



FY 2023 Capital Magnet Fund Outreach Presentation

Module 4: A Good Business Strategy is Key

COMMUNITY DEVELOPMENT FINANCIAL INSTITUTIONS FUND

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What Makes a Good Strategy?



- A good strategy is a plan of action designed to solve a defined problem or challenge.
- A good strategy is clearly articulated through a simple, understandable and sometimes inspirational vision.
- A good strategy identifies what success looks like by establishing key outcomes and impacts.
- A good strategy is key to a successful CMF Application.

Getting Started: Identifying Community Needs and Gaps



- A good strategy should start by identifying the problem or challenge that needs to be solved or addressed.
- What are the needs in the community you are serving? Is it an area suffering from economic distress? Do residents have a high housing cost burden? Are there concentrations of poverty or high unemployment?
- Knowing the needs of the communities you are serving is key. Engaging stakeholders as well as gathering data are critical to understanding the need.
- CMF is a financing program and is a highly effective tool to address financing gaps in the communities where you work. It is important to know the financing gaps that prevent the development of affordable housing or stall economic development efforts.

Selecting Appropriate Financing Activities



- Once you understand the community's needs and you have identified the financing gaps, the next step is to select the financing activities that will best address those gaps and needs.
- There should be a clear connection between the problems and needs you are addressing and the type of financing activities that will get results.
- CMF allows an array of financing activities including establishing loan funds; providing loan guarantees; lending for predevelopment and acquisition, making bridge loans and providing permanent financing; mortgage finance and down payment assistance; as well as financing for Community Service Facilities and Economic Development Activities.

Aligning Strategy with Impact & Outcomes



- What does success look like? This is a question you should ask and answer. It will help drive your strategy and ensure you are on the right track.
- Assessing outcomes will help measure the results of your efforts. How much have you accomplished?
 - For example, how many homes did you build? How much did you increase access to affordable housing in your Service Area? Did the new health clinic get developed?
- The most important measure – impact – is oftentimes something that occurs over a period of time and can be hard to quantify or describe. Impact measures improvements in individual lives, as well as the community.
 - For example, how has the quality of life improved; is anyone better off? Did the affordable housing stabilize Families or contribute to revitalizing the neighborhood?

Questions?



- Submit a Service Request in the CDFI Fund's Awards Management Information System (AMIS) - *This method is strongly preferred and ensures the fastest routing.*
- E-mail cmf@cdfi.treas.gov
- Contact the CDFI Fund Help Desk at: (202) 653-0421; Option 6
- Current data sets may be found at: <https://www.cdfifund.gov/programs-training/programs/cmf/apply-step>