
CALIFORNIA INVESTMENT & INNOVATION PROGRAM (CAL IIP)

Creating and fostering an on-going partnership with Community Development Financial Institutions (CDFIs)



OVERVIEW

In the 2022-23 California budget, the legislature established and funded the California Investment and Innovation Program, the first state-funded CDFI grant program in California. Cal IIP provides \$45 million over three years in grants to CDFIs to invest in affordable housing, small businesses, and financial inclusion in underserved communities throughout the state.

WHAT CAL IIP DOES

The Cal IIP provides grants to federally certified CDFIs in California “to enhance the capacity of community development financial institutions to provide technical assistance and capital access to economically disadvantaged communities in this state.” The program is housed at the State Treasurer’s Office.

HOW MUCH FUNDING IS AVAILABLE AND HOW IS IT DISTRIBUTED?

The Legislature has appropriated \$50 million funding to the program, that will be distributed in multiple rounds of funding, not to exceed \$15 million a year. The first round of \$15 million in funding was announced in February 2024 and funds have begun to be distributed to successful applicants. Funding supported the work of CDFIs to meet a variety of critical community needs, including:

- \$5.5 million to 30 CDFIs supporting small businesses;
 - \$4.4 million to 21 CDFIs with affordable housing programs;
 - \$3.4 million to 16 CDFIs working on engaging the underbanked; and
 - \$400 thousand to 2 CDFIs using their award for education programs.
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CAL IIP AWARD HIGHLIGHTS

ECONOMIC JUSTICE FUND

The Economic Justice Fund utilized a Cal IIP grant to expand its Equitable Opportunity Loan initiative, which provides low-income Californians with access to fair and affordable financing and credit-building opportunities. Equitable Opportunity Loans support underserved Californians who need emergency financing, or to escape from payday and predatory loans and rebuild their credit histories. So far in 2024, the Economic Justice Fund has originated 117 Equitable Opportunity Loans to Californians with the Cal IIP grant.

HOUSING TRUST OF SILICON VALLEY

Housing Trust of Silicon Valley has used its investment to provide early stage, patient capital for the development and preservation of affordable housing. The grant funds will be leveraged with private capital to create more equitable and affordable communities by increasing our ability to finance mission-aligned multifamily developments that create affordable housing options for our most vulnerable neighbors. Additionally, Housing Trust will reinvest the funds once our loans are repaid, multiplying the impact of every dollar invested.