About Nonprofit Sector: Impact Development Grants (Request for Proposals #225, San Francisco Office of Economic and Workforce Development)

Public Purpose

From 2017 through 2022 OEWD's nonprofit sector assistance has included support for community-owned assets, lease stabilization, fundraising and fund development, strategic restructuring and planning. This year, in consideration of available resources for real estate, capacity-building and mission sustainability across city agencies, OEWD's nonprofit sector assistance will focus on **flexible**, **early-stage capital for business and commercial real estate opportunities**, prioritizing geographic communities where residents have experienced disparities in health, education and economic well-being.

OEWD recognizes that businesses led by and deeply rooted in Black, Indigenous, POC, LGBTQI+, Women, and/or Disabled San Francisco communities face inequitable barriers to accessing capital for opportunities that have the potential to extend the reach and deepen the impact of their services.

Nonprofit Sector: Impact Development Grants are intended to support not-for-profit businesses that need investment to act upon a high-impact opportunity. Eligible organizations may apply to receive multi-year support for one-time, short-term expenses related to the planning and pre-development phases of a specific business opportunity or commercial real estate project.

How will this funding make a difference?

Through Nonprofit Sector: Impact Development Grants, OEWD aspires to support community-focused, mission-driven opportunities to get a strong start. By the end of the project period, organizations will be ready to secure further investment and have a written, actionable fund development plan. Also, they will be able connect their project clearly and deeply to community priorities.

Maximum Grant Request Amount

The maximum grant request amount for an Impact Development grant is **\$225,000** based on current budget availability. Should additional City funding become available, grant amounts could be increased.

Grant Amount (over 24 months)	Awardee Budget	Cash Equivalents
\$100k	Under \$500k	>\$500k
\$150k	Between \$500k and \$2 million	
\$225k	Over \$2 million and under \$15 million	

For the purposes of this grant, the awardee budget is based on the average revenue of the past two fiscal years, excluding any COVID-19 regranting funds. Restricted funds secured as part of the project's capital campaign may also be excluded. Eligible organizations with more than \$500,000 in cash equivalents (unrestricted cash on hand) may request the minimum award amount.

Can you define "core support"? The application eligibility includes limitations for organizations with a city-supported award recommendation or grant exceeding \$25k for: commercial real estate, capital, core support or capacity/exploration.

Core support is also known as general operating support. While grantees may use some or all of these funds to provide services and resources, it is not a requirement of their grant agreement and is more flexible than a fee-for-service grant.

I have an open grant for real estate and need support for a new business opportunity in the space, can I apply?

Impact Development grants are intended to address historic disparities accessing capital in the early stages of project planning and pre-development. An organization approved for a real estate grant that is over \$25k is ineligible because they will be able to access City support for their project. If the organization opens their space, closes out their grant and later has a business opportunity that needs investment, they could potentially apply for support, pending approval of continued funding.

How do I know if my project is in the planning or pre-development phase? The Capital for Communities Scorecard is one tool to help with project readiness assessment. The phases of developing a project or business opportunity include:

- Ideation you have an exciting concept or idea but still have significant business
 planning and preparation ahead. You may need to expand your project team,
 conduct research or community engagement, and create a project charter or
 mission and vision statement.
- Planning Stage at this phase you may have a mission and vision statement, a
 project lead and some advisors with relevant expertise. You may need to further
 develop your business model, conduct a market assessment, conduct a
 feasibility study and broaden community engagement to include potential
 investors and influential champions of your idea and approach.
- **Early Stage Pre-Development** these projects have a draft concept designs and preliminary cost estimates including start-up costs and ongoing budget projections. They need to refine a pitch and proposal for funders and begin exploring pathways to site control.
- Late Stage Pre-Development these projects need full financing and final permit drawings and approvals. They have substantially completed zoning analysis, approval and environmental assessment and have extensive community support.
- **Development Stage** projects that have site control and have completed planning, design and evaluation and have funding sufficient for construction to begin are considered to be "shovel ready."

For this Impact Development Grant, OEWD anticipates that most, if not all, grantees will be in the planning and pre-development phases.

Projects in the ideation phase should consider contacting OEWD's nonprofit specialists for support: https://sf.gov/departments/business-development/nonprofit-sector-business-development

Projects with an arts, childcare or community services focus should look at the following City-supported programs for funding opportunities, including development-stage opportunities:

Child Care Facilities Fund

https://www.liifund.org/products/grants/grants-for-child-care/ccff/

Community Challenge Grants

https://sf.gov/departments/city-administrator/community-challenge-grant-program

Mayor's Office of Housing and Community Development

https://sf.gov/information/community-development-funding-opportunities

San Francisco Arts Commission

https://www.sfartscommission.org/grants