

SB 625

Community Development Financial Institutions Grant Program

Summary

Senate Bill 625 establishes the California Investment and Innovation Fund to create an ongoing partnership with Community Development Financial Institutions (CDFIs) to assist the state in efficiently deploying resources to communities in need. The fund will help support an equitable economic recovery that benefits the low-income communities and communities of color that have been disproportionately impacted by the economic fallout of the COVID-19 pandemic, as well as by historical and ongoing disinvestment.

Problem

As California responds to a variety of economic recovery challenges, natural disasters, housing affordability, and homelessness, the state finds itself looking to establish new programs to deploy resources to impacted communities swiftly. Standing up brand-new programs to lend or grant short-term resources is inefficient and leads to delay and uncertainty. In addition, there is a critical need for California to better leverage federal and private resources to help speed the state's recovery in an equitable and sustained fashion.

Background

As mission-driven lenders, grantors, and providers of technical assistance, CDFIs have proven time and again that they can deploy and leverage public investment quickly and efficiently. CDFIs already have the expertise and community connections to swiftly deploy resources for housing, economic development, disaster assistance, and emergency relief.

Now, as the state grapples with disaster response, COVID-19's economic impacts, and a deepening affordable housing and homelessness crisis, this proposed legislation would strengthen California's partnership with CDFIs to allow the state to quickly deploy and leverage state, federal, and private resources.

Solution

SB 625 establishes the California Investment and Innovation Fund, administered by the California Infrastructure and Economic Development Bank, to provide loans and grants to eligible CDFI recipients for a variety of community needs.

Through this fund, the state will provide not only an economic jumpstart for struggling communities but also establish a ready repository for current and future emergency or stimulus funding streams to be administered efficiently and effectively by CDFIs, solidifying the state's successful partnership with CDFIs and the communities they serve.



CCCI California Coalition
for Community
Investment

Website: www.calcci.org

Questions: rsmith@piadvocates.org