INVESTING IN OPPORTUNITY
FISCAL YEAR 2016 YEAR IN REVIEW
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# THE CDFI FUND’S FIVE YEAR STRATEGIC PLAN: IMPACT AND EXCELLENCE

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INTRODUCTION AND OVERVIEW
A MESSAGE FROM CDFI FUND DIRECTOR
ANNIE DONOVAN

Dear Colleagues:

I am pleased to present to you the Community Development Financial Institutions Fund’s (CDFI Fund) fiscal year (FY) 2016 Year in Review. As you will see in the following pages, the CDFI Fund made measurable progress toward expanding economic opportunity and growth in distressed communities. In the past year, our programs leveraged billions of dollars in investor capital, provided financing to thousands of businesses (most of them small businesses), enabled the creation of jobs across the country, and catalyzed the development of tens of thousands of affordable housing units. That’s impact!

The CDFI Fund awarded organizations more than $543 million in financial assistance, loans, and bond guarantees in FY 2016, including the first award round of the Capital Magnet Fund since FY 2010. And we recognized innovative practices that will increase access to capital and financial services in underserved rural areas, especially areas of persistent poverty, through our 2016 CDFI Prize Competition.

Shortly after the close of FY 2016, we announced the largest single award round for the New Markets Tax Credit Program in history—$7 billion in tax credits for community and economic development activities in low-income communities nationwide.

In addition to these programmatic achievements, we significantly advanced the implementation of the Awards Management Information System (AMIS). AMIS is a cloud-based, integrated technology platform that will increase our efficiency, improve the quality of the data we collect, and enhance the customer experience.

We also spent time thinking about how we can increase our reach in low-income communities; deepen the impact of the services that CDFIs are offering now; and encourage innovative financial products, services, and solutions for low-income Americans across the country. The end result is our Strategic Plan for FY 2017-2022, which you can preview in this publication and view in full on our website.

I am proud of the work already achieved by both the CDFI Fund and our awardees, but more importantly I am excited to get to work in the coming months to implement our strategic objectives. My sincere thanks to everyone—from CDFIs and members of the public, to members of our Community Development Advisory Board, to the CDFI Fund’s staff—for their thoughtful contributions to this process. Together, we are ready to create an even more inclusive economy.

Read on to view the CDFI Fund’s FY 2016 achievements, and learn even more about our work at 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 in the following ways:

1. through its Bank Enterprise Award Program by providing an incentive to banks to invest in their communities and in other CDFIs;
2. through its Capital Magnet Fund by providing competitively awarded grants 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. through its CDFI Bond Guarantee Program by issuing guarantees for bonds to support CDFIs that make investments for eligible community or economic development purposes;
4. through its 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. through its Native Initiatives, 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. through its 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.
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 negotiable 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 more than 1,000 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.
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 2016, the CDFI Fund was appropriated $233.5 million as follows:

FUNDING ALLOCATIONS (IN MILLIONS)

<table>
<thead>
<tr>
<th>FY 2015</th>
<th>FY 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>$15M</td>
<td>$15.5M</td>
</tr>
<tr>
<td>$174.4M</td>
<td>$175.4M</td>
</tr>
<tr>
<td>$18M</td>
<td>$19M</td>
</tr>
<tr>
<td>$23.1M</td>
<td>$23.6M</td>
</tr>
<tr>
<td>Administration Costs</td>
<td>administration Costs</td>
</tr>
<tr>
<td>CDFI Program</td>
<td>CDFI Program</td>
</tr>
<tr>
<td>Bank Enterprise Award (BEA) Program</td>
<td>Bank Enterprise Award (BEA) Program</td>
</tr>
<tr>
<td>Native Initiatives</td>
<td>Native Initiatives</td>
</tr>
</tbody>
</table>
TOP FINANCIAL DATA
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.

### CERTIFIED CDFIS

<table>
<thead>
<tr>
<th>Net increase in the number of certified CDFIs over FY 2015</th>
<th>Total certified CDFIs at the end of FY 2016, including 74 Native CDFIs</th>
</tr>
</thead>
<tbody>
<tr>
<td>91</td>
<td>1,049</td>
</tr>
</tbody>
</table>

### COMMUNITY INVESTMENT

<table>
<thead>
<tr>
<th>The number of organizations that received awards and honorable mentions through the 2016 CDFI Prize Competition for ideas to increase the availability of affordable financial services and lending in underserved rural areas and areas of persistent poverty</th>
</tr>
</thead>
<tbody>
<tr>
<td>8</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Loans and investments made possible through the New Markets Tax Credit Program (NMTC Program), of which 74.5 percent were made in severely distressed communities</th>
</tr>
</thead>
<tbody>
<tr>
<td>$3.16B</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Approved term sheets, agreements to guarantee, and bond loans closed through the CDFI Bond Guarantee Program in FY 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>$265M</td>
</tr>
</tbody>
</table>

1Source: FY 2016 CDFI Fund Agency Financial Report
FY 2016 DATA

BUSINESSES AND JOBS

11.3K Businesses financed by CDFI Program awardees

530 Businesses financed by NMTC Program allocatees

$57M Amount of business and microenterprise loans provided by Native American CDFI Assistance Program (NACA Program) awardees

FINANCIAL ACCESS AND LITERACY

37.6K JOBS from the funds deployed through the NMTC Program

16.5K INDIVIDUALS that received financial literacy training from NACA Program awardees

427K INDIVIDUALS that received financial literacy or other training from CDFI Program awardees

HOUSING AND COMMERCIAL REAL ESTATE

10.2M Square feet of commercial real estate developed from financing from NMTC Program allocatees

34K AFFORDABLE HOUSING UNITS financed by CDFI Program and NMTC Program awardees


6See page 42 for break-down

5, 6 Numbers are approximate
**KEY HISTORICAL DATA**
(CUMULATIVE BY PROGRAM)

**AWARDS, ALLOCATIONS, AND BONDS SINCE INCEPTION**

<table>
<thead>
<tr>
<th>Award Type</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Allocated in tax credit investment authority through the NMTC Program</td>
<td>$50.5B</td>
</tr>
<tr>
<td>Guaranteed bonds through the CDFI Bond Guarantee Program</td>
<td>$1.1B</td>
</tr>
<tr>
<td>CDFI Program and NACA Program awards</td>
<td>$2B</td>
</tr>
<tr>
<td>BEA Program awards</td>
<td>$410M</td>
</tr>
<tr>
<td>Capital Magnet Fund awards</td>
<td>$171M</td>
</tr>
</tbody>
</table>

**COMMUNITY INVESTMENT**

- **5.4K** Businesses financed by NMTC Program allocatees
- **710K** Jobs from the equity raised and deployed through the NMTC Program

**10.9K AFFORDABLE HOMES**
under development or completed by Capital Magnet Fund awardees (from FY 2010 round)

**13.9K AFFORDABLE HOUSING UNITS**
developed from financing from NMTC Program allocatees

- **1.58M SQ FT.**
of new retail space for healthy food projects reported by Healthy Food Financing Initiative Financial Assistance (HFFI-FA) awardees

- **2.2M SQ FT.**
of production and distribution space for healthy food projects reported by HFFI-FA awardees

- **178.5M SQ FT.**
of commercial real estate developed from financing from NMTC Program allocatees

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**Source:** FY 2016 CDFI Fund Agency Financial Report

**Numbers are approximate**
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 investing 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 population lives 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.

In calendar year 2016, FY 2014 BEA Program award recipients reported on the use of their awards to the CDFI Fund. According to the information reported to date, FY 2014 BEA Program award recipients used their awards to engage in a variety of BEA qualified activities.

The table to the right shows how FY 2014 BEA Program award recipients used their awards by category, activity type, and amount.

**FY 2014 BEA PROGRAM AWARD RECIPIENTS’ USE OF AWARD**

<table>
<thead>
<tr>
<th>CDFI RELATED ACTIVITIES</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>CDFI Deposits/Shares</td>
<td>$495,000</td>
</tr>
<tr>
<td>CDFI Equity Investments</td>
<td>$355,000</td>
</tr>
<tr>
<td>CDFI Grants</td>
<td>$671,000</td>
</tr>
<tr>
<td>CDFI Loans</td>
<td>$655,526</td>
</tr>
<tr>
<td>TA Provided to CDFIs</td>
<td>$130,000</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>DISTRESSED COMMUNITY FINANCING ACTIVITIES</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Affordable Home Mortgage Loans</td>
<td>$1,696,493</td>
</tr>
<tr>
<td>Affordable Housing Development Loans and Project Investments</td>
<td>$3,116,585</td>
</tr>
<tr>
<td>Commercial Real Estate Loans and Project Investments</td>
<td>$6,343,422</td>
</tr>
<tr>
<td>Home Improvement Loans</td>
<td>$15,000</td>
</tr>
<tr>
<td>Small Business Loans and Project Investments</td>
<td>$3,593,634</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>SERVICE ACTIVITIES</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Community Services</td>
<td>$56,000</td>
</tr>
</tbody>
</table>

**Total** | **$17,127,660**

**FY 2016 Round:** In January 2017, the BEA Program plans to announce the availability of more than $19 million in funding available from FY 2016 appropriations. The BEA Program awards will be announced in FY 2017.

**Since the inception of the BEA program in 1994, the CDFI Fund has awarded grants totaling more than $429 million.**
CAPITAL MAGNET FUND AWARDS MUST BE LEVERAGED AT LEAST 10:1 WITH PRIVATE AND PUBLIC INVESTMENTS. THE 2016 Awardees Project That 70 Percent of the Leveraged Funds Will Come From Private Sources.

The Capital Magnet Fund provides competitive grant 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.

In 2016, the Capital Magnet Fund awarded $91.5 million to 32 applicants, which is expected to generate over $910 million in public and private investment. The CDFI Fund received applications from 125 organizations requesting more than $600 million.

With these resources, award recipients plan to develop 17,000 affordable housing units, including more than 15,000 rental units and 2,000 homeownership units across 38 states. 28 percent of awardees plan to invest the majority of their Capital Magnet Fund dollars in non-metropolitan areas. Nearly 20 percent of award recipients plan to utilize their awards for economic development activities.
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 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 2016, the CDFI Fund closed two bond transactions, and the Secretary issued the corresponding two guarantees totaling $265 million. Since its inception, the total amount of bonds closed and corresponding guarantees exceeds $1.1 billion.

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Commercial Real Estate</td>
<td>$77.5M</td>
</tr>
<tr>
<td>Rental Housing</td>
<td>$116.5M</td>
</tr>
<tr>
<td>Charter Schools</td>
<td>$102.3M</td>
</tr>
<tr>
<td>Non-Profit Organizations</td>
<td>$15.6M</td>
</tr>
<tr>
<td>Healthcare Facilities</td>
<td>$13.3M</td>
</tr>
<tr>
<td>Small Businesses</td>
<td>$2.9M</td>
</tr>
<tr>
<td>Daycare Centers</td>
<td>$2.7M</td>
</tr>
</tbody>
</table>
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 2016, the CDFI Fund awarded $22 million in HFFI Financial Assistance Awards to help nine CDFIs finance healthy food activities.

23 previous HFFI awardees have reported 261 HFFI investments totaling $137.9 million. There have been 131 retail investments totaling over $115 million; these projects developed 1,581,243 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 130 non-retail investments totaling over $23 million in projects involving production and distribution, which developed 2,225,673 square feet of space for eligible healthy food activities.

The Community Development Financial Institutions Program (CDFI Program) is the CDFI Fund’s flagship program and 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.

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.

These awards are provided each year through a competitive application process. In addition, the CDFI Fund provides a variety of resources, including webinars, online application materials, and a Program Help Desk, to help applicants complete their applications.

Since the CDFI Program’s inception in 1994, organizations have received more than $1.9 billion in financial assistance and technical assistance.
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.

The demand for Financial Assistance awards remains high. In FY 2016, the maximum award amount was capped at $2 million.

THE CDFI PROGRAM AWARDED $148.2 MILLION IN FA AND TA AWARDS TO CDFIs IN FY 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 2016, the CDFI Fund received 361 community organizations requesting nearly $547.1 million in funding. Through a rigorous selection process, the CDFI Fund awarded $144 million to 123 organizations throughout the United States.

In FY 2016, the CDFI Fund received Financial Assistance applications from 361 community organizations requesting nearly $547.1 million in funding. Through a rigorous selection process, the CDFI Fund awarded $144 million to 123 organizations throughout the United States.
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 (CIIS). These annual performance reports enable the CDFI Fund and the awardees to measure the impact of the funds awarded through the CDFI Program.

Below are some top performance measures for CDFI Program awardees for FY 2016, based on program activities reported in 2015.3

![Circle chart showing loans and investments of previous CDFI program awardees in millions.]

<table>
<thead>
<tr>
<th>LENDING AND INVESTING ACTIVITY</th>
<th>2015 ACTIVITY REPORTED IN FY 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Loans/Investments Originated</td>
<td>$3.62 billion</td>
</tr>
<tr>
<td>Affordable Housing Units Financed</td>
<td>33,500</td>
</tr>
<tr>
<td>Businesses Financed</td>
<td>11,300</td>
</tr>
</tbody>
</table>

2016 CDFI PRIZE COMPETITION

In 2016, the CDFI Fund ran a Prize Competition to reward innovative ideas and approaches to increasing CDFI investment and access to capital in underserved rural areas, particularly those characterized by persistent poverty. Eight organizations received an aggregate total of $1 million.

Winners of the competition were selected based on their submission of innovative proposals that: (1) identify and promote new ideas and practices for implementation by CDFIs that serve rural areas, and/or (2) create value during and after the competition by encouraging CDFIs serving rural areas to develop new skills or practices that may have beneficial effects on the communities they serve.

The full list of winners, and their innovative proposals, can be found on the CDFI Fund’s website.
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.

The performance results reported by NACA Program awardees in FY 2016 show that Native CDFIs originated loans or investments totaling $73.5 million based on their portfolio of activities in 2015.

Since the program’s inception in 2001, the number of certified Native CDFIs has increased from 7 to 74.

In FY 2016, the CDFI Fund received 61 NACA-eligible applications requesting $38 million in Financial Assistance and Technical Assistance awards. The CDFI Fund awarded 38 organizations a total of $15.5 million for both Financial Assistance and Technical Assistance funding.

Access to Capital and Credit in Native Communities

In FY 2016, a new independent report on access to capital and credit in Native Communities was released by the Native Nations Institute. The Access to Capital and Credit in Native Communities Report (the Report), commissioned by the CDFI Fund, 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.

One of the successes examined in the Report is the critical role of Native CDFIs, and how, thanks to the growth and reach of Native CDFIs, many Native Community residents who want to buy a home, start a business, or take control of their finances have better options today than they did when the CDFI Fund first examined the issue in 2001. It also discusses the role of the CDFI Fund’s programs for Native CDFIs, which have been a critical source of technical assistance and training in addition to capital. The full Report can be found on the CDFI Fund’s website at www.cdfifund.gov/native.
The Capacity Building Initiative provides free, specialized training programs, technical assistance, and online resources to help CDFIs improve their ability to deliver financial products and services to underserved communities.

The training programs focus on critical issues that CDFIs currently face, such as affordable housing and business lending needs in underserved communities, portfolio management, risk assessment, and foreclosure prevention, and are designed specifically to meet the needs of the participants. Additional resources, including webinars and the Resource Bank, are available online.

In FY 2016, the CDFI Fund administered two different training series listed below.

**FY 2016 TRAINING SERIES:**

- **Expanding CDFI Investments in Underserved Areas** series, which sought to increase CDFI coverage in underserved communities by providing advanced training and technical assistance (including one-on-one assistance, peer cohort forums, and advanced implementation forums) for CDFIs. More than 1,600 individuals representing 1,439 organizations participated in at least one of the capacity building activities offered under the training events. A broad diversity of CDFI types participated, including 773 loan funds, 213 credit unions, 114 banks, and 66 venture funds. The geographic spread was equally impressive with CDFI participants from 36 states, the District of Columbia, and Puerto Rico.

- **Building Native CDFIs’ Sustainability and Impact (BNCSI) series,** which provided specialized training and technical assistance to Native CDFIs in order to foster their growth and sustainability. BNCSI provided capacity building support to 57 Native CDFIs, trained 205 staff at seven on-site training events; developed Capacity Building Plans for 39 Native CDFIs; provided 2,359 hours of direct technical assistance and coaching; and trained 123 staff through webinar engagements.

The CDFI Fund would like to thank the Opportunity Finance Network and NeighborWorks® America for conducting the training sessions.

**RESOURCE BANK**

The Resource Bank is an online archive of Capacity Building Initiative training materials, including texts from workshops, recordings of webinars, and a variety of reference materials and research reports. The Resource Bank is an invaluable source of information on topics of current interest to the CDFI industry, and is offered at no charge to community development practitioners and anyone else, including the general public. The Resource Bank can be found at [www.cdfifund.gov/cbi](http://www.cdfifund.gov/cbi).
NEW MARKETS TAX CREDIT PROGRAM

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 first launched in 2002, 1,032 allocation awards totaling $50.5 billion in tax credit authority have been provided. NMTCs have generated nearly $42 billion in investments in low-income communities and businesses, resulting in the creation or retention of more than 700,000 permanent and construction jobs, and the construction or rehabilitation of more than 178 million square feet of commercial real estate.

In 2016, the CDFI Fund allocated a total of $7 billion in NMTCs as part of a disbursement that combined the 2015 and 2016 Calendar Year (CY) allocations into a single round—making it the largest single award round in the history of the program. In total, 120 organizations headquartered in 36 states, the District of Columbia, and Puerto Rico were selected from a pool of 238 applicants that requested approximately $17.6 billion in allocation authority.

More than 70 percent of the 2015-2016 allocatees have commitments to one or more innovative activities through the NMTC Program, including investing in states and territories that have historically received fewer NMTC investments; investing in Native American communities; and investing in non-real-estate activities, among other uses.

The NMTC awards for the combined 2015 and 2016 Calendar Year round were announced on November 17, 2016.
For the past 15 years, we have seen how the New Markets Tax Credit program improves the quality of life and economic prospects for low-income Americans. The historic $7 billion in tax credits awarded through the 2015-2016 round will support many more community projects and businesses nationwide.

– Director Donovan

ANNUAL PERFORMANCE OF NMTC PROGRAM ALLOCATEES

Allocatees report Qualified Equity Investments (QEIs) and loan/investment activity to the CDFI Fund through the Allocation Tracking System (ATS) and CIIS. Annual performance data represents the allocatees’ CIIS data reported for FY 2016 (completed in calendar year 2015).

<table>
<thead>
<tr>
<th>LENDING AND INVESTING ACTIVITY</th>
<th>FY 2016 ACTIVITIES (REPORTED IN 2015)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Loan/Investment Volume13</td>
<td>$3.16 billion</td>
</tr>
<tr>
<td>Number of Loans/Investments</td>
<td>1,146</td>
</tr>
<tr>
<td>Percent of Loans/Investments in Severely Distressed Communities</td>
<td>74.5%</td>
</tr>
<tr>
<td>Jobs Created14</td>
<td>10,932</td>
</tr>
<tr>
<td>Projected Construction Jobs15</td>
<td>26,700</td>
</tr>
<tr>
<td>Sq. Ft. of Commercial Real Estate</td>
<td>10.1 million</td>
</tr>
<tr>
<td>Businesses Financed</td>
<td>530</td>
</tr>
<tr>
<td>Affordable Housing Units Financed</td>
<td>660</td>
</tr>
</tbody>
</table>

13 Qualified Low-Income Community Investments
14 At end of reporting period
15 Numbers are approximate
THE CDFI FUND’S FIVE YEAR STRATEGIC PLAN
The CDFI Fund’s new Strategic Plan: Impact and Excellence, will guide the CDFI Fund’s actions over the next five years through FY 2022. The primary goals of the Strategic Plan are below; the full plan is available on the CDFI Fund’s website.

1. Increase the impact of the CDFI Fund network by supporting the growth, reach, and performance of CDFI Fund awardees.

2. Build the capacity of the CDFI Fund and its network to better capture, produce, and utilize data to improve decision-making, performance, and accountability.

3. Ease the customer experience and create on-ramps for new and emerging CDFIs and CDEs to access CDFI Fund programs.

4. Promote awareness of CDFIs in order to expand their access to new resources.

5. Create organizational excellence by increasing workforce engagement, enhancing team performance, and improving operational efficiency.

Our thanks to the organizations photographed and the CDFI Fund awardees financing them:

- Community Coalition in Los Angeles, CA (financed by LIIF);
- DC Cakes and Firelake Arena in Shawnee, OK (Citizens Potowatomi CDC);
- Revolution Mill and Renaissance Shops in Greensboro, NC (Self-Help FCU); and
- Walnut Way and Wellness Commons in Milwaukee, WI (Forward Community Investments)