

Capital Magnet Fund Annual Report

Introduction

As part of the Assistance Agreement requirements to monitor performance and compliance, the following data points (most capitalized terms are defined in the Interim Rule or Assistance Agreement) need to be collected and reported annually by Awardees of the Capital Magnet Fund (CMF) program through the Community Investment Impact System (CIIS). This document is intended to provide a working design of the reporting requirements with the recognition that the program mechanics of data input, analysis, and output will be subject to further development. The CMF Annual Report has six parts:

- I. Use of Funds
- II. Housing Projects
- III. Economic Development Activities Projects
- IV. Purchase (Direct Homebuyer Assistance) Projects
- V. Performance Requirements and Certification
- VI. Electronic Submission of Audited Annual Financial Report

Part I includes summary information on the Awardee's use of funds for various Eligible Activities. Parts II, III, and IV include project-level details. Part V contains additional questions on Awardee activity and compares performance against established compliance requirements. Parts I, II, III, IV will be completed in tabular form (i.e. via inputs into an excel sheet), while Part V consists of survey questions.

Part VI requires the electronic submission of the CMF Awardee's audited annual financial report. All six parts will be submitted to the CDFI Fund through CIIS via the awardee's *MyCDFI Fund* account.

Part I: Use of Funds

The CDFI Fund will monitor the amount of the CMF award used for each eligible activity by fiscal year. Awardees must complete the Uses of Funds table annually to report all CMF award dollars that have been allocated and deployed for eligible uses. While the Uses of Funds table is updated each year, it shows the cumulative use of funds, not merely those activities that took place during the prior reporting year.

For the Uses of Funds table, the Awardee should only report the allocation and deployment of CMF award dollars and no other funds that were leveraged from third parties via the CMF award.

Generally, eligible uses of funds reported in the Uses of Funds table must be linked to a specific project. However, funds used to cover administrative expenses, and funds used to capitalize loan funds that have not yet committed to any projects, need not be allocated to a specific project.

In cases where CMF award dollars were used to support multiple eligible uses at a single project site, the project would be listed on multiple lines, one for each use of funds. For example, an economic development project incorporating both a loan from an eligible fund and a loan guarantee would be reported twice.

The following data points are collected annually for each commitment to an eligible use:

1. Use of Funds
 - a. to provide Loan Loss Reserves
 - b. to capitalize a Revolving Loan Fund

- c. to capitalize an Affordable Housing Fund
 - d. to capitalize a fund to support Economic Development Activities or Community Service Facilities
 - e. to provide Loan Guarantees
 - f. for Risk-Sharing Loans
 - g. for the Awardee's operations
2. Amount of committed CMF Investment (\$)
 3. Date Funds Committed

For all uses other than awardee's operations, the following data points apply:

4. Stage of Investment
 - a. Initial capitalization of a fund using CMF award dollars (not yet tied to specific projects)
 - b. Investment of CMF award dollars in a project
 - c. Reinvestment of successfully deployed and repaid CMF award dollars
 - d. Redeployment of previously deployed CMF award dollars that were recovered from a terminated project (e.g. loan default, or affordable housing unit sold to non eligible-income Family)

For all stages other than 4.a., initial capitalization, the following data points apply:

5. Project Number, designated by the Awardee and consistent throughout the life of a project
6. Disbursement Status
 - a. committed but not yet disbursed
 - b. committed and partially disbursed
 - c. fully disbursed
7. Date of Final Disbursement **(if fully disbursed)**
8. The following table illustrates a sample completed Use of Funds table. In this example, an Affordable Housing Fund has been capitalized but no projects have yet been identified. Meanwhile, a fund to support Economic Development Activities has already committed to two projects, and one of these projects (number 101) is also receiving a risk-share loan from the CMF award.

Use of Funds	Amount Committed	Date Committed	Stage of Investment	Project Number	Disbrsmt* Status	First Disbrsmt* Date	Date of Final Disbrsmt*
LOAN LOSS RESERVES	\$100,000	7/1/2011	CAPITALIZATION				
REVOLVING LOAN FUND	\$100,000	7/1/2011	CAPITALIZATION				
AFFORDABLE HOUSING FUND	\$500,000	8/1/2011	CAPITALIZATION				
ECONOMIC DEVELOPMENT ACTIVITIES	\$100,000	9/3/2011	INVESTMENT	101	COMMITTED		
ECONOMIC DEVELOPMENT ACTIVITIES	\$100,000	9/14/2011	INVESTMENT	102	COMMITTED		
RISK-SHARING LOANS	\$10,000	7/1/2011	INVESTMENT	101	COMMITTED		
OPERATIONS	\$50,000	7/1/2011					

*Disbursement

Parts II-IV: Projects (General)

Parts II, III, and IV all capture project-level information that are financed in part by CMF award dollars:

- **Housing Development Projects**, including the Development, Rehabilitation, and Preservation of Single-family and Multi-family housing units
- **Economic Development Activities Projects**, including Community Service Facilities
- **Direct Homebuyer Assistance Projects**, including down payment or closing cost assistance

There are some common questions for each Part, as well as questions unique to that type of project. Additionally, a project may appear in multiple parts. For example, an Awardee engaging in a Multi-family housing project that also incorporates Economic Development Activities on the same site would report housing activities in Part II and Economic Development Activities in Part III, with values prorated for each. Similarly, an Awardee rehabilitating Multi-family housing and also providing down payment assistance to facilitate the purchase of low-income units in the complex would report housing activities in Part II and down payment assistance in Part IV.

Project-level information must be reported annually as long as the project is active: from the year of commitment through the year of completion, or until an incomplete project is terminated.

The following data points are collected from all projects in Part II, III, or IV, whichever is applicable:

1. Reporting Year
2. Project Number **[This number is unique to a given project and must remain consistent for the same project across years and identical to the project number used in Part I-Use of Funds.]**
3. Project Status
 - a. Committed
 - b. Partially Complete
 - c. Complete
 - d. Incomplete but Terminated
4. Amount Recovered **[If Project Status=d) Incomplete but Terminated]**
5. Project Type **[This data point determines whether the project is reported in Part II, III, or IV]**
 - a. Single-family housing (Development)
 - b. Single-family housing (Rehabilitation)
 - c. Single-family housing (Preservation without Rehabilitation)
 - d. Single-family housing (Preservation with Rehabilitation)
 - e. Multi-family housing (Development)
 - f. Multi-family housing (Rehabilitation)
 - g. Multi-family housing (Preservation without Rehabilitation)
 - h. Multi-family housing (Preservation with Rehabilitation)
 - i. Purchase (assistance associated home purchase)
 - j. Economic Development Activities or Community Service Facilities
6. Project Commitment Date **[This data point is the same as #4 in Part I, Use of Funds]**
7. Project Completion Date
8. Disbursements to Date (\$)
9. Type of Disbursement (DEBT, EQUITY, GRANT, MULTIPLE)
10. Interest Rate (where Type of Disbursement=DEBT or MULTIPLE)
11. Total Eligible Project Costs

12. Total Project Costs **[For direct homebuyer assistance, this field contains the purchase price of the home.]**
13. Project Address
14. Project City
15. Project State
16. Project Zip Code (5-digit)
17. Project Zip Code+4
18. ProjectX **[Coordinates may be used in lieu of an address if no address is available]**
19. ProjectY **[Coordinates may be used in lieu of an address if no address is available]**
20. Additional Locations. **[Additional addresses, such as in the case of scattered-site housing, may be listed here as part of the same project provided that they are situated within the same Census tract or an adjacent tract.]**

Based on the address or XY coordinates given, the reporting system will automatically determine the Census tract, its Metropolitan or Non-Metropolitan status, the Area Median Income based on a four-person household, and whether the tract meets High Housing Need criteria.

What if a project contains multiple uses, or multiple types of activities?

A single housing project reported in Part II may incorporate both rental and ownership units, but may only incorporate one of the following activities: development, rehabilitation, preservation with rehabilitation, or preservation without rehabilitation. Since Awardees may engage in projects that combine these activities (such as rehabilitation of an existing structure and development on an adjacent, vacant lot), or that combine Affordable Housing and Economic Development Activities, the CMF Report will provide a project numbering system allowing the use of linked “parent-child” project numbers. For projects with multiple types of activities (such as mixed residential and community facility projects, or mixed rehabilitation and development), the awardee may choose to use either “parent” or “child” project numbers in the project table. “Parent” numbers would indicate disbursements across the entire project (e.g. Project # 101). “Child” numbers would indicate a distinct element of the project (e.g. Project # 101.1, #101.2, etc.). Dollar amounts and outcomes must be prorated for each segment of a project, but these linked project numbers enable a multitude of activities to be listed jointly. Further information will be provided in reporting guidance once the system has been launched.

Part II: Housing Development Projects

These questions are required in order to determine the Awardee’s compliance status regarding its affordable housing performance goals based on the number of eligible rental and homeownership units created at each income level, the funds expended on developing these units, and the cost of those units.

In addition to data points 1-20 above, the following data points are required for Affordable Housing Activities, as applicable to each project’s outcomes. For example, a project containing only rental units would complete questions 21-37, and a project containing owner-occupied units would complete questions 38-60.

Rental Units:

21. Number of Committed Rental Units (projection)

Number of Cumulative Rental Housing Units Completed for...

22. Extremely Low-Income Families

- 23. Very Low-Income Families
- 24. Low-Income Families
- 25. Other Eligible-Income Families
- 26. Non-Eligible Families

Dollars Expended (CMF and Leveraged Funds) for Rental Housing Units Completed for...

- 27. Extremely Low-Income Families
- 28. Very Low-Income Families
- 29. Low-Income Families
- 30. Other Eligible-Income Families
- 31. Non-Eligible Families

Number of Cumulative Rental Housing Units Occupied by...

- 32. Extremely Low-Income Families
- 33. Very Low-Income Families
- 34. Low-Income Families
- 35. Other Eligible-Income Families
- 36. Non-Eligible Families

- 37. Use of Low-Income Housing Tax Credit Dollars
 - a. Yes
 - b. No

Owner-Occupied Units:

- 38. Number of Committed Owner-Occupied Units (projection)

Number of Cumulative Owner-Occupied Housing Units Completed for...

- 39. Extremely Low-Income Families
- 40. Very Low-Income Families
- 41. Low-Income Families
- 42. Other Eligible-Income Families
- 43. Non-Eligible Families

Dollars Expended (CMF and Leveraged Funds) for Owner-Occupied Housing Units Completed for...

- 44. Extremely Low-income Families
- 45. Very Low-income Families
- 46. Low-income Families
- 47. Other Eligible-Income Families
- 48. Non-Eligible Families

Number of Cumulative Owner-Occupied Housing Units Occupied by...

- 49. Extremely Low-income Families
- 50. Very Low-income Families
- 51. Low-income Families
- 52. Other Eligible-Income Families
- 53. Non-Eligible Families

Total Number of Units Sold to...

- 54. Extremely Low-income First-Time Homebuyers
- 55. Very Low-income First-Time Homebuyers
- 56. Low-income First-Time Homebuyers
- 57. Other First-Time Homebuyers
- 58. Non-Eligible Families

- 59. Minimum Sales Price for Eligible Units
- 60. Maximum Sales Price for Eligible Units

Part III: Economic Development Activities Projects

In addition to data points 1-18 above, the following data points are required for Economic Development Activities projects, as applicable to each project's outcomes.

- 61. Type of Economic Development Activity
 - a. Business
 - b. Arts/Culture
 - c. Child Care
 - d. Education
 - e. Healthcare
 - f. Multi-Service/Other
- 62. Square Footage

Part IV: Direct Homebuyer Assistance Projects

In addition to data points 1-18 above, the following data points are required for Economic Development Activities projects, as applicable to each project's outcomes.

- 63. First-time Homebuyer
 - a. Yes
 - b. No
- 64. Homebuyer Income Category
 - a. Extremely Low
 - b. Very Low
 - c. Low
 - d. Other Eligible
- 65. Development Activity Project Number **[If homebuyer assistance is tied to a unit developed in a CMF project reported in Part II, the project number from Part II is reported here.]**

Part V: Performance Requirements and Certification

The following data points must be provided by the Awardee:

- 1. Total Construction Jobs Created from CMF-Funded Activities
- 2. Total Non-Construction Jobs Created from CMF-Funded Activities
- 3. Dollar amount of CMF award committed to Economic Development Activities/Community Service Facilities

The following performance requirements will be calculated by the reporting system for the Awardee to review and certify. These tabulations are based on the information submitted in the CMF Report and the Awardee's assistance agreement.

- 1. Dollar amount of CMF award Committed.

2. Dollar amount of CMF award disbursed.
3. Project-level interest rate
4. Dollar amount of CMF award in a completed project.
5. Total Eligible Project Costs for completed projects.
6. Total number of first-time homebuyers purchasing housing supported by CMF.
7. Service Area Requirement
8. Non-Metro Area Requirement
9. Leveraging Multiplier Requirement
10. Total Minimum Costs Commitment
11. Eligible Project Costs, Targeted Incomes, and Geographies Requirements
12. Low-Income Families percentage
13. Very Low-Income Families percentage
14. Extremely Low-Income Families Percentage
15. High Housing Need Area

As part of this section, the Awardee will also be able to view the results of data entered as summary tables of the Use of Funds and Project Leverage to review and certify.

Part VI: Electronic Submission of Audited Annual Financial Report

Part VI requires the electronic submission (in PDF format) of the CMF Awardee's audited annual financial report for the fiscal year ending in FY 20XX.