



# FY 2021 Capital Magnet Fund Outreach Presentation

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## Module 2: Capital Magnet Fund Eligibility & Program Requirements

COMMUNITY DEVELOPMENT FINANCIAL INSTITUTIONS FUND

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

# Applicant Eligibility Factors



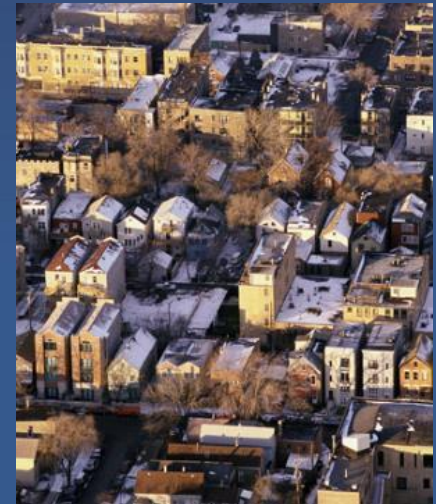
- To be eligible to apply for a CMF Award, an Applicant must:
  - Be certified as a CDFI by the CDFI Fund; **OR**
  - Be a Nonprofit Organization having as one of its principal purposes the development or management of affordable housing.
- All Applicants must have been in existence as a legally formed entity for at least three years prior to the Application deadline.
- The Applicant must meet all eligibility requirements on its own behalf and may not rely on any Affiliates or Subsidiaries to meet this requirement.
- All Applicants must have audited financial statements encompassing its two most recently completed fiscal years prior to the date of the FY 2021 CMF Notice of Funding Availability (NOFA).

# CMF Eligibility for CDFIs



An eligible CDFI must meet the following requirements:

- Has been determined by the CDFI Fund to meet the CDFI certification requirements by the date of the NOFA.
- Has NOT been notified by the CDFI Fund that its certification is in default or has been terminated.



# CMF Eligibility for Nonprofit Organizations



**An eligible Nonprofit Organization (that is not a CDFI) must:**

- Demonstrate through articles of incorporation, by-laws, or other board-approved documents, that the development or management of affordable housing are among its principal purposes.
- Demonstrate that at least thirty-three and one-third percent of its total assets are dedicated to the development or management of affordable housing.

Note: Certified CDFIs that are also nonprofits do NOT need to meet these additional eligibility qualifications.

# Additional Eligibility Requirements



## Certified CDFIs and qualified Nonprofit Organizations that are NOT Eligible for a CMF Award:

- Any 501(c)(4) organization that engages in lobbying activities is not eligible to receive a CMF Award.
- Any Applicant that has defaulted on a CDFI Program loan within five years of the Application deadline.
- Non-compliant Recipients of prior CDFI Fund program awards, if, as of the date, of the Application:
  - The CDFI Fund has made a determination that such entity (or Affiliate of such entity) is noncompliant with a previously executed agreement; OR
  - The CDFI Fund has provided written notification that such entity (or Affiliate of such entity) is ineligible to apply for or receive any CDFI Fund awards during the FY 2021 round.

# Eligible Activities of CMF Award Dollars



- Capitalize an Affordable Housing Fund
- Capitalize a Revolving Loan Fund
- Fund Loan Loss Reserves
- Make Risk-Sharing Loans
- Provide Loan Guarantees
- Capitalize a Fund for Economic Development Activities



# CMF Requirements



- Recipients may use no more than 30% of their award to finance Economic Development Activities (if requested in their Application).
- Each CMF Award must result in Eligible Project Costs (CMF Award dollars plus Leveraged Costs) in an amount that equals at least 10 times the amount of the CMF Award.
- For example, if the Applicant is requesting a \$1 million award, it would need to leverage another \$9 million, resulting in \$10 million of Eligible Project Costs.

# Additional CMF Requirements



- **100% of Eligible Project Costs must be** attributable to Affordable Housing Activities to support housing that is occupied by Families at or below 120% Area Median Income (AMI).
- **Greater than 50% of Eligible Project Costs must be** attributable to Affordable Housing Activities to support housing that is occupied by Families at or below 80% of AMI.
- **No more than 5% of CMF Award dollars can be used for** Direct Administrative Expenses.
  - **Any portion** of the amount available for Direct Administrative Expenses may be used for **direct costs** related to the effective tracking and evaluation of program or evidence-based outcomes for CMF-funded Projects.



# CMF Award Restrictions



- No single Applicant may apply for or receive more than 15% of the total award amount available under the FY 2021 application round.



# Questions?



- Submit a Service Request in the CDFI Fund's Awards Management Information System (AMIS)
- E-mail [cmf@cdfi.treas.gov](mailto:cmf@cdfi.treas.gov)
- Contact the CDFI Fund Help Desk at (202) 653-0421; Option 6