

OFFICE OF THE DEPUTY MAYOR FOR PLANNING AND ECONOMIC DEVELOPMENT

NOTICE OF FUNDING AVAILABILITY (NOFA)

FY23 DC Venture Capital Grant Program

Request for Application (RFA) Release Date: Friday, August 4, 2023

RFA Identification No.: DMPED –FY23 – VCGP

Background:

The Office of the Deputy Mayor for Planning and Economic Development (“**DMPED**”) is soliciting grant applications from qualified private financial organizations to serve as the program administrator (“**Program Administrator**”) for the DC Venture Capital Grant Program (“**VC Program**”). The purpose of the VC Program is to increase access to capital for early-stage DC-based businesses. The Program Administrator will structure the program and select and manage a network of venture fund managers (“**Fund Managers**”) to make investments in Eligible Businesses (defined herein) using funds provided by the State Small Business Credit Initiative (“**SSBCI**”).

Purpose:

Federal SSBCI funds provided through the U.S. Department of Treasury (“**Treasury**”) offer an opportunity to increase the amount of venture capital funds available to underserved DC businesses. The goal of the VC Program is to provide equity seed capital to DC founders with a focus on underserved founders of technology and “tech-enabled” companies (companies who do not create proprietary technology but utilize it to provide a good or service). These entrepreneurs need a source of early-stage growth capital to scale operations and make investments in their staff, technology, marketing, and research & development to serve more customers and generate higher revenue, and to eventually raise additional rounds of venture funding or qualify for traditional financing. Founders who receive investment through the VC Program will have the incentive to remain in DC to grow their business, create jobs, and drive innovation locally.

DMPED seeks to deploy the federal SSBCI funds through multiple investment firms. DMPED will select a private third-party organization to serve as a Program Administrator for a fund-of-funds approach. The role of the Program Administrator is to manage the VC Program in partnership with DMPED and select and monitor the Fund Managers who are deploying the funds directly to the businesses.

Note: This application is only for the Program Administrator, not for Fund Managers looking for investment into their fund by the VC Program or for businesses seeking direct investment. The Program Administrator will not be making any direct investments to businesses.

The VC Program will be funded pursuant to the State Small Business Credit Initiative Venture Capital Program Grant-Making Establishment Act of 2022 (Act no. A24-0688) (the “**Act**”), and

the “American Rescue Plan Act of 2021”, effective March 11, 2021 (Public Law No: 117-2) (as may be amended or extended, “ARPA”).

Eligible applicants:

Eligible applicants include qualified private financial organizations including a partnership, corporation, trust, limited liability company, Community Development Financial Institution, or a consortium of partnerships, corporations, trusts, or limited liability companies, whether organized on a profit or not-for-profit basis, with demonstrable financial, management, and investing capacity.

Additional details about eligibility and criteria for selecting applicants will be included in the RFA.

Available Funding:

Subject to the approval of DMPED’s application to Treasury and the District of Columbia’s budget appropriation, it is anticipated that DMPED will receive a total of \$26,046,000 in SSBCI funding. It is planned that DMPED will disburse these funds to an approved Program Administrator in three tranches. The first tranche will be \$8,595,180. Pending receipt of such funds from Treasury, DMPED will award one grant of \$8,595,180 to the Program Administrator. The Program Administrator will be eligible to receive additional funds, for a total eligible amount of \$26,046,000, pending DMPED’s receipt of the funds from Treasury and satisfactory performance by the Program Administrator. The Program Administrator will invest the grant funds in a portfolio of venture capital funds. Up to 5% of the grant funds may be used for administrative costs by the Program Administrator. The remainder of funds shall be deployed to selected Fund Managers to be invested in businesses (Fund Managers may take a fee of up to 1.71% of funds).

Grant Information Session: DMPED will host a virtual information session for interested applicants. Please check the <https://dmped.dc.gov/> website for more details.

Contact Name: DMPED Grants Team **Phone:** (202) 727-6365 **Email:** dmped.grants@dc.gov

Availability of RFA: The RFA and grant application will be released on Friday, August 4, 2023, and posted at <https://dmped.dc.gov/>.

Application Process: The grant application process will include an initial screening of applicants, a review panel process, and a final review to determine the final funding decision. Each step will be further described in the RFA.

Grant Application Deadline for Electronic Submission: Applicants must submit a completed online application to DMPED via the Grant Vantage system no later than 5:00 PM/ET on **Friday, September 8, 2023.**

Period of Performance: The grantee’s performance under the VC Program shall extend from the execution of the grant agreement with DMPED through September 30, 2025. Additional periods of performance may be authorized through September 30, 2030, pending receipt of additional tranches of SSBCI funds from Treasury and satisfactory performance by the Program Administrator.