



# A YEAR OF IMPACT



FY 2017 YEAR IN REVIEW





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# **Introduction and Overview**

## ■ A MESSAGE FROM CDFI FUND DIRECTOR ANNIE DONOVAN



### Dear Colleagues:

I am pleased to present the Community Development Financial Institutions Fund's (CDFI Fund's) fiscal year (FY) 2017 Year in Review.

For more than two decades, CDFI Fund programs have expanded economic opportunity in distressed communities across America by supporting Community Development Financial Institutions (CDFIs), Community Development Entities (CDEs), nonprofit housing developers, and others. In FY 2017, the CDFI Fund awarded organizations more than \$472 million in financial assistance, loans, and bond guarantees. The CDFI Fund also awarded \$7 billion in New Markets Tax Credits (NMTCs), the largest single award round in the history of the Program.

The CDFI Fund's awards have leveraged billions of dollars in private sector investment. They have enhanced the impact that CDFIs, CDEs, and other community-based development organizations are having in distressed and underserved communities across the nation by expanding access to credit and capital—resources vital for building affordable housing, community centers and health care facilities; starting, operating and growing small businesses; purchasing a home; and providing a toehold in the banking system through credit counseling and education services.

Beyond managing resources to support community development finance activities, the CDFI Fund has spent the year creating on-ramps for organizations to access CDFI Fund programs, easing the customer experience, and enhancing the capacity of CDFIs to capture and produce data to improve performance.

- The CDFI Fund worked with the National Community Investment Fund (NCIF) to develop training for minority-owned and minority-controlled Community Development Entities (CDEs) to better inform them on how to participate in the NMTC Program. This included individualized technical assistance to address specific challenges encountered in their participation in the NMTC Program.
- To improve the quality of data, decision-making and delivery of program resources, the CDFI Fund continued its implementation of the Awards Management Information System (AMIS) and a new Assessment and Risk Management (ARM) framework. Once fully integrated into the CDFI Fund's awards and compliance processes, AMIS will provide end-to-end program management capabilities and ARM will assess applicant and awardee financial and programmatic risk most efficiently.
- Two reports commissioned by the CDFI Fund were released this year that document compliance and outcomes for two programs: the Bank Enterprise Award Program and the NMTC Program. The reports provide valuable insights into the effectiveness of each program, as well as suggestions for ways to make them even better.
- A new application and evaluation process was launched for the FY 2017 round of the CDFI Program and Native American CDFI Assistance Program (NACA Program). The revised application was designed, in part, to make it easier for CDFIs to demonstrate impacts that could be achieved with an award. This revision led to the largest number of award recipients in the history of the CDFI Program—303 awardees including 50 first time awardees. In addition, one-third of awardees will lend and invest in areas plagued by persistent poverty.

None of the outcomes highlighted in our FY 2017 Year in Review would have been possible without the collaborations that take place at all levels in both the public and private sectors that are creating revitalization opportunities in communities of all shapes, sizes, and locations. My appreciation and gratitude extends to CDFI Fund awardees for their commitment to pursue impact.

Please read on to learn more about the CDFI Fund's FY 2017 achievements. For more information about our work visit [www.cdfifund.gov](http://www.cdfifund.gov).

Sincerely,



Annie Donovan  
Director, CDFI Fund



## ■ OVERVIEW

### The CDFI Fund's Vision and Mission

The vision of the CDFI Fund is an America in which all people and communities have access to the investment capital and financial services they need to prosper. Its mission is to expand economic opportunity for underserved people and communities by supporting the growth and capacity of a national network of community development lenders, investors, and financial service providers.

The Community Development Financial Institutions Fund (CDFI Fund) works to spur economic growth, job creation, and opportunity in our nation's distressed and underserved communities by offering targeted resources and innovative programs to leverage federal dollars with private sector capital. The CDFI Fund supports mission-driven financial institutions that take a market-based approach to supporting economically underserved communities. These organizations are encouraged to apply for CDFI Certification and participate in CDFI Fund programs that inject new sources of capital into neighborhoods that lack access to financing.



The CDFI Fund achieves its purpose by promoting access to capital and local economic growth through its:

- 1** Bank Enterprise Award Program by providing an incentive to banks to invest in their communities and in other CDFIs;
- 2** Capital Magnet Fund by providing competitive awards for CDFIs and non-profit affordable housing organizations to finance the development, rehabilitation, preservation, and purchase of affordable housing and related economic development activities for low-income families and communities;
- 3** CDFI Bond Guarantee Program by issuing guarantees for bonds to support CDFIs that make investments for eligible community or economic development purposes;
- 4** Community Development Financial Institutions Program by directly investing in, supporting, and training CDFIs that provide loans, investments, financial services and technical assistance to underserved populations and communities;
- 5** Native Initiatives Program, by taking action to provide financial assistance, technical assistance, and training to Native CDFIs and other Native entities proposing to become or create Native CDFIs; and
- 6** New Markets Tax Credit Program by providing allocations of tax credits to Community Development Entities which enable them to attract investment from the private-sector and reinvest these amounts in low-income communities.

These awards are provided each year through a competitive application process. The CDFI Fund also provides a variety of resources, including webinars, online application materials, and Program Help Desks, to assist applicants through the application process.

Each business financed, each job created, and each home built represents a critical step in the transformation of a life, a family, and a community. This is real change. This is the CDFI Fund.







## What are CDFIs?

Community Development Financial Institutions (CDFIs) share a common goal of expanding economic opportunity in low-income communities by providing access to financial products and services for local residents and businesses. CDFIs include banks, credit unions, loan funds, or venture capital providers. CDFIs strive to foster economic opportunity and revitalize neighborhoods, helping families finance their first homes, supporting community residents starting businesses, and investing in local health centers, schools, or community centers.

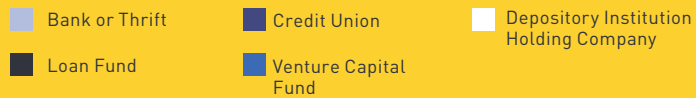
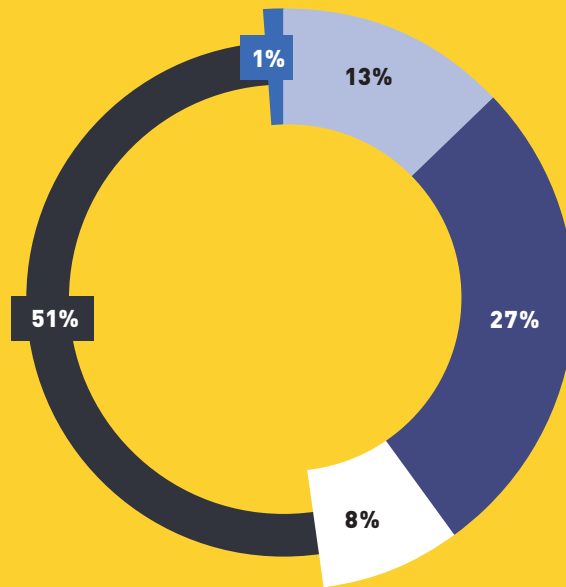
CDFIs generally offer rates and terms tailored to meet the needs of low-income borrowers and small businesses. CDFIs also provide services to help ensure credit is used responsibly, such as technical assistance to small businesses, and home buying and credit counseling to consumers.

A network of roughly 1,100 CDFIs operates nationwide and bridges diverse private and public sector investors to create economic opportunity in low-income communities. In order to become a certified CDFI, an organization must meet the following seven criteria:

- 1 Be a legal entity;
- 2 Have a primary mission of promoting community development;
- 3 Serve principally an investment area or targeted population;
- 4 Be an insured depository institution, or otherwise have the offering of financial products and services as its predominant business activity;
- 5 Provide development services (such as technical assistance or counseling) in conjunction with its financing activity;
- 6 Maintain accountability to its target market; and
- 7 Be a non-governmental entity and not be controlled by any governmental entities.

## Types of Certified CDFIs

Percentage by type of 1,095 certified CDFIs as of September 30, 2017





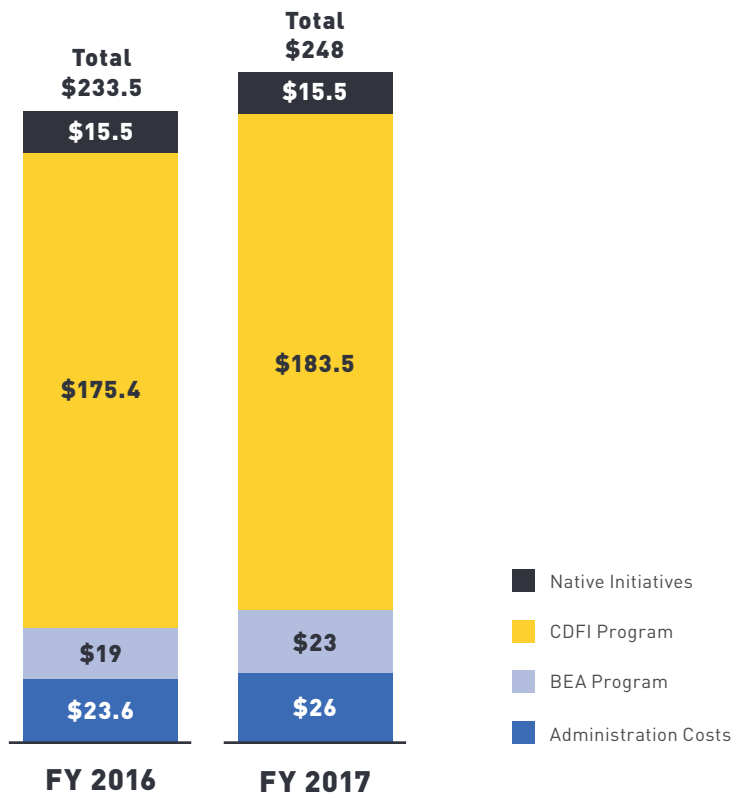
## The CDFI Fund's Budget

The U.S. Congress appropriates the CDFI Fund's budget on an annual basis. The budget is divided between program and administrative expenses. Program funds are used for program awards—grants, loans, deposits, equity investments, and capacity building. Administrative funds are used to cover the costs to administer all CDFI Fund programs. New Markets Tax Credits are authorized separately and the bond guarantees are provided at no net cost to the government.

In FY 2017, the CDFI Fund was appropriated \$248 million as follows:



## Funding Allocation (In Millions)









# Program Achievements

Since the inception of the BEA Program in 1994, the CDFI Fund has made awards totaling nearly **\$448 million.**

#### **BANK ENTERPRISE AWARD PROGRAM**

[www.cdfifund.gov/bea](http://www.cdfifund.gov/bea)

The Bank Enterprise Award Program (BEA Program) recognizes the key role that traditional financial institutions play in community development. Through the BEA Program, the CDFI Fund provides monetary awards to FDIC-insured depository institutions for increasing their investment in CDFIs and in economically distressed communities.

BEA Program awardees are recognized for increasing their investments in certified CDFIs through grants, stock purchases, loans, deposits, and other forms of financial and technical assistance, and for increasing their lending, investment, and service activities in communities where



at least **30 percent of the residents have incomes at or below the national poverty level** and where **unemployment is at least 1.5 times the national average.** Organizations that receive awards must then reinvest that money back into distressed communities.

The CDFI Fund announced the opening of the FY 2016 award round in January 2017. In August 2017, the CDFI Fund awarded more than \$18.8 million in awards to 102 financial institutions.



## The FY 2016 BEA Program awardees:

Increased their loans, deposits, and technical assistance to certified CDFIs by

**\$41 M**

Increased their equity, equity-like loans, and grants to certified CDFIs by

**\$8.8 M**

Increased their loans and investments in distressed communities by

**\$308.2 M**

Increased the provision of financial services in distressed communities by

**\$3.5 M**





## ■ SUPPORTING CERTIFIED CDFIS

Certified CDFIs that receive investments, loans, or technical assistance from BEA Program applicants are known as CDFI Partners. For the FY 2016 award round, 65 BEA Program applicants provided over \$74.9 million in investments, loans, or technical assistance to 61 CDFI Partners.

### SUPPORTING CERTIFIED CDFIS

CDFI PARTNER ORGANIZATION TYPE	NUMBER OF CDFI PARTNERS	AMOUNT OF INVESTMENTS, LOANS, OR TECHNICAL ASSISTANCE
Bank or Thrift; Depository Institution Holding Company	3	\$1.7 million
Credit Union	27	\$27.6 million
Loan Fund	30	\$44.1 million
Venture Capital Fund	1	\$1.5 million

The CDFI Fund opened the FY 2017 round in September 2017. Awards are anticipated in early spring 2018.

## ■ BEA PROGRAM EVALUATION

Released in June 2017, the “Bank Enterprise Award Program Baseline Analysis and Evaluation” report is an independent third-party evaluation of the BEA Program. The report found the BEA Program targets census tracts with much lower income levels and higher poverty rates than typically required under the Community Reinvestment Act (CRA). In addition, applicants and awardees, surveyed during the BEA Program evaluation, indicated program awards mitigate the financial risks and costs of operating bank branches in highly distressed communities and is a factor in shaping the financial products and services offered in these communities.

The report’s analysis shows that CDFI banks and CDFIs generally lend at a greater frequency in highly distressed communities than CRA-reporting banks and BEA awardees typically originate a larger share of their loans in persistent poverty areas than CRA-reporting banks. The evaluation also found the BEA Program has evolved over time and now

focuses on providing awards to smaller CDFI banks that increase their activities in distressed communities, as well as to larger non-CDFI banks that invest in CDFIs to reach more highly-distressed areas than they otherwise would.

“CDFI banks and CDFIs generally lend at a greater frequency in highly distressed communities than CRA-reporting banks.”







## ■ CAPITAL MAGNET FUND

[www.cdfifund.gov/cmf](http://www.cdfifund.gov/cmf)

The Capital Magnet Fund provides competitive awards to CDFIs and non-profit housing organizations to attract private capital to finance affordable housing and economic development activities. Funds can be used to establish a variety of financing tools, including capitalizing affordable housing and revolving loan funds, loan-loss reserves, risk-sharing loans and loan guarantees.

Authorized under the Housing and Economic Recovery Act of 2008, Capital Magnet Fund awards are required to leverage private and public investments at least ten times the award amount.

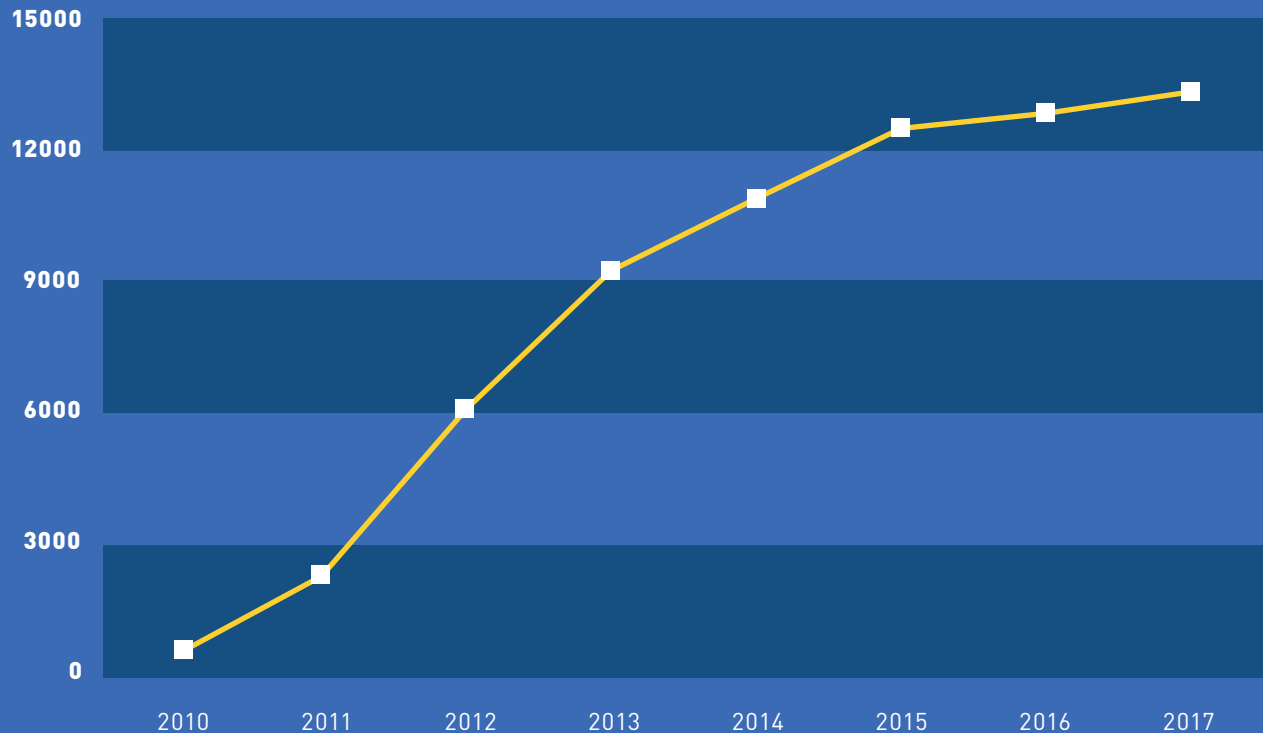
The Capital Magnet Fund announced \$119.5 million available for awards in 2017, which is expected to generate at least **\$1.2 billion** in public and private investment when awarded in 2018. The CDFI Fund received eligible applications from 120 organizations requesting nearly \$540 million for the FY 2017 round.

These resources should generate significant impact. For example, the CDFI Fund awarded \$91.5 million through the FY 2016 award round of the Capital Magnet Fund. The FY 2016 awards are expected to generate more than \$2 billion in private investment and result in **17,000 affordable housing units**.

Capital Magnet Fund investments resulted in a net increase of **2,430** additional affordable homes nationwide in 2016.



## Total Capital Magnet Fund Affordable Housing Units (Owner and Rental Units)



Past Capital Magnet Fund awardees have reported more than 13,300 affordable homes under development or completed between 2010 and 2016.<sup>1</sup> This includes more than 11,700 rental homes and more than 1,500 homeowner occupied homes for low-, very low-, and extremely low-income families.

<sup>1</sup>Source: FY 2017 CDFI Fund Agency Financial Report

## ■ CDFI BOND GUARANTEE PROGRAM

[www.cdfifund.gov/bond](http://www.cdfifund.gov/bond)

Established by the Small Business Job Act of 2010, the CDFI Bond Guarantee Program provides CDFIs access to long-term capital at competitive interest rates—at no cost to taxpayers.

Through the program, the Secretary of the Treasury provides a 100 percent guarantee of bonds issued by Qualified Issuers. The Qualified Issuers use the bond proceeds to finance loans to Eligible CDFIs, which then use the funds to make loans in underserved communities. Eligible CDFIs are certified CDFIs that participate in the CDFI Bond Guarantee Program.

The Secretary of the Treasury may guarantee up to 10 bonds per year, each at a minimum of \$100 million. The total of all bonds cannot exceed \$1 billion per year.

In FY 2017, the CDFI Fund closed two bond transactions, and the Secretary issued the corresponding two guarantees totaling \$245 million. Since its inception, the total amount of bonds closed and corresponding guarantees exceeds **\$1.3 billion.**



TO DATE, PARTICIPATING CDFIS HAVE LENT MORE THAN **\$505 MILLION, OR 37 PERCENT OF THE TOTAL AMOUNT OF THE BONDS,<sup>2</sup>** IN RURAL, URBAN, AND NATIVE COMMUNITIES FOR:



CHARTER SCHOOLS:  
**\$189.7 M**



RENTAL HOUSING:  
**\$149.6 M**



COMMERCIAL REAL ESTATE:  
**\$95.3 M**



HEALTHCARE FACILITIES:  
**\$29.8 M**



NOT-FOR-PROFIT ORGANIZATIONS:  
**\$19.9 M**



SMALL BUSINESSES:  
**\$7.7 M**



FINANCING ENTITIES  
**\$6.9 M** (of which \$6.3 M represents loans for owner-occupied homes)



DAYCARE CENTERS:  
**\$6.1 M**

<sup>2</sup>Source: FY 2017 CDFI Fund Agency Financial Report

## ■ COMMUNITY DEVELOPMENT FINANCIAL INSTITUTIONS PROGRAM

[www.cdfifund.gov/cdfi](http://www.cdfifund.gov/cdfi)

The Community Development Financial Institutions Program (CDFI Program) is the primary federal award program for CDFIs. Through the CDFI Program, the CDFI Fund provides monetary awards to build the capacity of CDFIs to serve low-income people and communities that lack access to affordable capital, credit, and financial services.

The CDFI Fund provides two types of monetary awards through the CDFI Program: Financial Assistance (FA) awards and Technical Assistance (TA) awards. The CDFI Program awarded **\$171.1 million** in FA and TA awards to CDFIs in FY 2017. CDFIs use these funds to:

- Promote economic development by supporting small businesses, creating jobs, and developing commercial real estate.
- Develop affordable housing and promote home ownership.
- Provide community development financial services, including basic banking services, financial literacy programs, and alternatives to predatory lending.

Since the CDFI Program's inception in 1994, organizations have received more than **\$2.1 B in Financial Assistance** and **Technical Assistance** awards.





In FY 2017, the CDFI Fund revised the competitive application to continue to increase CDFI impact by supporting their growth, reach, and performance. The revised approach to the application led to the **largest** number of awardees in CDFI Fund history, with awardees operating in **all 50 states**, the District of Columbia, American Samoa, Guam, Puerto Rico, and the U.S. Virgin Islands.





## ■ FINANCIAL ASSISTANCE AWARDS

The CDFI Fund makes Financial Assistance awards in the form of investments, loans, deposits, and grants to help existing CDFIs. A CDFI that receives a Financial Assistance award is required to match the award dollar-for-dollar with non-Federal funds. This requirement enables CDFIs to leverage private capital to meet the demand for affordable financial products and services in their communities.

In FY 2017, the CDFI Fund received Financial Assistance applications from **375 community organizations** requesting nearly **\$560 million** in funding. Through a rigorous selection process, the CDFI Fund awarded **\$166.3 million** to **224 organizations** throughout the United States. There were 50 first-time Financial Assistance Awardees in FY 2017. The maximum amount awarded was \$1,006,905.





## ■ HEALTHY FOOD FINANCING INITIATIVE

Through the Healthy Food Financing Initiative (HFFI), the CDFI Fund provides flexible Financial Assistance awards to CDFIs that invest in businesses that help increase access to healthy and affordable food in low-income communities.

In FY 2017, the CDFI Fund awarded \$22 million in HFFI Financial Assistance Awards to help 13 CDFIs finance healthy food activities.

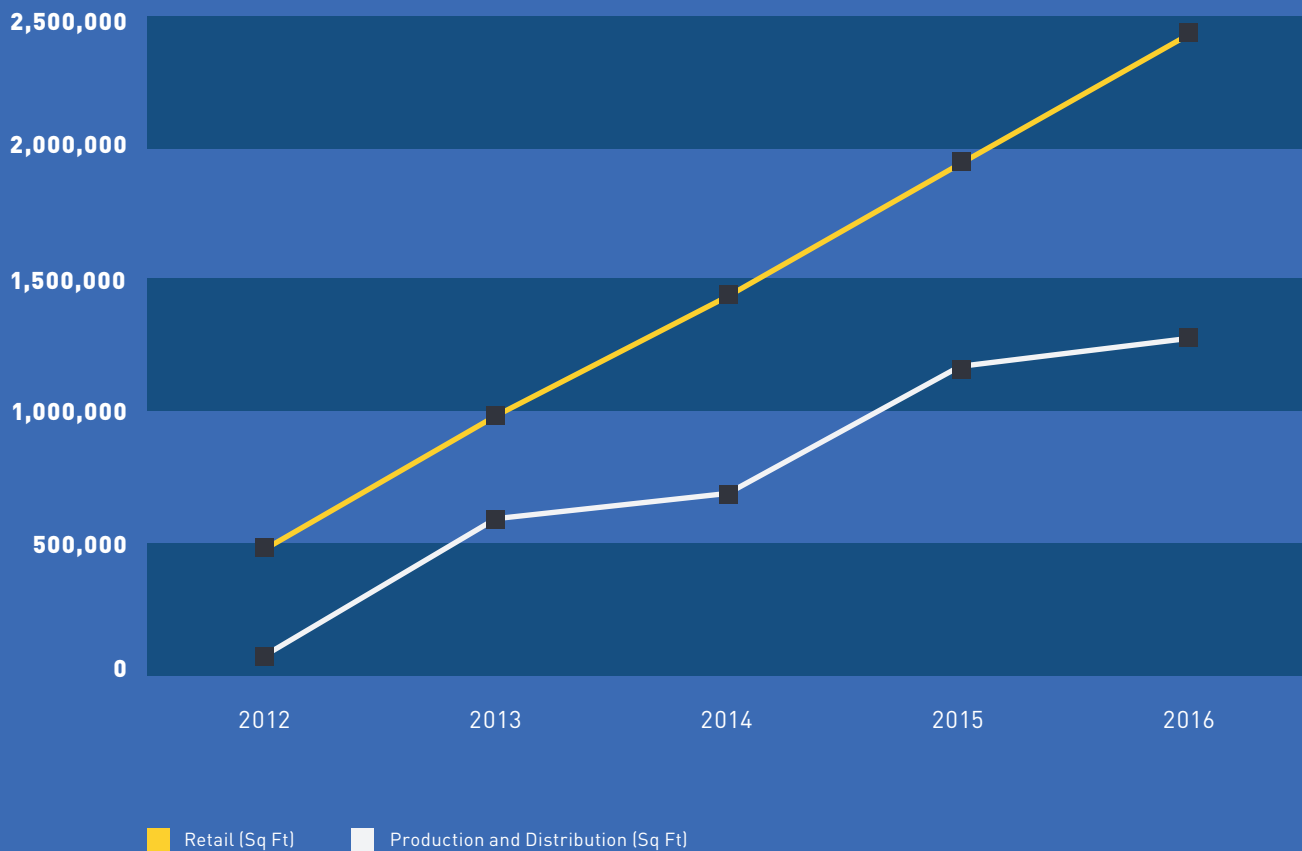
Thirty previous HFFI awardees have reported 376 HFFI investments totaling \$168.8 million. There have been 179 retail investments totaling over \$139 million; these projects developed 2,431,936 square feet of new retail space for businesses ranging from small greengrocers to large supermarkets that serve low-income, low-access census tracts. In addition, there were 197 non-retail investments totaling over \$29 million in projects involving production and distribution, which developed 1,277,246 square feet of space for eligible healthy food activities.<sup>3</sup>

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<sup>3</sup>Source: *FY 2017 CDFI Fund Agency Financial Report*



## Healthy Food Financing Initiative Projects (Cumulative Sq Ft 2012–2016)



## ■ TECHNICAL ASSISTANCE AWARDS

Through the Technical Assistance component of the CDFI Program, the CDFI Fund provides grants to build the capacity of startup and existing CDFIs. Unlike Financial Assistance awards, Technical Assistance grants do not require a match of non-Federal funds.

The grants can be used for a variety of purposes, including staff salaries, benefits, training, professional services, supplies, and equipment. Newly certified CDFIs often use the funds to develop lending policies and procedures or to build staff lending capacity. More established CDFIs tend to use Technical Assistance awards to develop new products, to serve their market in new ways, or to upgrade their computer hardware or software.

In FY 2017, the CDFI Fund received **64** applications requesting more than **\$7.7 M** in Technical Assistance grants, and selected **41** organizations to receive awards totaling **\$4.8 M**.





## Persistent Poverty Counties

For the FY 2017 round, 10 percent of the awarded funds supported investments that serve populations living in persistent poverty counties. Persistent Poverty Counties (PPCs) are defined as counties where 20 percent or more of the population has lived in poverty over the past 30 years.

For the FY 2017 CDFI Program and NACA Program awardees combined, one third of the awardees—101 CDFIs—committed to serving PPCs. 92 CDFIs received \$20.2 million in Financial Assistance awards specifically for investments in PPCs, which is in addition to the work that CDFIs already do in PPCs. In addition, nine CDFIs headquartered in PPCs received Technical Assistance awards.

## ■ MEASURING SUCCESS

Organizations that receive Financial Assistance and Technical Assistance awards report their annual performance to the CDFI Fund through its online reporting system, the Community Investment Impact System. These annual performance reports enable the CDFI Fund and the awardees to measure the impact of the funds awarded through the CDFI Program.

To the right are some top performance measures for CDFI Program awardees for FY 2017, based on program activities reported in 2016.<sup>4</sup>

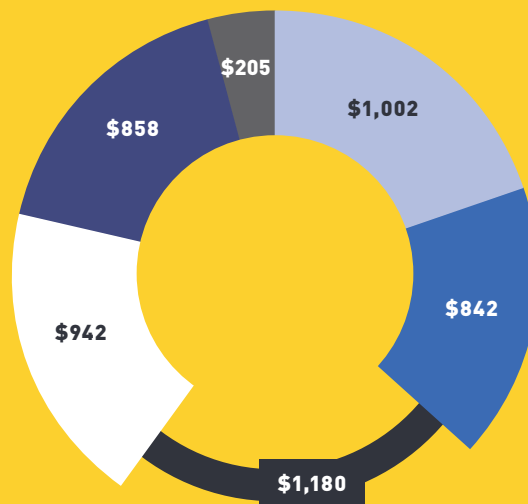
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<sup>4</sup>Source: CDFI Fund FY 2017 Annual Financial Report



## Loans and Investments of Previous CDFI Program Awardees for FY 2017 (In Millions)

Based on Program Activities Reported in 2016



## ■ ANNUAL PERFORMANCE OF CDFI PROGRAM AWARDEES<sup>5</sup>

LENDING AND INVESTING ACTIVITY	2016 ACTIVITY REPORTED IN FY 2017
Total Loans/Investments Originated	\$5.03 billion
Affordable Housing Units Financed	27,900
Businesses Financed	12,500
Financial Access and Literacy	452,000 individuals

<sup>5</sup>Source: CDFI Fund FY 2017 Annual Financial Report; numbers are approximate





## ■ NATIVE INITIATIVES

[www.cdfifund.gov/native](http://www.cdfifund.gov/native)

Native Communities, including Native American, Alaskan Native, and Native Hawaiian communities, often face formidable barriers to accessing capital and basic financial services. The CDFI Fund's Native Initiatives help to increase access to credit, capital, and financial services in these communities by supporting the creation and expansion of Native CDFIs—specialized, mission-driven organizations that finance businesses, create jobs, establish and improve affordable housing, and provide financial services and financial education in Native Communities.

The main component of the Native Initiatives is the Native American CDFI Assistance Program (NACA Program), which provides Financial Assistance and Technical Assistance awards to increase the number and capacity of Native CDFIs.

Since the Program's inception in 2001, the number of certified Native CDFIs has increased from **7 to 71** as of the end of FY 2017.







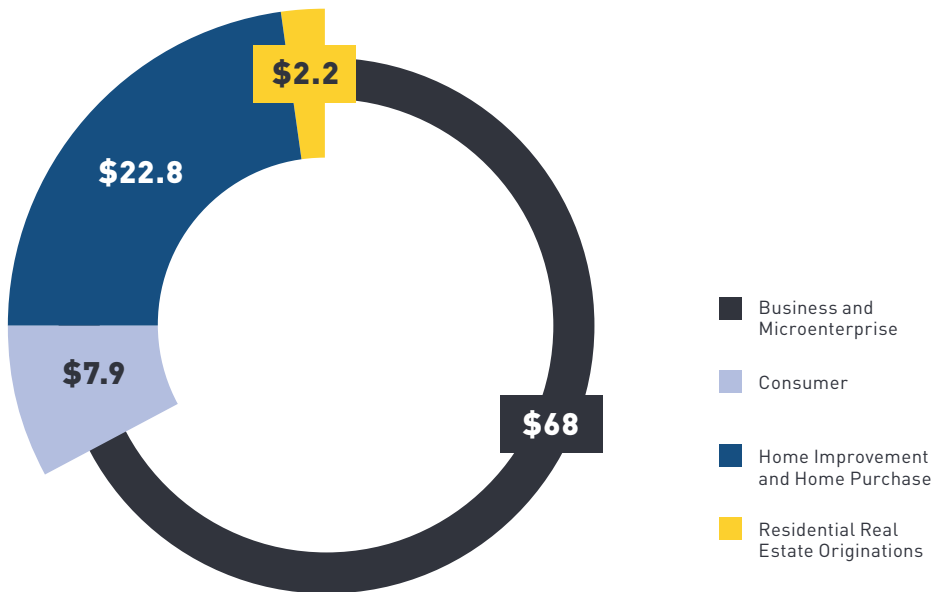
In FY 2017, the CDFI Fund received **56 NACA-eligible applications** requesting **\$33.1 M** in Financial Assistance and Technical Assistance awards. The CDFI Fund awarded **38 organizations** a total of **\$15.6 M** for both Financial Assistance and Technical Assistance funding.

## MEASURING SUCCESS

The performance results reported by NACA Program awardees in FY 2017 show that Native CDFIs originated loans or investments totaling \$100.9 million based on their portfolio of activities in 2016.<sup>6</sup>

## Loans and Investments of Previous NACA Program Awardees for FY 2017 (In Millions)

Based on Program Activities Reported in 2016



<sup>6</sup>Source: FY 2017 CDFI Fund Agency Financial Report



## ■ ANNUAL PERFORMANCE OF NACA PROGRAM AWARDEES<sup>7</sup>

LENDING AND INVESTING ACTIVITY	2016 ACTIVITY REPORTED IN FY 2017
Total Loans/Investments Originated	\$100.9 million
Financial Literacy Training	16,100 individuals
Individual Development Accounts	700

<sup>7</sup>Source: CDFI Fund FY 2017 Annual Financial Report; numbers are approximate



## ■ ACCESS TO CAPITAL AND CREDIT IN NATIVE COMMUNITIES

In FY 2017, the Native Nations Institute released a Data Review to accompany the Access to Capital and Credit in Native Communities Report (the Report), which was commissioned by the CDFI Fund and published in FY 2016. The Report examines recent successes in the effort to improve access to capital and credit in Native Communities as well as what can be done to build on that success. The Data Review helped set the stage for the Report by collecting data regarding access to capital and credit in American Indian, Alaska Native, and Native Hawaiian communities—something that historically has been very difficult to obtain and verify—and presenting it to the public in a singular document. The CDFI Fund conducted several outreach sessions in FY 2017 across the country to listen to Native CDFIs and Tribal communities about their local needs regarding access to capital and credit, and how the CDFI Fund can continue to support Native Communities through its Native Initiatives program.

The full Report and Data Review can be found on the CDFI Fund’s website at [www.cdfifund.gov/native](http://www.cdfifund.gov/native).

## ■ NEW MARKETS TAX CREDIT PROGRAM

[www.cdfifund.gov/nmtc](http://www.cdfifund.gov/nmtc)

The New Markets Tax Credit Program (NMTC Program) helps economically distressed communities attract private investment capital. Established in 2000, the federal tax credit helps to fill project financing gaps by enabling investors to make larger investments than would otherwise be possible. Communities benefit from the jobs associated with these investments, as well as greater access to public facilities, goods, and services such as manufacturing, housing, health, technology and education.

Through the NMTC Program, the CDFI Fund allocates tax credit authority to certified Community Development Entities (CDEs) by a competitive application process. CDEs are financial intermediaries through which investment capital flows from an investor to a qualified business in a low-income community. CDEs use their authority to offer tax-credits to investors in exchange for equity in the CDE. With these capital investments, CDEs can make loans and investments to businesses operating in distressed areas that have more competitive terms and flexibility than market-rate products.

In the 13 rounds of tax credit allocation that the CDFI Fund has completed since the program was launched in 2002, 1,032 allocation awards totaling \$50.5 billion in tax credit authority have been provided.<sup>8</sup> NMTCs have generated more than \$46.6 billion in investments in low-income communities and businesses, resulting in the creation or retention of nearly 750,000 permanent and construction jobs, and the construction or rehabilitation of more than 190 million square feet of commercial real estate.

The CDFI Fund opened the calendar year (CY) 2017 round of the NMTC Program in May 2017. The CDFI Fund received a total of 230 applications requesting an aggregate total of \$16.2 billion in NMTC Allocation Authority from CDEs located in 42 states, the District of Columbia, Puerto Rico, and Guam. The CDFI Fund anticipates announcing the awards in early 2018.

<sup>8</sup> The NMTC awards for the combined 2015 and 2016 Calendar Year round were announced on November 17, 2016



The New Markets Tax Credit has generated **\$8** of private investment for every **\$1** invested by the federal government.



**ANNUAL PERFORMANCE  
OF NMTC PROGRAM  
ALLOCATEES<sup>9</sup>**

Allocatees report Qualified Equity Investments (QEIs) and loan/investment activity to the CDFI Fund through the Allocation Tracking System (ATS) and Community Investment Impact System (CIIS). Annual performance data represents the allocatees' CIIS data reported for FY 2017 (completed in calendar year 2016).

LENDING AND INVESTING ACTIVITY	FY 2017 ACTIVITIES (REPORTED IN 2016)
Loan/Investment Volume <sup>10</sup>	\$2.48 billion
Number of Loans/Investments	958
Percent of Loans/Investments in Severely Distressed Communities	77.56%
Jobs Created <sup>11</sup>	4,000
Projected Construction Jobs	19,000
Sq. Ft. of Commercial Real Estate	8.3 million
Businesses Financed	460
Affordable Housing Units Financed	330

<sup>9</sup>Source: CDFI Fund FY 2017 Annual Financial Report; numbers are approximate

<sup>10</sup>Source: Qualified Low-Income Community Investments

<sup>11</sup>Source: At end of reporting period

## ■ NMTC PROGRAM COMPLIANCE REVIEW

The “Compliance Review of New Markets Tax Credit Program” report commissioned by the CDFI Fund was released August 2017 by Summit Consulting LLC. This independent report examines whether NMTC recipients have complied with program requirements, and if recipients’ investment activities have aligned with the objectives of the NMTC Program. The report emphasizes that NMTCs are being used as Congress intended—to attract private investment into projects in economically distressed communities—and documents the ways CDEs are meeting and generally exceeding NMTC Program requirements.

The report addresses questions and recommendations posed by the Government Accountability Office regarding the distribution of benefits among the NMTC Program’s stakeholders, investors’ rates of return, and the role that other public investments play in NMTC investments. Among the reports’ key findings are:

- CDEs often go beyond compliance requirements, providing more flexible capital and investing more highly distressed areas than the NMTC Program requires.
- The flexible financing provided by CDEs reduces the net cost of capital for borrowers.
- Many CDEs use a rigorous project selection process, that include a “but-for” analysis, community benefit considerations, and advisory board involvement.
- A review of NMTC projects showed that approximately two-thirds received public funding consistent with financing gaps and a study of the remaining one-third revealed that projects located in highly distressed areas may need more public funding to attract private investment, to enhance community benefits, or to support initial project operating costs.



NMTCs are being used as Congress intended—to attract private investment into projects in economically distressed communities.









# Impact

The following statistics measure the work of the CDFI Fund and the CDFIs and Community Development Entities (CDEs) that have received awards through the CDFI Fund's programs. However, the true impact of this work cannot be measured by statistics alone. Each CDFI certified, each dollar invested, each business financed, and each unit of affordable housing created represents a vital step in the transformation of a community.

**KEY HISTORICAL DATA**  
(CUMULATIVE BY PROGRAM)<sup>12</sup>

## Certified CDFIs

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# 196

Total number of certified CDFIs in 1997

# 1,095

Total number of certified CDFIs at the end of FY 2017, including 71 Native CDFIs

# 46

Net increase in the number of certified CDFIs in FY 2017 over FY 2016

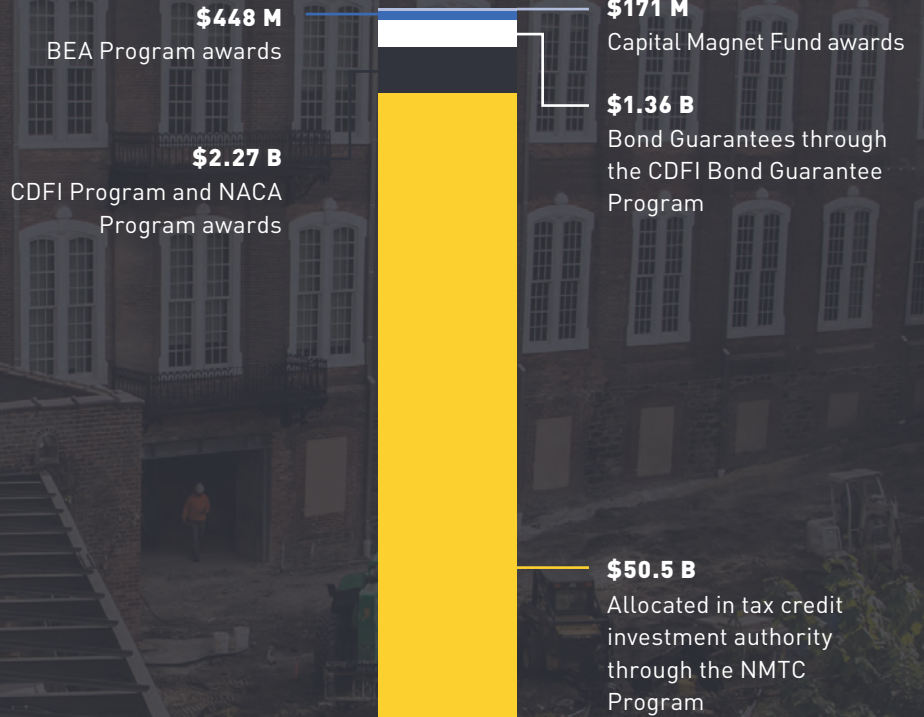
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<sup>12</sup>Source: *FY 2017 CDFI Fund Agency Financial Report*





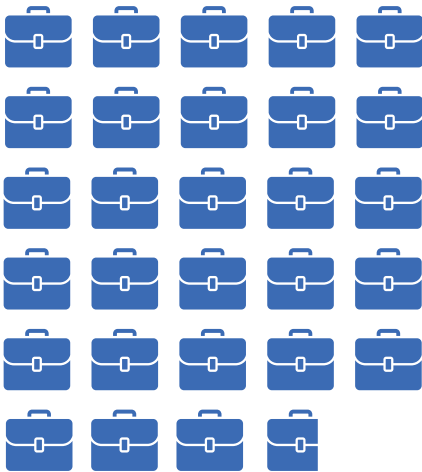
## Awards, Allocations, and Guarantees Since Inception



## Community Investment<sup>13</sup>

# 5.9K

Businesses financed by NMTC Program allocatees



**286.5K JOBS CREATED**

from the equity raised and deployed through the NMTC Program

# 83.5K

Businesses financed by CDFI Program and NACA Program awardees<sup>14</sup>



# 426.8K

**PROJECTED CONSTRUCTION JOBS CREATED THROUGH THE NMTC PROGRAM**

**1.58M**

Square feet of new retail space for healthy food projects reported by Healthy Food Financing Initiative Financial Assistance (HFFI-FA) awardees

**2.2M**

Square feet of production and distribution space for healthy food projects reported by HFFI-FA awardees

**190.2M**

Square feet of commercial real estate developed from financing from NMTC Program allocatees

<sup>13</sup>Numbers are approximate

<sup>14</sup>Based on activities reported from 2009–2016



212.8K  
AFFORDABLE  
HOUSING UNITS

13.3K

Affordable homes under  
development or completed by  
Capital Magnet Fund awardees  
(from FY 2010 round)

14.3K

Affordable housing units  
developed from financing from  
NMTCC Program allocatees

185.2K

Affordable housing units  
financed by CDFI Program and  
NACA Program awardees<sup>15</sup>

<sup>15</sup>Based on activities reported from 2009–2016

**■ CDFI FUND AWARD HISTORY**

## Cumulative Award History By State/Territory, 1996–2017<sup>16</sup>

STATE	BEA	CMF	FA	NACA	NMTC	GRAND TOTAL
AK			\$11,492,330	\$12,243,113	\$90,000,000	\$113,735,443
AL	\$5,361,809		\$1,824,780		\$105,000,000	\$112,186,589
AR	\$6,873,524		\$28,181,244		\$265,000,000	\$300,054,768
AZ	\$809,289	\$1,000,000	\$13,808,537	\$14,748,433	\$771,000,000	\$801,366,259
CA	\$62,700,137	\$28,200,000	\$215,566,482	\$4,762,131	\$4,576,000,000	\$4,887,228,750
CO	\$3,671,016	\$3,000,000	\$44,590,371	\$8,401,845	\$749,500,000	\$809,163,232
CT	\$1,772,035		\$20,681,335		\$85,000,000	\$107,453,370
DC	\$11,960,645	\$1,200,000	\$47,150,593		\$2,934,040,000	\$2,994,351,238
DE	\$5,393,325		\$5,919,231		\$185,000,000	\$196,312,556

<sup>16</sup>Does not include bond guarantees from the CDFI Bond Guarantee Program. Awards calculated by awardee organization's headquartered location at time of award; does not encompass dollar amount actually invested in each state.

STATE	BEA	CMF	FA	NACA	NMTC	GRAND TOTAL
FL	\$15,028,495		\$51,235,316		\$709,000,000	\$775,263,811
GA	\$11,521,809	\$8,750,000	\$23,596,499		\$913,000,000	\$956,868,308
HI	\$1,069,199		\$8,693,850	\$9,276,273	\$123,000,000	\$142,039,322
IA	\$497,250		\$12,572,393		\$1,091,700,000	\$1,104,769,643
ID		\$2,479,522	\$9,031,393	\$567,309		\$12,078,224
IL	\$70,769,043	\$11,400,000	\$106,771,695		\$2,763,692,113	\$2,952,632,851
IN	\$1,868,696		\$8,446,317		\$311,000,000	\$321,315,013
KS	\$2,561,372		\$2,920,004	\$25,000		\$5,506,376
KY	\$10,915,453	\$750,000	\$61,570,622		\$384,500,000	\$457,736,075

## Cumulative Award History By State/Territory, 1996–2017 (Continued)

STATE	BEA	CMF	FA	NACA	NMTC	GRAND TOTAL
LA	\$11,722,865		\$43,614,518	\$128,318	\$3,547,000,000	\$3,602,465,701
MA	\$9,912,052	\$19,600,000	\$85,578,950		\$2,206,000,000	\$2,321,091,002
MD	\$4,616,726	\$5,950,000	\$56,035,704	\$176,040	\$2,560,000,000	\$2,626,778,470
ME	\$781,224	\$0	\$31,697,651	\$8,366,313	\$993,000,000	\$1,033,895,188
MI	\$2,837,309	\$6,000,000	\$36,005,922	\$5,341,932	\$574,000,000	\$624,185,163
MN	\$13,049,310	\$10,300,000	\$87,717,068	\$10,644,299	\$1,650,500,000	\$1,772,210,677
MO	\$8,926,114	\$2,800,000	\$28,061,907		\$2,563,000,000	\$2,602,788,021
MS	\$22,539,546	\$4,700,000	\$57,006,154	\$99,157	\$536,000,000	\$620,344,857
MT	\$18,750		\$24,070,795	\$3,661,908	\$461,000,000	\$488,751,453



STATE	BEA	CMF	FA	NACA	NMTC	GRAND TOTAL
NC	\$28,536,322		\$74,722,103	\$3,795,520	\$1,297,000,000	\$1,404,053,945
ND			\$4,408,783	\$1,683,683		\$6,092,466
NE	\$97,832		\$9,855,452	\$1,966,850	\$23,000,000	\$34,920,134
NH	\$1,132,000	\$5,202,163	\$27,215,537		\$170,000,000	\$203,549,700
NJ	\$7,448,936		\$35,546,565		\$741,000,000	\$783,995,501
NM	\$185,705	\$3,100,000	\$36,046,153	\$8,547,286	\$246,000,000	\$293,879,144
NV	\$339,200		\$391,418		\$83,000,000	\$83,730,618
NY	\$57,728,154	\$16,900,000	\$257,643,766	\$980,708	\$5,291,250,000	\$5,624,502,628
OH	\$4,549,980	\$9,800,000	\$46,059,968		\$2,502,350,000	\$2,562,759,948

## Cumulative Award History By State/Territory, 1996–2017 (Continued)

STATE	BEA	CMF	FA	NACA	NMTC	GRAND TOTAL
<b>OK</b>	\$5,859,729		\$12,065,394	\$19,594,580	\$781,000,000	\$818,519,703
<b>OR</b>	\$8,475,157		\$24,473,199	\$700,266	\$998,000,000	\$1,031,648,622
<b>PA</b>	\$3,769,002	\$5,000,000	\$129,609,013		\$1,826,919,753	\$1,965,297,768
<b>PR</b>			\$2,288,041		\$125,000,000	\$127,288,041
<b>RI</b>		\$1,000,000	\$2,150,454			\$3,150,454
<b>SC</b>	\$4,300,619		\$14,392,130	\$149,281	\$487,000,000	\$505,842,030
<b>SD</b>	\$662,250	\$500,000	\$20,334,350	\$21,574,006	\$255,000,000	\$298,070,606
<b>TN</b>	\$6,850,958		\$27,849,140	\$244,817	\$123,250,000	\$158,194,915
<b>TX</b>	\$15,738,140	\$4,000,000	\$63,442,838	\$283,738	\$765,000,000	\$848,464,716

STATE	BEA	CMF	FA	NACA	NMTC	GRAND TOTAL
UT	\$120,000		\$5,315,684	\$353,000	\$210,000,000	\$215,788,684
VA	\$2,457,517	\$8,500,000	\$48,558,495	\$750,000	\$1,208,000,000	\$1,268,266,012
VI			\$770,000			\$770,000
VT		\$2,000,000	\$34,801,354		\$142,000,000	\$178,801,354
WA	\$1,353,493		\$44,041,599	\$7,269,667	\$347,000,000	\$399,664,759
WI	\$11,311,095	\$9,290,478	\$55,906,637	\$7,367,924	\$1,833,000,000	\$1,916,876,134
WV			\$11,167,974		\$4,000,000	\$15,167,974
WY			\$198,500	\$4,549,024		\$4,747,524

