

EXPANDING **OPPORTUNITY**

THE CDFI FUND'S FY 2019 YEAR IN REVIEW





INTRODUCTION AND OVERVIEW

Message from the Director

CDFI Fund Overview

PROGRAM ACHIEVEMENTS

Bank Enterprise Award Program

Capital Magnet Fund

CDFI Bond Guarantee Program

CDFI Program

Native Initiatives

New Markets Tax Credit Program

IMPACT

Key Historical Data

CDFI Fund Award History

MESSAGE FROM THE DIRECTOR

Dear Colleagues:

I am pleased to present the Community Development Financial Institutions Fund's (CDFI Fund's) fiscal year (FY) 2019 Year in Review.

Since its establishment 25 years ago, the CDFI Fund has provided nearly \$3.6 billion through a variety of monetary award programs, \$57.5 billion in tax credits through the New Market Tax Credit Program, and has guaranteed more than \$1.6 billion in bonds through the CDFI Bond Guarantee Program to increase the impact of Community Development Financial Institutions (CDFIs) and other community development organizations in economic distressed and underserved communities.

I am proud to report that in my first year as Director, the CDFI Fund continued to build on its record of impact and performance. In FY 2019, the CDFI Fund awarded approximately \$390 million in monetary awards¹, \$100 million in bond guarantees, and \$3.5 billion in New Market Tax Credits to community development organizations to provide access to capital and credit and to support an array of community revitalization and development activities.

CDFI Fund Award Recipients have successfully utilized CDFI Fund assistance programs to leverage billions in private sector investment to create jobs, build affordable housing, develop essential community facilities, deliver financial counseling, and invest in neighborhood revitalization initiatives.

This year alone, CDFI Program Award Recipients reported originating more than 772,000 loans and investments in excess of \$21.5 billion—an increase of more than 93% from FY 2018 reported activity! These loans and investments were used to finance more than 51,300 units of affordable housing and nearly 19,200 businesses in distressed and underserved communities lacking access to traditional lending and banking institutions.

The level of demand for CDFI Fund awards—which consistently outweighs the supply of resources available—as well as the significant increase in CDFIs' lending and investment activities underscores the need to provide those in distressed and underserved communities a greater opportunity to enter the nation's economic mainstream.

During the course of FY 2019, the CDFI Fund undertook a number of activities to improve access to its resources and to maximize program performance, including:

- Relaunching the Capacity Building Initiative and providing the first series of trainings and workshops to increase capabilities



of CDFIs to deploy capital in distressed and underserved communities. The first trainings included offerings to support Native CDFIs and CDFIs serving individuals with disabilities.

- Supporting investment in Persistent Poverty Communities (PPCs) through targeted assistance provided by the Bank Enterprise Award Program, CDFI Program, and NACA Program. To date, CDFI Program and NACA Program Recipients have lent or invested nearly \$7.8 billion in PPCs, which comprises roughly 20% of all Award Recipient transaction dollars. In addition, nearly 15% of FY 2019 Bank Enterprise Award Program awards were committed to PPCs.
- Continuing development of the Awards Management Information System (AMIS) to improve the CDFI Fund's data, decision-making, and delivery of program resources, including the deployment of revised Help Desk features to improve customer service.
- Continuing development of the Assessment and Risk Management Framework (ARM Framework), a suite of tools designed to assess the financial and programmatic risks of CDFI Program Applicants and Recipients, and to enhance the CDFI Fund's risk-based compliance monitoring strategies.

¹ Includes the FY 2019 Community Development Financial Institution Program (CDFI Program) and Native American CDFI Assistance Program (NACA Program) Financial Assistance Awards, which were announced on November 19, 2019.

The outcomes, accomplishments, and impacts outlined in the FY 2019 Year in Review would not be possible without the commitment from CDFI Fund staff, CDFIs and other CDFI Fund program participants to provide open and equitable access to capital in communities across the country.

Please continue reading to learn more about the CDFI Fund's FY 2019 impact. For more information, visit www.cdfifund.gov.

Regards,

A handwritten signature in blue ink that reads "Jodie L. Harris". The signature is fluid and cursive.

Jodie L. Harris
Director, CDFI Fund



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 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 generates economic opportunity in underserved low-income communities by expanding access to credit, capital and financial services. It accomplishes this through promoting access to capital and local economic growth through the following programs:

- 1 Bank Enterprise Award Program (BEA Program):** provides monetary awards to federally-insured banks and thrifts that demonstrate increased lending, investment, and service activities in the most economically distressed communities and/or CDFIs.
- 2 Capital Magnet Fund (CMF):** provides awards to CDFIs and non-profit affordable housing organizations for the development, preservation, rehabilitation, and purchase of affordable housing and for related economic development in low-income communities.
- 3 CDFI Bond Guarantee Program (BG Program):** provides a source of long-term capital for CDFIs by guaranteeing bonds issued to support CDFIs that make investment for eligible community or economic development purposes.
- 4 Community Development Financial Institutions Program (CDFI Program):** provides Financial Assistance and Technical Assistance awards to help certified and emerging CDFIs sustain and expand their services and build their technical capacity. The program also includes:
 - *Healthy Food Financing Initiative-Financial Assistance (HFFI-FA):* provides Financial Assistance awards to

certified CDFIs that invest in businesses that provide healthy food options, such as grocery stores, farmers markets, bodegas, food co-ops, and urban farms.

- *Disability Funds-Financial Assistance (DF-FA):* provides Financial Assistance awards to certified CDFIs that wish to expand their financing activities and services to benefit persons with disabilities.
- *Persistent Poverty County-Financial Assistance (PPC-FA):* provides Financial Assistance awards to certified CDFIs that provide Financial Products in Persistent Poverty Counties (PPCs).

5 Native Initiatives: provides training as well as Financial Assistance and Technical Assistance awards through the Native American CDFI Assistance Program (NACA Program) to build the capacity of CDFIs serving Native American, Alaska Native, and Native Hawaiian communities.

6 New Markets Tax Credit Program (NMTC Program): provides tax credit allocation authority to certified Community Development Entities (CDEs), enabling them to attract investment from the private sector and reinvest the funds in low-income communities.

These awards are provided each year through competitive application processes. 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.



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 support the creation of small businesses and local jobs, and the development of affordable housing, community facilities and schools—all in places where economic opportunity is needed most.

A network of more than 1,000 CDFIs operate in rural and urban areas across the country. CDFIs are found in all fifty states, the District of Columbia, Guam, and Puerto Rico. They bring diverse private and public sector investors together 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 at the time of application;
- 2

Have a primary mission of promoting community development;
- 3

Principally serve one or more target markets;
- 4

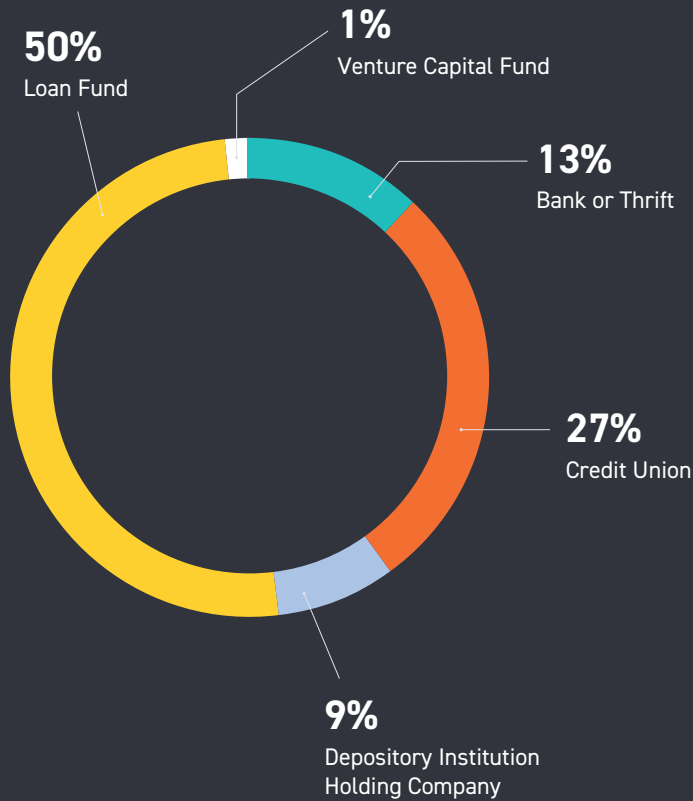
Be an insured depository institution, or otherwise have the offering of financial products and services as its predominant business activity;
- 5

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 1,082 CERTIFIED CDFIS AS OF SEPTEMBER 30, 2019)



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 2019, the U.S. Congress appropriated \$250 million to the CDFI Fund as follows:

FUNDING ALLOCATION (IN \$ MILLIONS)		
	FY 2018	FY 2019
Adminstration Costs	27	27
BEA Program	25	25
CDFI Program	182	182
Native Initiatives	16	16
Total	250	250

Program Achievements

BANK ENTERPRISE AWARD PROGRAM

www.cdfifund.gov/bea

The BEA Program emphasizes the key role that traditional financial institutions play in community development. The BEA Program provides monetary awards to FDIC-insured banks and thrifts for increasing their investments in CDFIs or in their own community development activities in highly distressed communities.

Since its inception, BEA Program awardees have received more than \$521 million for both 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% of the residents have incomes at or below the national poverty level and where unemployment is at least 1.5 times the national average.

Awards are then reinvested in these distressed communities, which helps accelerate the growth of businesses, creation of jobs, development of affordable housing, and availability of financial services.

In FY 2019, the CDFI Fund announced the FY 2018 and the FY 2019 rounds of the BEA Program. The CDFI Fund:

- opened the FY 2018 award round in July 2018 and awarded \$25 million to 119 financial institutions in December 2018; and
- opened the FY 2019 award round in April 2019 and awarded \$25.2 million to 113 financial institutions in September 2019.

A key performance measure for the BEA Program is a leverage ratio which compares the sum of all award recipients' qualified activities in eligible distressed communities and to certified CDFIs to the sum of all awards in a given year.

40:1

For FY 2018, the leverage ratio was 40:1, or \$1.0 billion in total qualified activities by all award recipients to \$25 million in total awards.

32:1

In FY 2019, the leverage ratio was 32:1, or \$799 million in total qualified activities by all award recipients to \$25 million in total awards.

BANK ENTERPRISE AWARD ACTIVITY IN PERSISTENT POVERTY COUNTIES

By Congressional direction, 10% of the awarded funds must support investments that serve populations living in persistent poverty counties for the FY 2018 and FY 2019 rounds. Persistent Poverty Counties (PPCs) are defined as counties where 20% or more of the population has lived in poverty over the past 30 years, as measured by the U.S. Census Bureau.

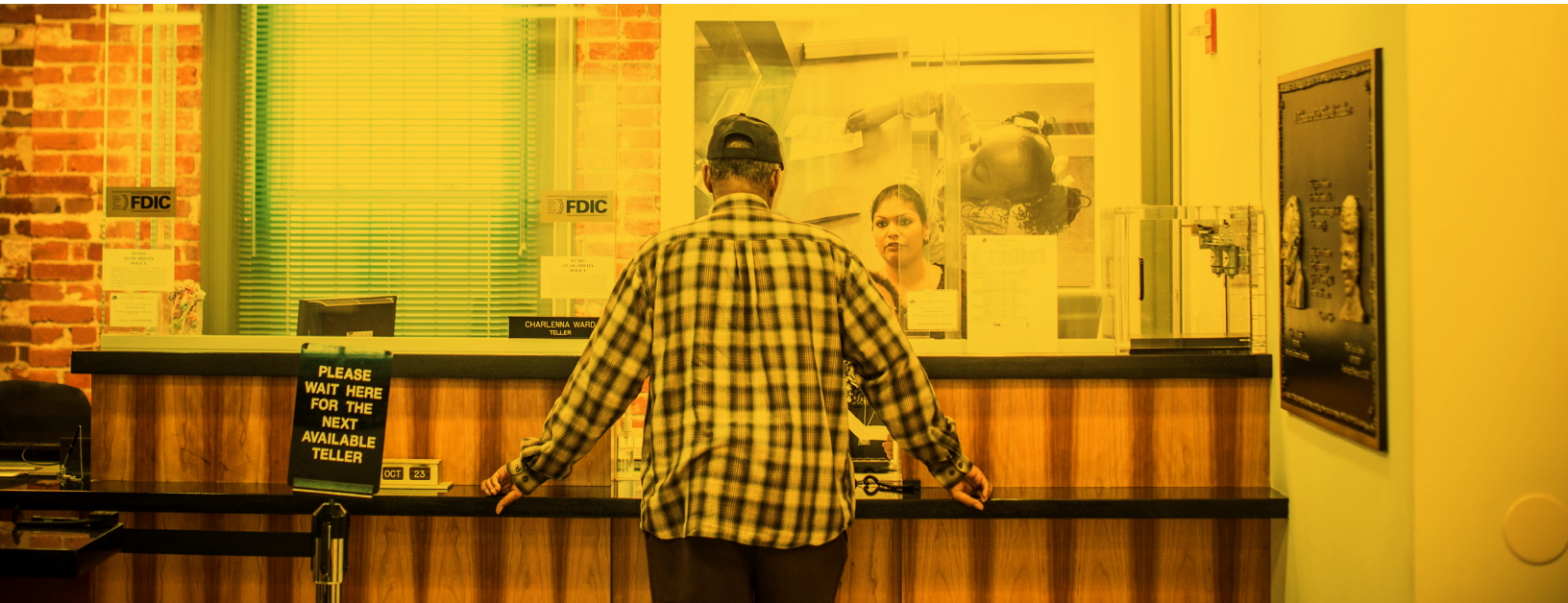
More than 70% of the FY 2018 awardees (86) will deploy in excess of \$3.4 million in PPCs—13.6% of the total amount awarded, exceeding the 10% Congress mandated BEA Program award recipients deploy in PPCs.

In addition, more than 90% of the FY 2019 awardees (81) committed to deploying a portion of their award in PPCs—14.8% of the FY 2019 awarded funds for the BEA Program.

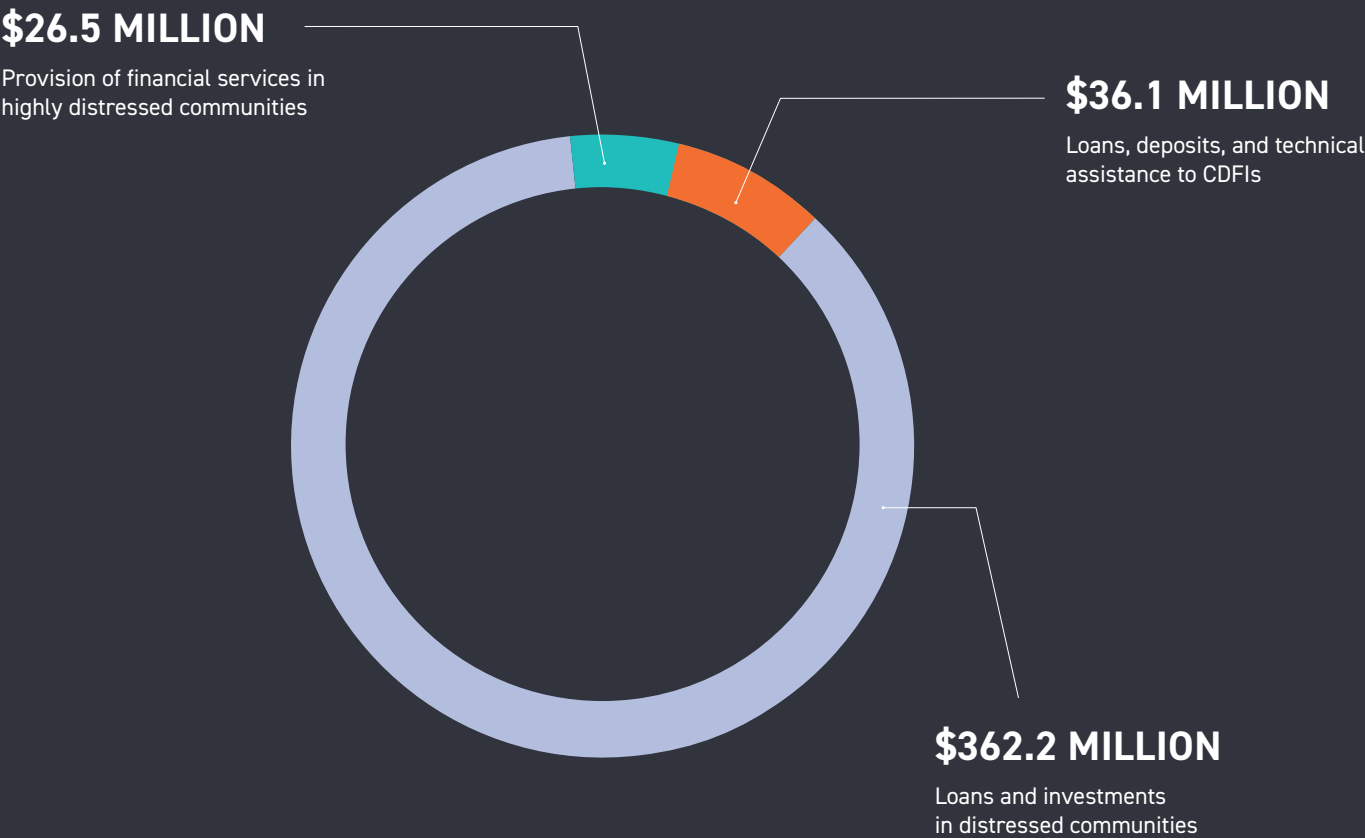
SUPPORTING CERTIFIED CDFIS

Certified CDFIs that receive investments, loans, or technical assistance from BEA Program applicants are known as CDFI Partners. For the FY 2019 award round, **41 BEA Program applicants** provided **\$24.4 million** in investments, loans, or technical assistance to **23 CDFI Partners**.

CDFI PARTNER ORGANIZATION TYPE	NUMBER OF CDFI PARTNERS	AMOUNT OF INVESTMENTS, LOANS, OR TECHNICAL ASSISTANCE
Bank or Thrift; Depository Institution Holding Company	1	\$500,000
Credit Union	18	\$19.4 million
Loan Fund	4	\$4.5 million



FY 2019 BEA PROGRAM AWARD RECIPIENT YEAR-OVER-YEAR INCREASE IN QUALIFIED ACTIVITIES





CAPITAL MAGNET FUND

www.cdfifund.gov/cmf

The Capital Magnet Fund provides competitive awards to CDFIs and non-profit housing organizations to attract private capital for affordable housing and related economic development activities in economically distressed areas. Funds are used to establish financing tools, including capitalizing affordable housing and revolving loan funds, loan-loss reserves, risk-sharing loans and loan guarantees.

Award recipients are required to leverage their Capital Magnet Fund dollars at a ratio of at least ten to one. However, anticipated leverage rates are substantially higher. For the more than \$433.9 million the CDFI Fund has awarded through the Capital Magnet Fund in four funding rounds,² award recipients project attracting public and private sector leverage of over \$11 billion.

The leverage requirement multiplies the impact of Capital Magnet Fund resources, ensuring that more low-income people across the country have access to affordable housing. Capital Magnet Fund recipients have two years to commit their CMF Award to specific projects and five years to complete those projects. Based on reporting received at the end of FY 2019, the \$141.7 million that has already been committed to projects from the FY 2016 and FY 2017 round awards is estimated to result in **\$4.5 billion** in eligible affordable housing and economic development projects.

FY 2010 Capital Magnet Fund awardees have reported more than 13,300 affordable homes under development or completed between 2010 and 2017.³ This includes more than 11,700 rental homes and more than 1,600

homeowner occupied homes for low-, very low-, and extremely low-income families.

On February 13, 2019, the Capital Magnet Fund awarded \$142.9 million to 38 organizations through the FY 2018 round of the program—the CDFI Fund received applications from 116 organizations requesting nearly \$570 million. These 38 Award recipients plan to serve 39 states, Puerto Rico, and the District of Columbia. 95% of all housing units will be developed for low-income families, 94% of the Homeownership Units will be developed for Low-Income Families (80% of the Area Median Income or below), and 57% of the Rental Units will be developed for Very Low-Income and Extremely Low-Income Families (50% of the Area Median Income or below).

FY 2018 award recipients plan to develop more than **25,000 affordable housing units**, including nearly **23,000 rental units** and more than **2,000 homeownership units**. They also project they will leverage an estimated **\$5.5 billion** in public and private investment.

² FYs 2010, 2016, 2017, and 2018

³ Source: FY 2019 CDFI Fund Agency Financial Report.



CDFI BOND GUARANTEE PROGRAM

www.cdfifund.gov/bond

The CDFI Bond Guarantee Program responds to the critical market demand for long-term, low-cost capital that can be used to spur economic growth in low-income communities — at no cost to taxpayers.

Through the program, the Secretary of the Treasury provides a 100% guarantee of bonds issued by Qualified Issuers. The Qualified Issuers use the bond proceeds to finance loans to CDFIs, which then use the funds to make loans in underserved communities.

⁴ Source: FY 2019 CDFI Fund Agency Financial Report

Congress establishes the total authorization level for the CDFI Bond Guarantee Program each year as part of the annual appropriations process. For FY 2019, Congress authorized the CDFI Bond Guarantee Program at \$500 million. The Treasury Department approved a \$100 million guarantee under the CDFI Bond Guarantee Program for FY 2019.

Since its inception, the total amount of bonds closed and corresponding guarantees exceeds **\$1.6 billion**.

To date, participating CDFIs have lent more than **\$1.1 billion, or 73% of the total amount of the bonds**,⁴ in rural, urban, and Native communities. They have financed projects across the country, including charter schools, rental housing facilities, commercial real estate, health care facilities, senior living and long-term care facilities, small businesses, daycare centers, not-for-profit organizations, and fi ancing entities.



CDFI BOND GUARANTEE PROGRAM
DISBURSEMENTS BY ASSET CLASS AS OF SEPTEMBER 30, 2019

ASSET CLASS	SINCE INCEPTION DISPURSEMENTS (\$MILLIONS)	PROPOSED DISBURSEMENTS (\$MILLIONS)	GEOGRAPHY (BASED ON YTD DISPURSEMENTS)
Charter Schools	\$288.5	\$440.00	AZ, CA, CO, CT, DC, FL, IL, MD, MI, MN, MO, NJ, NY, OH, PA, TN
Rental Housing	\$297.9	\$360.6	AL, AZ, CA, DC, FL, GA, IL, KY, MA, MD, MI, MN, NC, NJ, NM, NV, NY, OH, OR PA, TX, WI, WV, UT
Commercial Real Estate	\$192.7	\$267.7	AZ, CA, IL, MI, NJ, NC, NV, NY, OK, OR, PA ⁵
CDFI to Financing Entity ⁶	\$107.1	\$132.4	CT, FL, IL, IN, KY, MA, MD, MI, NJ, NM, PA RI, TN, VA, WV ⁷
Healthcare Facilities	\$78.7	\$104.2	AZ, CA, DC, IL, KY, NY, WI
Not-for-Profit Organizations	\$50.0	\$80.3	AZ, CA, MA, MI, NM, NV, NY, PA, TN
Senior Living and Long-Term Care	\$17.6	\$44.00	CA, NV
Small Business	\$30.7	\$37.7	AZ, CA, KY, PA, CO
Daycare Centers	\$11.6	\$25.1	CA, KY, NM, NY
Totals	\$1,074.8	\$1,492.00	

⁵ Tribal Communities in NV and OK.
⁶ Owner Occupied Homes 98.7% and Commercial Real Estate 1.3%.
⁷ All are home mortgages except NJ.



COMMUNITY DEVELOPMENT FINANCIAL INSTITUTIONS PROGRAM

www.cdfifund.gov/cdfi

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 primary types of monetary awards through the CDFI Program: Financial Assistance (Base-FA) awards and Technical Assistance (TA) awards.

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.

The CDFI Fund also provides HFFI-FA awards, to support the healthy food financing activities of CDFIs; DF-FA awards, to support CDFIs that finance projects and services that assist individuals with disabilities; and PPC-FA awards, to support CDFIs that provide Financial Products in PPCs.

In total, the CDFI Program awarded more than **\$182 million** in FY 2019 awards to CDFIs⁸.

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 primary Financial Assistance award type is the Base Financial Assistance (Base-FA) award. CDFIs may use Base-FA awards for a wide range of purposes—for example, to finance businesses and the development of affordable housing, commercial real estate, and community facilities; to support community-based social service organizations; and to provide mortgages, basic banking services, and financial literacy training to people in underserved communities.

In FY 2019, the CDFI Fund received Base-Financial Assistance applications from **412 community** organizations requesting **\$363.49 million** in funding. Through a rigorous selection process, the CDFI Fund awarded **\$132 million** to **261 CDFIs** throughout the United States.



⁸ The FY 2019 Financial Assistance awards were announced on November 19, 2019. The FY 2019 Technical Assistance awards were announced on September 19, 2019.

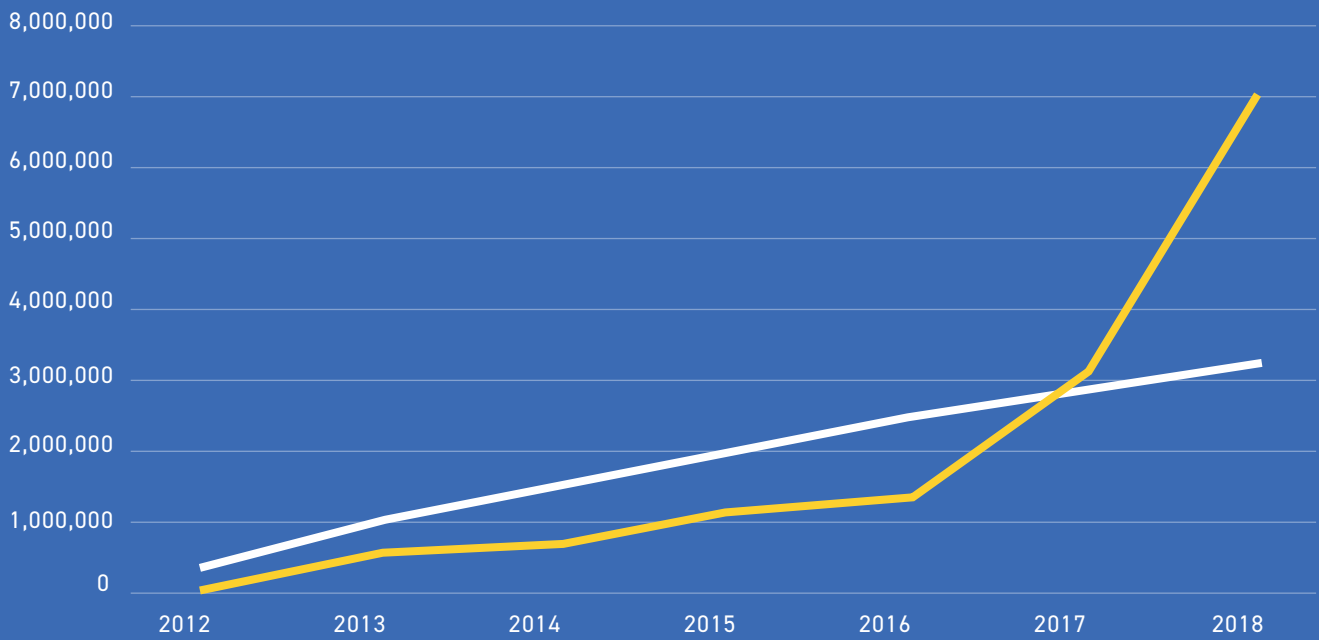
HEALTHY FOOD FINANCING INITIATIVE

Healthy Food Financing Initiative-Financial Assistance awards provide flexible Financial Assistance awards to CDFIs that invest in businesses that help increase access to healthy and affordable food in low-income communities. HFFI-FA is provided as a supplemental award to the Base-FA award.

In FY 2019, the CDFI Fund awarded **\$22 million** in HFFI-FA Awards to help **14 CDFIs** finance healthy food activities. These awards will contribute to investments in both retail projects, such as small green grocers or large supermarkets in low-income, low-access markets; and non-retail projects, such as production and distribution facilities.⁹

⁹Source: FY 2019 CDFI Fund Agency Financial Report

HEALTHY FOOD FINANCING INITIATIVE PROJECTS
(CUMULATIVE 2012-2018)



Note: Does not include one farm (non-retail) reported at 15,246,000 square feet.

FROM 2012 TO 2018, PREVIOUS
HFFI AWARD RECIPIENTS HAVE:

Originated \$237.8 million in loans and investments

- Invested in 170 retail projects for a total of \$193.9 million
- Invested in 192 non-retail projects for a total of \$43.8 million
- Led to the creation of 25,279,413 square feet of new healthy food outlets (retail and non-retail)¹⁰

¹⁰ Includes one farm reported at 15,246,000 square feet.





DISABILITY FUNDS- FINANCIAL ASSISTANCE

Disability Funds Financial Assistance (DF-FA) is another supplemental award to the Base-FA award. For FY 2019, 24 organizations requested \$10.1 million in DF-FA awards; the CDFI Fund awarded 16 CDFIs nearly \$3 million.

DF-FA awardees will use the funds to enhance their capacity to address the challenges of individuals with disabilities, such as: asset development; affordable, accessible, and safe housing; employment opportunities; or access to assistive products and services that support health and community living.

PERSISTENT POVERTY COUNTY- FINANCIAL ASSISTANCE

By Congressional direction, 10% of the awarded funds must support investments that serve populations living in persistent poverty counties for the FY 2019 round. Persistent Poverty Counties (PPCs) are defined as counties where 20% or more of the population has lived in poverty over the past 30 years.

For the FY 2019 CDFI Program awardees, almost half of the awardees committed to serving PPCs—125 CDFIs received \$18.2 million in PPC-FA awards specifically for investments in PPCs.

Historically, past CDFI Program awardees have invested or lent 17% of their cumulative financing activity in PPCs.

TECHNICAL ASSISTANCE AWARDS

Through the Technical Assistance component of the CDFI Program, the CDFI Fund provides grants to build the capacity of both existing CDFIs and organizations seeking to become certified as 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. Technical Assistance award recipients often use funds to analyze their target markets, develop lending procedures, and to build staff lending capacity. More established CDFIs use Technical Assistance awards to develop new products, to serve their market in new ways, or to enhance the efficiency of their operations with upgrades to their computer hardware or software.

In FY 2019, the CDFI Fund received **81** applications requesting nearly **\$9.8 million** in Technical Assistance grants, and selected **60** organizations to receive awards totaling **\$7.2 million**.

MEASURING SUCCESS

Organizations that receive Financial Assistance and Technical Assistance awards report their annual performance to the CDFI Fund. These annual performance reports enable the CDFI Fund and the awardees to measure the impact of the funds awarded through the CDFI Program.

These are some top performance measures for CDFI Program awardees for FY 2019, based on program activities reported in 2018.¹¹

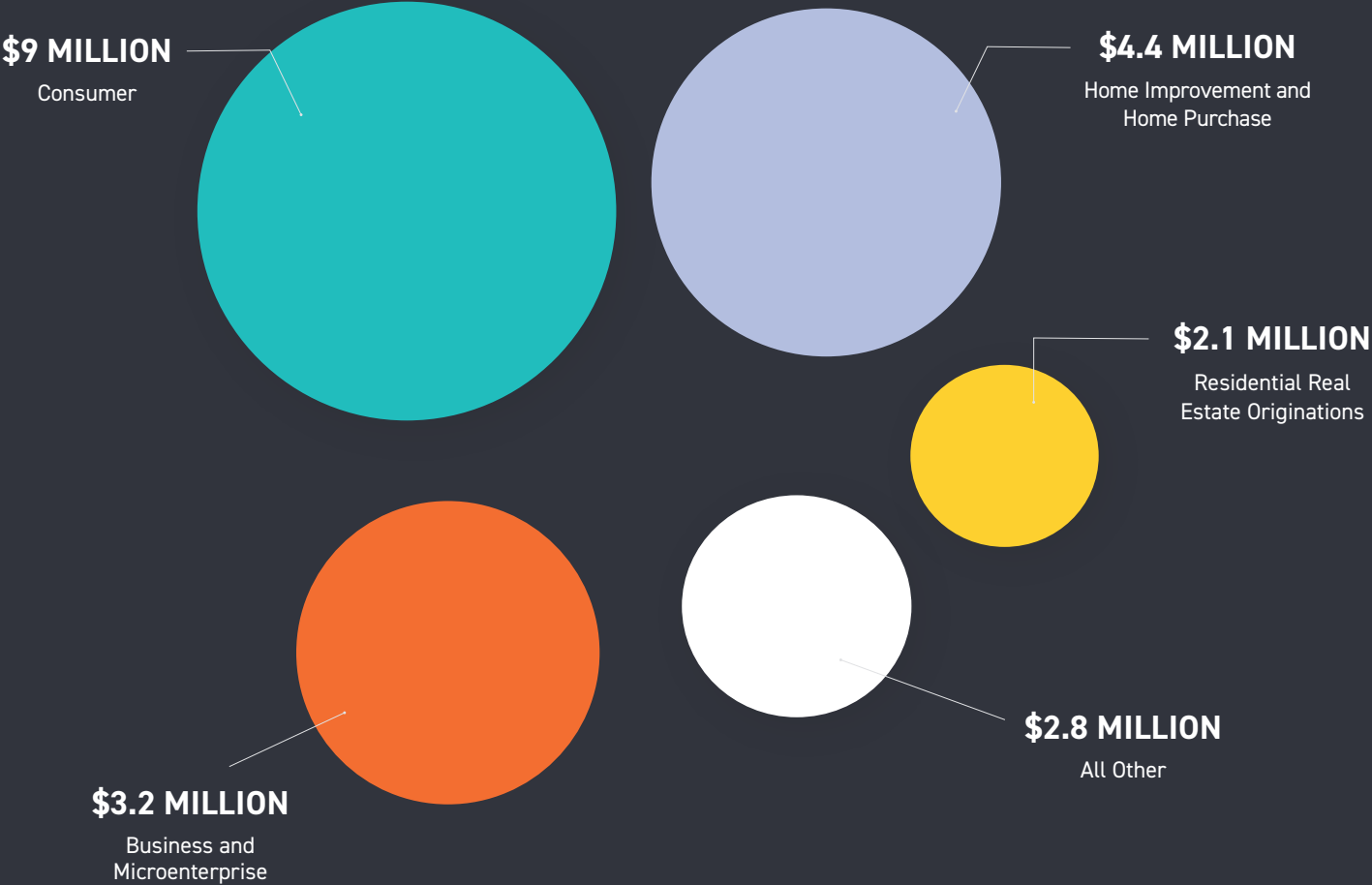
ANNUAL PERFORMANCE OF CDFI PROGRAM AWARDEES¹²

LENDING AND INVESTING ACTIVITY	2018 ACTIVITY REPORTED IN FY 2019
Total Loans/Investments Originated	\$21.57 billion
Affordable Housing Units Financed	51,359
Businesses Financed	19,200

¹¹Source: CDFI Fund FY 2019 Annual Financial Report
¹²Source: CDFI Fund FY 2019 Annual Financial Report



LOANS AND INVESTMENTS OF PREVIOUS CDFI PROGRAM AWARDEES FOR FY 2019 (BASED ON 2018 PROGRAM ACTIVITIES REPORTED IN 2019)



NATIVE INITIATIVES

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. **As of the end of FY 2019 there were 65 certified Native CDFIs.**

The NACA Program is similar to the CDFI Program, but with a focus on Native CDFIs. Like the CDFI Program, it provides Base-FA awards and TA awards. NACA Program applicants may also apply for the same supplemental Financial Assistance awards as CDFI Program applicants, such as PPC-FA.

PERSISTENT POVERTY COUNTY-FINANCIAL ASSISTANCE

By Congressional direction, 10% of the awarded funds must support investments that serve populations living in persistent poverty counties for the FY 2019 round. For the FY 2019 NACA Program awardees, 11 Native CDFIs received \$1.5 million in PPC-FA awards specifically for investments in PPCs. Historically, past NACA Program awardees have invested or lent more than 25% of their cumulative financing activity in PPCs.

MEASURING SUCCESS

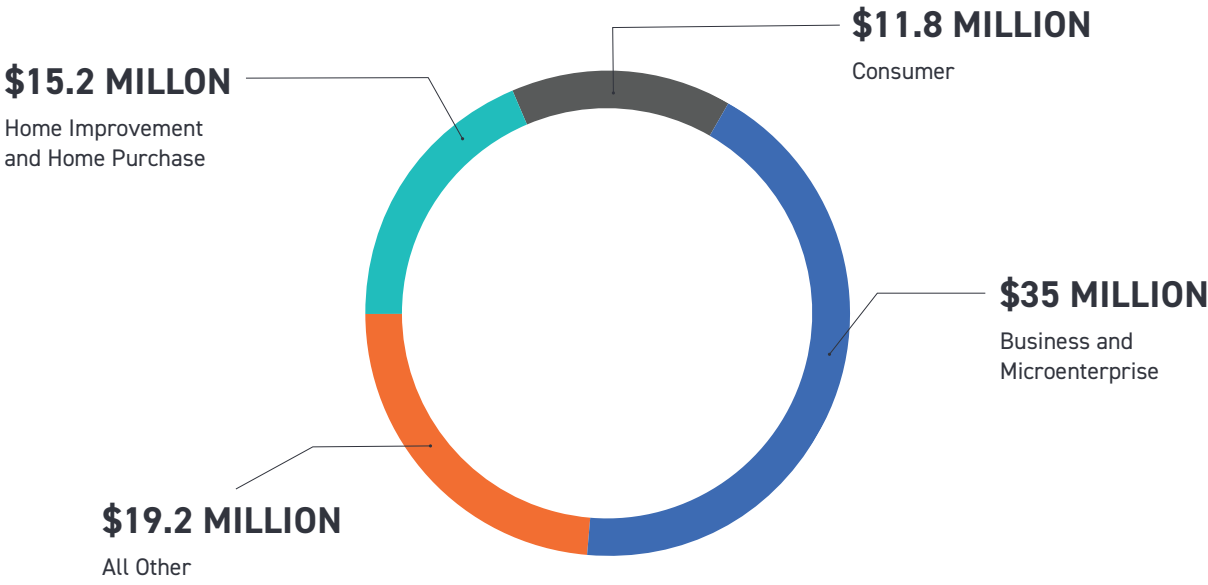
The performance results reported by NACA Program awardees in FY 2019 show that Native CDFIs originated more than 4,800 loans or investments totaling \$81.2 million based on their portfolio of activities in 2018.¹³

¹³ Source: FY 2019 CDFI Fund Agency Financial Report



In FY 2019, the CDFI Fund received **53 NACA Program applications** requesting **\$29 million** in Financial Assistance and Technical Assistance awards. The CDFI Fund awarded **36 organizations** more than **\$15.4 million** for both Financial Assistance and Technical Assistance funding.

LOANS AND INVESTMENTS OF PREVIOUS NACA PROGRAM AWARDEES FOR FY 2019 (BASED ON 2018 PROGRAM ACTIVITIES REPORTED IN 2019)



CAPACITY BUILDING INITIATIVE

In FY 2019, the CDFI Fund relaunched its Capacity Building Initiative (CBI). The CDFI Fund began work crafting a training curriculum focused on building the capacity of existing CDFIs, Native CDFIs and entities seeking to become or create CDFIs. During 2019, the CDFI Fund conducted a CDFI needs assessment to identify innovative, economical and efficient methods of delivering technical assistance. The assessment identified key training topics.

To support the specific capacity building needs of Native CDFIs and CDFIs serving individuals with disabilities, the CDFI Fund instituted the **Building Native CDFIs' Sustainability and Impact (BNSCI) II and Access for All: Expanding CDFI Impact in the Disability Community** trainings. These trainings were designed to enhance the ability of Native CDFIs to serve their communities, by ensuring that the organizations are well positioned to grow and to achieve greater impact; and to provide specialized training and technical assistance to certified and uncertified CDFIs that serve or intend to serve individuals with disabilities.



NEW MARKETS TAX CREDIT PROGRAM

www.cdfifund.gov/nmtc

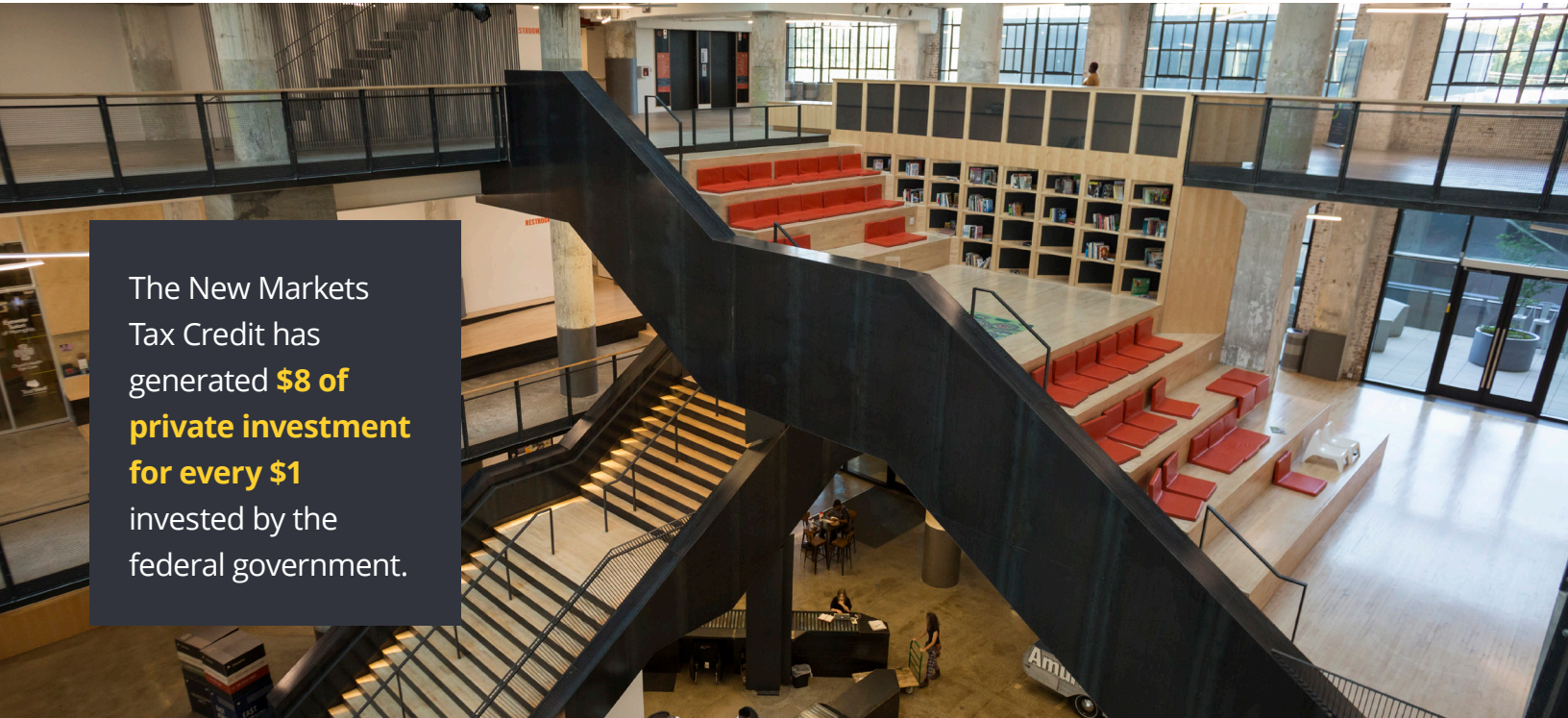
The NMTC Program helps economically distressed communities attract private investment capital by offering federal tax credits to fill project financing gaps, enabling investors to make larger investments than would otherwise be possible. NMTC Program investments in low-income community businesses such as community facilities, manufacturing, technology and mixed-use projects create jobs and provide greater access to housing, healthcare, education and retail services.

Through the NMTC Program, the CDFI Fund allocates tax credit authority to Certified 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.

Since the inception of the NMTC Program in 2000, the CDFI Fund has completed 15 allocation rounds and has made 1,178 awards totaling \$57.5 billion in tax allocation authority.

Since the Program's inception, NMTCs have generated more than \$52.5 billion in investments in low-income communities and businesses, resulting in the creation or retention of over 830,000 permanent and construction jobs, and the construction or rehabilitation of more than 218 million square feet of commercial real estate.



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

CY 2018 AWARD ROUND

The CDFI Fund announced the calendar year (CY) 2018 round awards of the NMTC Program in May 2019. The CDFI Fund received a total of 214 applications requesting an aggregate total of \$14.8 billion in NMTC allocation authority. The CDFI Fund awarded 73 CDEs \$3.5 billion in NMTC allocation authority. The CDEs are headquartered in 35 states, Puerto Rico, and the District of Columbia.

ANNUAL PERFORMANCE OF NMTC PROGRAM ALLOCATEES¹⁴

Allocatees report Qualified Equity Investments (QEIs) and loan/investment activity to the CDFI Fund. Annual performance data represents the allocatees' data reported for FY 2019 (completed in calendar year 2018)

¹⁴ Source: CDFI Fund FY 2018 Agency Financial Report

LENDING AND INVESTING ACTIVITY	FY 2018 ACTIVITIES (REPORTED IN 2019)
Loan/Investment Volume ¹⁵	\$3.8 billion
Number of Loans/Investments	1,374
Jobs Created ¹⁶	9,172
Projected Construction Jobs	26,710
Sq. Ft. of Commercial Real Estate	13 million
Businesses Financed	738
Affordable Housing Units Financed	828

¹⁵ Qualified Low-Income Community Investments

¹⁶ At end of reporting period.

Impact

The following statistics measure the work of the CDFI Fund and the CDFIs and 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)¹⁷

CERTIFIED CDFI'S	
196	Total number of certified CDFIs in 199
1,082	Total number of certified CDFIs at the end of FY 2019, including 65 Native CDFI
71	Number of CDFIs certified in FY 201
AWARDS, ALLOCATIONS, AND GUARANTEES SINCE INCEPTION	
\$433.9 million	Capital Magnet Fund awards
\$521 million	BEA Program awards
\$1.6 billion	Bond Guarantees through the CDFI Bond Guarantee Program
\$2.6 billion	CDFI Program and NACA Program awards
\$57.5 billion	Allocated in tax credit investment authority through the NMTC Program
CUMULATIVE AWARD RECIPIENT INVESTMENTS	
\$237.9 million	Healthy Food Financing Initiative Awardee Investments (FY 2012-FY 2019)
\$722.1 million	NACA Program Awardee Investments (FY 2010-FY 2019)
\$1.1 billion	CDFI Bond Guarantee Program Loans (FY 2010-FY 2019)
\$55.4 billion	CDFI Program Awardee Investments (FY 2010-FY 2019)
\$52.5 billion	NMTC Program Awardee Investments (FY 2003-FY 2019)

¹⁷ Source: FY 2019 CDFI Fund Agency Financial Report

COMMUNITY INVESTMENT	
7,287	Businesses financed by NMTC Program allocatees
203,463 ¹⁸	Businesses financed by CDFI Program and NACA Program awardees
314,000	Jobs created from the equity raised and deployed through the NMTC Program
522,088	Projected construction jobs created through the NMTC Program
13,300	Affordable homes under development or completed by Capital Magnet Fund awardees (from FY 2010 round)
15,420	Affordable housing units developed from financing from NMTC Program allocatees
273,528 ¹⁹	Affordable housing units financed by CDFI Program and NACA Program awardees
3.2 million	Square feet of new retail space for healthy food projects reported by Healthy Food Financing Initiative Financial Assistance (HFFI-FA) awardees
22 million ²⁰	Square feet of production and distribution space for healthy food projects reported by HFFI-FA awardees
218.3 million	Square feet of commercial real estate developed from financing from NMTC Program allocatees

¹⁸ Based on activities reported from 2009-2018

¹⁹ Based on activities reported from 2009-2018

²⁰ Includes one farm reported at 15,246,000 square feet



CDFI Fund Award History

CUMULATIVE AWARD HISTORY BY STATE, 1996-2018²¹

STATE	BEA	CMF	CDFI ²²	NACA ²³	NMTC	GRAND TOTAL
AK	-	-	\$12,117,330	\$13,943,113	\$90,000,000	\$116,060,443
AL	\$10,500,058	\$4,000,000	\$6,033,780	-	\$160,000,000	\$180,533,838
AR	\$10,631,207	-	\$37,009,504	-	\$300,000,000	\$347,640,711
AZ	\$809,289	\$4,462,500	\$15,773,510	\$15,298,433	\$1,026,000,000	\$1,062,343,732
CA	\$69,220,296	\$75,651,168	\$246,655,247	\$5,056,873	\$5,201,000,000	\$5,597,583,584
CO	\$4,999,532	\$25,600,000	\$50,092,506	\$8,401,845	\$849,500,000	\$938,593,883
CT	\$2,250,826	-	\$22,151,335	-	\$85,000,000	\$109,402,161
DC	\$13,283,188	\$4,474,000	\$53,068,127	-	\$3,159,040,000	\$3,229,865,315
DE	\$5,393,325	-	\$7,198,231	-	\$185,000,000	\$197,591,556
FL	\$15,028,495	-	\$62,975,300	-	\$774,000,000	\$852,003,795
GA	\$12,763,155	\$9,550,000	\$30,335,449	-	\$1,073,000,000	\$1,125,648,604
GU	-	-	-	-	\$20,000,000	\$20,000,000
HI	\$1,069,199	\$500,000	\$9,118,850	\$12,076,149	\$163,000,000	\$185,764,198
IA	\$497,250	-	\$16,384,993	-	\$1,291,700,000	\$1,308,582,243
ID	-	\$2,479,522	\$10,256,393	\$867,309	-	\$13,603,224
IL	\$74,173,749	\$20,550,000	\$125,473,695	-	\$3,018,692,113	\$3,238,889,557
IN	\$2,182,343	-	\$12,061,317	-	\$436,000,000	\$450,243,660
KS	\$2,561,372	-	\$3,044,129	\$25,000	-	\$5,630,501
KY	\$12,184,086	\$1,450,000	\$65,540,622	-	\$439,500,000	\$518,674,708

²¹ 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.

²² Includes CDFI Program Base-FA and TA awards and all FA supplemental awards.

²³ Includes NACA Program Base-FA and TA awards and all FA supplemental awards.

CDFI Fund Award History, Continued

STATE	BEA	CMF	CDFI	NACA	NMTC	GRAND TOTAL
LA	\$22,798,245	\$4,187,500	\$61,630,518	\$128,318	\$3,812,000,000	\$3,900,744,581
MA	\$9,912,052	\$34,550,000	\$97,166,710	-	\$2,426,000,000	\$2,567,628,762
MD	\$4,946,415	\$20,450,000	\$64,338,704	\$176,040	\$2,810,000,000	\$2,899,911,159
ME	\$781,224	\$1,215,000	\$34,811,651	\$9,066,313	\$993,000,000	\$1,038,874,188
MI	\$3,469,403	\$9,100,000	\$41,795,922	\$7,495,357	\$764,000,000	\$825,860,682
MN	\$13,761,490	\$18,374,042	\$102,753,067	\$11,788,699	\$1,780,500,000	\$1,927,177,298
MO	\$10,767,223	\$8,950,000	\$36,410,907	-	\$3,053,000,000	\$3,109,128,130
MS	\$47,033,018	\$11,650,000	\$83,478,154	\$211,450	\$681,000,000	\$823,372,622
MT	\$18,750	-	\$27,460,786	\$5,329,214	\$596,000,000	\$628,808,750
NC	\$28,946,831	\$11,400,000	\$81,538,251	\$3,795,520	\$1,407,000,000	\$1,532,680,602
ND	-	-	\$4,408,783	\$1,683,683	-	\$6,092,466
NE	\$97,832	\$3,000,000	\$12,094,452	\$3,173,850	\$23,000,000	\$41,366,134
NH	\$1,132,000	\$6,702,163	\$29,740,537	-	\$170,000,000	\$207,574,700
NJ	\$7,448,936	-	\$36,811,565	-	\$816,000,000	\$860,260,501
NM	\$185,705	\$6,700,000	\$42,838,153	\$11,583,286	\$286,000,000	\$347,307,144
NV	\$339,200	-	\$391,418	-	\$128,000,000	\$128,730,618
NY	\$59,770,663	\$37,250,000	\$295,459,325	\$1,305,708	\$5,906,250,000	\$6,300,035,696
OH	\$4,549,980	\$28,200,000	\$59,350,968	-	\$2,767,350,000	\$2,859,450,948
OK	\$7,157,893	-	\$12,890,394	\$21,614,580	\$956,000,000	\$997,662,867
OR	\$8,708,546	-	\$30,987,199	\$700,266	\$1,118,000,000	\$1,158,396,011

CDFI Fund Award History, Continued

STATE	BEA	CMF	CDFI	NACA	NMTC	GRAND TOTAL
PA	\$4,235,635	\$18,375,000	\$152,532,761	-	\$2,126,919,753	\$2,302,063,149
PR	-	-	\$6,519,190	-	\$175,000,000	\$181,519,190
RI	-	\$12,100,000	\$2,815,454	-	-	\$14,915,454
SC	\$5,417,353	-	\$18,696,130	\$149,281	\$682,000,000	\$706,262,764
SD	\$662,250	\$2,500,000	\$23,872,350	\$28,423,931	\$400,000,000	\$455,458,531
TN	\$8,042,074	\$1,000,000	\$32,947,255	\$244,817	\$178,250,000	\$220,484,146
TX	\$17,162,355	\$7,750,000	\$75,221,877	\$283,738	\$1,045,000,000	\$1,145,417,970
UT	\$120,000	-	\$5,439,559	\$353,000	\$250,000,000	\$255,912,559
VA	\$2,936,308	\$14,500,000	\$62,817,495	\$750,000	\$1,403,000,000	\$1,484,003,803
VI	-	-	\$770,000	-	-	\$770,000
VT	-	\$2,000,000	\$36,566,354	-	\$202,000,000	\$240,566,354
WA	\$1,353,493	\$4,482,400	\$48,651,149	\$10,447,667	\$347,000,000	\$411,934,709
WI	\$11,884,091	\$21,279,134	\$62,570,637	\$9,867,924	\$2,003,000,000	\$2,108,601,786
WV	-	-	\$13,791,974	-	\$29,000,000	\$42,791,974
WY	-	-	\$198,500	\$4,549,024	-	\$4,747,524

COMMUNITY DEVELOPMENT FINANCIAL INSTITUTIONS FUND

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