices in financial management, portfolio management, underwriting practices, impact measurement and tracking². In addition, operational efficiencies could be boosted through the introduction of technology, outsourcing certain functions, leveraging shared services, industry consolidation and/or newly emerging risk-sharing models. And finally, there is a significant need for developing human talent in the industry through skill building as well as efforts to identify and nurture the next generation of future, and diverse, CDFI leaders.

In response, Citi Foundation is pleased to invite ideas to support this next level of growth for the CDFI industry through the creation of the new \$50MM Community Finance Innovation Fund that will support intermediary-like nonprofit organizations with the ability to provide technical assistance and capacity building innovations to multiple CDFIs working on a national or regional basis. From the ideas submitted, the Citi Foundation will invite the most promising concepts to submit grant applications for funding.

SUBMISSION DEADLINE:

Request for Ideas (RFI): March 24, 2022 – May 24, 2022 (due by 4 p.m. EST)

ELIGIBILITY CRITERIA:

- Applicant organizations or their fiscal sponsors must be tax-exempt public charities as per Section 501(c)3 of the Internal Revenue Code.
- Applicant organizations or their fiscal sponsors must be able to submit at least one year of audited financial statements covering all or part of fiscal year 2020.

¹ CDFI Fund: <https://www.cdfifund.gov/node/1012651>

² As part of the CDFI Growth Forum hosted by the Opportunity Finance Network on September 9, 2021, CDFI leaders identified five strategic priorities for the CDFI Industry: Capital, Growth, Marketing and Communications, Capacity Building and Innovation



- Applicant organizations must be able to demonstrate a successful track record of advancing the field of community development finance specifically in conjunction with CDFIs.
- Applicant organizations must be able to demonstrate that their idea has the ability and/or intent to achieve regional or national scale, impacting low- and moderate-income and underserved communities.

SELECTION PRIORITIES:

- Citi Foundation seeks to support a wide range of innovative approaches for advancing the field of community development finance for the benefit of CDFIs in the following categories:
 1. Human Capital and Talent Development
 2. Financial and Risk Sharing Models
 3. Technology and Operational Efficiencies
 4. Thought Leadership and Research
- Priority will be given to ideas that seek to address an identified and measurable gap in the field of community development finance that directly affects CDFIs.
- Priority will be given to organizations that demonstrate a strong commitment to Diversity, Equity and Inclusion and an intentionality to apply a racial equity lens to the field of community development finance.
- In addition to ideas that have the ability and/or intent to achieve regional or national scale, the Foundation has a strong interest in ideas that impact low- and moderate-income and underserved communities within Citi Foundation's strategic U.S. markets: California, Connecticut, Florida, Illinois, Maryland, New Jersey, New York, South Dakota, Virginia, and Washington DC.

SELECTION TIMELINE:

- Phase 1: Citi Foundation will accept and review ideas on a rolling basis between March 24, 2022, and May 24, 2022.
- Phase 2: A sub-set of organizations that submit ideas will be contacted for further information. This will happen on a rolling basis. All organizations that submit an idea will receive notification from the Foundation on whether it will be proceeding to Phase 2 by no later than June 30, 2022.
- Phase 3: A sub-set of organizations that are contacted for further information will be invited to submit a grant application. This will happen on a rolling basis.

FREQUENTLY ASKED QUESTIONS

1. What are the specific community finance innovations or approaches that Citi Foundation is seeking to support through this \$50MM RFI?

Through this \$50MM RFI, the Citi Foundation is interested in supporting innovative new ideas to advance the field of community development finance, specifically affecting CDFIs, in four categories:

- **Human Capital and Talent Development** such as efforts to provide formal training in community development finance to build skills among practitioners as well as leadership development efforts to identify and nurture the field's future leaders, including intentional efforts to promote diverse leadership.
- **Financial and Risk Sharing Models** such as financial and risk sharing models to increase CDFI access to capital and lending volume.
- **Technology and Operational Efficiencies** such as efforts to improve the back-office operations of CDFIs through the use of technology and/or shared service models.
- **Thought Leadership and Research** such as efforts to aggregate and analyze CDFI performance and impact data.

2. Is there a deadline to submit ideas?

Yes, ideas will be accepted on a rolling basis for the time period from March 24, 2022, to May 24, 2022, with the submission portal closing on May 24, 2022 at 4 p.m. EST.

3. How do I submit an idea?

Submit your idea using the [Request for Ideas form](#). Please note that you will not be able to save the form once you begin, so we encourage you to download the editable [Word Version](#) and work offline to begin with and when you are ready to submit your idea, you can cut and paste your responses into the form for submission. In addition, once you submit your idea, you will not be able to access the content you submitted so we encourage you to keep a copy of your submission (Word version) for your records.

4. How will the ideas be reviewed?

Ideas will be reviewed against the eligibility criteria and selection priorities noted in this document and a subset of organizations that submit an idea will be contacted by the Citi Foundation for further information. Amongst those contacted for more information, Citi Foundation will invite a subset of those organizations to submit grant applications on a rolling basis.

All organizations that submit an idea will receive notification from the Foundation on whether it will be proceeding to the next phase of this process by no later than June 30, 2022.



5. What happens if the Citi Foundation contacts my organization to learn more about the idea my organization submitted in response to the RFI?

If the Citi Foundation would like to learn more about the idea submitted by your organization, a program officer will contact you to begin a dialogue with your organization about the idea submitted and to learn more about your organization and idea you submitted.

Based on this preliminary due diligence and dialogue, the Citi Foundation will determine if your organization will be invited to submit a grant application for funding. If it does, the Citi Foundation will embark on a collaborative process of co-creation with your organization to further develop your idea and submit a grant application for funding.

All fully submitted grant applications will undergo further due diligence and programmatic review before securing final approvals, including if appropriate, approval by the Citi Foundation's Board of Directors. Please note that submission of an idea and/or grant application does not constitute an offer, promise, or guarantee of funding from the Citi Foundation, Citigroup Inc., or any of its subsidiaries.

6. Will every organization that responds to the RFI with an idea be contacted?

Once you submit an idea, you will receive an email receipt of your submission. The Foundation will be reviewing ideas on a rolling basis and, as such, will on a rolling basis notify organizations that submit an idea if they are progressing to the next phase. If your idea is not selected to progress to the next phase, you will receive an email to that effect from the Foundation by and no later than June 30, 2022.

7. If my organization isn't selected to progress to the next phase, will the Foundation provide us with individual feedback upon request?

Given the volume of ideas that are likely to be submitted, the Citi Foundation will not be in the position of providing feedback to ideas that don't advance in the process.

8. Can we submit ideas in partnership with another organization?

Organizations are welcome to work with partners in formulating an idea for submission, however, to submit an idea, a single entity amongst the partners will need to act as the single applicant to submit the idea.

9. Can an organization submit more than one idea?

Yes, organizations are welcome to submit more than one idea, but each idea must be submitted separately.

10. Does my organization need to be a CDFI to submit an idea?

No. This RFI seeks to identify and ultimately support ideas advanced by intermediary-like nonprofit organizations, that may or may not be CDFIs, working to drive innovation and capacity building across the field of community finance and CDFIs broadly. Therefore, an organization does not need to be a CDFI to submit an idea.



11. Should a single CDFI submit an idea to invest in their own internal operations or capacity?

This RFI seeks to identify and ultimately support ideas advanced by intermediary-like nonprofit organizations working to drive innovation and capacity building across the field of community finance and CDFIs broadly – not single institutions. The Citi Foundation is interested in working with partners that have the capacity to support the growth and development of multiple CDFI organizations on a national or regional basis.

12. Are current or former Citi Foundation grantees eligible to submit an idea?

Yes, current, and former Citi Foundation grantees are eligible to submit an idea.

13. What kind of information should be included in the statement of need?

Your response should identify the gap or challenge facing the field of community development finance that your idea seeks to address and demonstrate the broader societal impact of that gap or challenge, especially its effect on low- and moderate-income individuals and/or underserved communities

14. What kind of information should be included when answering the question about an organization's commitment to Diversity, Equity and Inclusion (DEI)?

Your answer may make reference to the DEI profile and practices of your organization (e.g., board composition, hiring and procurement practices, training, strategic priorities, etc.), the delivery of programming and services, and the community you serve. You may also want to include what, if any, goals your organization has developed around DEI and the methodology you use to track progress against such goals, as well as how you proactively consider other factors such as gender, race/ethnicity, sexual orientation, and disabilities.

15. Is the Citi Foundation targeting specific geographies as part of this RFI?

As part of the eligibility requirements, the Foundation is looking for ideas that have the ability and/or intent to achieve a regional or national scale. In addition, the Foundation has a strong interest in ideas that will impact low- and moderate-income and underserved communities within Citi Foundation's strategic U.S. markets: California, Connecticut, Florida, Illinois, Maryland, New Jersey, New York, South Dakota, Virginia, and Washington DC.

16. How much should we apply for?

There is no identified maximum or minimum grant size defined for this opportunity, although the Foundation anticipates it will ultimately provide grant support to 10-20 ideas as part of the \$50MM Community Finance Innovation Fund and that the amount of funding for each idea will vary depending on the scope and scale of the ideas submitted. When completing the anticipated budget and timeline question in the RFI, please include what you think is a realistic total budget for the initiative you propose, over what time period, identify any resources already raised for this purpose from whom, and the amount you anticipate seeking from Citi Foundation in particular. Please note that as this is a Request for Ideas, the anticipated budget question does not constitute an actual request for funding. If your organization is invited to submit a grant application, a detailed budget request will be required as part of the application.

**17. What if my organization is not incorporated as a 501(c)3?**

Only organizations incorporated as a 501(c)3 public charity under the tax code will be considered for funding. If your organization does not fulfill this criterion, yet you work with a fiscal sponsor that does, we encourage you to work with your fiscal sponsor on the submission of an idea. In this scenario, your organization should complete the submission using your organization name and you will be asked to provide details about your fiscal sponsor on the idea submission form.

18. What if my organization does not have at least one year of audited financial statements covering all or part of fiscal year 2020?

Only organizations that have at least one year of audited financial statements covering all or part of fiscal year 2020 will be considered for funding. If your organization does not fulfill this criterion, yet you work with a fiscal sponsor that does, we encourage you to work with your fiscal sponsor on the submission of an idea. In this scenario, your organization should complete the submission using your organization name and you will be asked to provide details about your fiscal sponsor on the idea submission form.

19. Where can I find more information about this opportunity?

If you have questions not addressed in this document, please email CitiFoundationRFP@citi.com.