



WHEDA

**WISCONSIN HOUSING AND
ECONOMIC DEVELOPMENT AUTHORITY
MEDIA RELEASE**

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WHEDA receives \$3,750,000 Capital Magnet Fund award

Madison – The U.S. Department of the Treasury's Community Development Financial Institutions (CDFI) Fund has awarded the Wisconsin Housing and Economic Development Authority (WHEDA) a Capital Magnet Fund (CMF) grant of \$3,750,000 for fiscal year 2018. WHEDA was the only awardee in Wisconsin.

The U.S. Treasury awarded \$142.9 million in grants nationwide to 38 organizations. A total of 116 organizations requested more than \$570 million in CMF dollars demonstrating the highly competitive nature of the program. The CDFI Fund reports that this round of awards will finance the development of affordable housing and other community service facilities in low-income neighborhoods in 39 states, the District of Columbia, and Puerto Rico.

Under the federal program, awardees must use at least 70% of CMF dollars to finance affordable housing, and up to 30% of grant funds may be used to finance economic development activities related to affordable housing. This latest CMF award is projected to develop more than 25,700 affordable housing units across the nation, including 23,000 rental units and 2,700 home ownership units. Combined, 95% of all housing units will be developed for low-income families that are at or below 80% of the Area Median Income.

“This marks the third Capital Magnet Fund award for WHEDA,” said Sherry Gerondale, Chief Financial Officer for WHEDA. “We are delighted to receive this award as it provides essential funding for WHEDA to advance its affordable housing mission in Wisconsin.”

WHEDA plans to use the award to support home ownership and multifamily housing. The CMF award will include meaningful projects that may include down payment assistance, gap lending for rental housing and a condominium mortgage product. The award could leverage up to \$60 million of affordable housing investment in Wisconsin.

According to the CDFI Fund, “Low-income families across America experience difficulty finding affordable housing, with many spending over half of their paychecks on rent. This burden leaves little income for other necessities such as food, medical care, transportation, and savings – essential services that are often not readily available in low-income communities. The Capital Magnet Fund was created to spur investment in affordable housing and related economic development efforts that serve low-income families and low-income communities across the country.”

(more)



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Funding for the Capital Magnet Fund comes from the government-sponsored enterprises Fannie Mae and Freddie Mac.

For over 45 years, **WHEDA**, as an independent state authority, has provided low-cost financing for housing and small business development in Wisconsin. Since 1972, WHEDA has financed more than 73,000 affordable rental units, helped more than 129,600 families purchase a home and made more than 29,000 small business and agricultural loan guarantees. For more information on WHEDA programs, visit wheda.com or call 800-334-6873.

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