



FY 2024 Capital Magnet Fund Outreach Presentation

Module 6: Economic Development and CMF

COMMUNITY DEVELOPMENT FINANCIAL INSTITUTIONS FUND

www.cdfifund.gov

Economic Development Overview



- CMF Awards finance Affordable Housing Activities, as well as related Economic Development Activities (EDA), including the financing of Community Service Facilities.
- Recipients can use no more than 30 percent of their CMF Awards for Economic Development Activities. CMF Awards may only be used for the financing and/or support of Projects and may not be used as grants or loans to businesses.



What is Eligible EDA



An eligible Economic Development Activity must:

- Develop, preserve, acquire and/or rehab Community Service Facilities and/or other physical structures in which neighborhood-based businesses operate;

AND

- In Conjunction With Affordable Housing Activities, implement a Concerted Strategy to stabilize or revitalize a Low-Income Area or Underserved Rural Area.

Per Section 1807.104 of CMF Interim Rule (12 CFR 1807).

Examples of Eligible Economic Development Activities



Some examples of eligible Economic Development Activity structures and Community Service Facilities include, but not limited to:

- Day care centers and schools
- Grocery stores
- Health clinics
- Food banks
- Community centers
- Workforce development centers
- Facade improvements
- Revitalization of commercial buildings



Integrating Economic Development with Affordable Housing



Economic Development Activities (EDA) must be developed In Conjunction With Affordable Housing Activities, meaning that the Community Service Facility or neighborhood-based business must be:

1) Physically proximate:

- For a Metropolitan Area, being located within the same census tract or within 1 mile of the Affordable Housing.
- For a Non-Metropolitan Area, being located in the same county or within 10 miles of the Affordable Housing.

AND

2) Reasonably available to residents of Affordable Housing.

Economic Development as Part of a Concerted Strategy



Economic Development Activities, In Conjunction With Affordable Housing Activities, must implement a Concerted Strategy to stabilize or revitalize a Low-Income Area or Underserved Rural Area.

- **Concerted Strategy:** Formal planning document that evidences the connection between Affordable Housing Activities and Economic Development Activities. These documents include, but are not limited to, a comprehensive, consolidated, or redevelopment plan, or some other local or regional planning document adopted or approved by the jurisdiction.

EDA Example: Retail



- An FY 2010 Recipient combined affordable housing with retail in Chicago's historic Bronzeville neighborhood.
- A Walmart Neighborhood Market will be the anchor commercial tenant with a 41,000 square-foot store, providing greater access to jobs and fresh food to residents.
- The \$46.5 million complex is the first commercial and residential development in the area in more than 50 years.



Questions?



- Submit a Service Request in the CDFI Fund's Awards Management Information System (AMIS) - *This method is strongly preferred and ensures the fastest routing.*
- E-mail cmf@cdfi.treas.gov
- Contact the CDFI Fund Help Desk at: (202) 653-0421; Option 6
- Current data sets may be found at: <https://www.cdfifund.gov/programs-training/programs/cmf/apply-step>