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FOUR NASLEF FUND MEMBERS RECEIVE \$19 MILLION IN CDFI CAPITAL MAGNET FUND AWARDS

(October 14, 2016)—Four Member Funds of the National Association of State and Local Equity Funds (NASLEF) recently received a combined total of \$19 million in Capital Magnet Fund Awards through the U.S. Department of Treasury’s Community Development Financial Institutions (CDFI) Fund. The CMF program is funded through allocations made from the Government-Sponsored Enterprises Fannie Mae and Freddie Mac. In its second funding round since 2010, 125 applications were received and only 32 were awarded from a pool of \$91.5 million. The Capital Magnet Fund helps low-income families and economically distressed communities by attracting investment for affordable housing and related economic development.

NASLEF is a professional, nonprofit association with 14 member funds whose mission is to promote a greater understanding of tax credit and other financing programs, to advocate for community development resources and to encourage the professional development of its member organizations all in support of the communities NASLEF members’ serve. Collectively through 2015, member funds have raised over \$12.7 billion in equity capital for rental housing developments throughout the country, creating or rehabilitating more than 159,863 units of affordable housing in 3,484 developments.

Cinnaire, headquartered in Lansing, Michigan, received \$5.5 million in CMF awards. The capital will primarily be used to provide flexible loans to support high-impact affordable housing initiatives across the Cinnaire footprint. The focus will be to partner with nonprofit developers, preserving currently existing affordable housing and will have special carve-outs to reach rural communities and extremely low-income households (earning 30% area median income or less). Cinnaire also received \$1 million in the CDFI Fund’s Financial Assistance (FA) and Technical Assistance (TA) programs to assist its lending and investment activity in low-income and economically distressed communities.

Housing Vermont, located in Burlington, Vermont, received a \$2 million award for the development of affordable housing in low income areas of the state. Housing Vermont will use the grant to provide developers with short term pre-development and bridge loans as well as permanent subordinate debt. The debt will be offered at below-market interest rates with non-conventional collateral and other flexible terms. The funds are expected to promote the production and presentation of nearly 950 affordable rental apartments in the next five years.

Massachusetts Housing Investment Corporation (MHIC), received \$1.8 million and expects that it will utilize these funds to provide “top loss” protection for the new debt products being developed to expand its product offerings. The Capital Magnet Funds must be leveraged with matching funds from MHIC who intends to raise additional funding from a variety of external capital sources. These new debt

products will help deepen the variety of financing options not readily available from traditional lenders, and will help MHIC leverage its membership in the Federal Home Loan Bank of Boston.

The Ohio Capital Finance Corporation, (OCFC) an affiliate of Ohio Capital Corporation for Housing, received \$4.8 million from the Capital Magnet Fund. OCFC expects to leverage the \$4.8M CMF award over 5 years into a total \$185 million in total project cost financing of affordable rental housing by providing below-market rate construction and equity bridge loans to Low Income Housing Tax Credit projects, increasing project equity and reducing debt as well as interest expense, allowing for lower tenant rents, which are needed in underserved markets. OCFC anticipates its financing will result in 1,450 affordable housing units.

OCFC also received \$500,000 from the Financial Assistance (FA) program which will provide OCFC with capital to launch several new products including a new HUD Equity Bridge Loan specifically designated for HUD-assisted projects that utilize HUD 221(d)(4) or 223(f) FHA mortgage products and a neighborhood improvement loan designed for historic and small commercial developments.

Click [here](#) for more information on NASLEF and its fund members.