

LISC awarded \$7.5M Capital Magnet Fund grant for affordable housing, economic development

NEW YORK (March 19, 2018)—The federal government today awarded the Local Initiatives Support Corporation (LISC) \$7.5 million from the Treasury Department’s Capital Magnet Fund (CMF). LISC’s award will help leverage \$150 million in affordable housing and economic development in deeply distressed rural and urban communities located in 10 states.

LISC received the largest of CMF’s \$120 million in grants, announced today by the Community Development Financial Institutions Fund (CDFI Fund), which is part of the Treasury Department. The grants will help 25 CDFIs and 15 nonprofit housing organizations attract \$3.2 billion in loans and investments for projects that help struggling populations. The CDFI Fund expects the latest CMF award to support 21,000 affordable housing units.

This is LISC’s third CMF award. The first two, totaling \$9.8 million, helped finance 1,375 units of housing for low-income families and 94,500 square feet of community space. The grants leveraged \$445 million in development activity focused on the needs of under-invested places.

The new grant builds on that and will finance supportive housing for people who are considered vulnerable including the homeless, seniors, and veterans. It will also focus investment on areas of economic distress in rural and urban communities and fund economic development projects in markets where businesses are hard-pressed to get financing from traditional sources. Notably, that includes new financing solutions for capital gaps related to changes in the tax code that have reduced the value of the Low Income Housing Tax Credit (LIHTC), according to Elise Balboni, LISC senior vice president of lending.

“A lot of high-impact affordable housing developments have stalled because in a lower tax environment, investors have less need for tax credits,” she explained. “The Capital Magnet Fund gives us another way to respond to help developers bridge those capital gaps and build the housing in communities where there is high demand.”

CMF is especially valuable because it is so flexible, Balboni said, financing projects like St. Elizabeth’s in Washington, D.C., a shuttered psychiatric hospital that is being rehabbed into mixed-income housing, small businesses and community education and recreation space. LISC provided a \$2.9 million predevelopment loan to help move the project forward, seeding what will eventually be more than \$102 million in investments.

“Bringing the St. Elizabeth’s campus to life for families and businesses is just the kind of transformative project that means so much to a local community,” Balboni said. “The CMF helps LISC get it done.”

Read more about the CMF awards here: [FY 2017 Capital Magnet Fund Award Book](#)

About LISC

With residents and partners, LISC forges resilient and inclusive communities of opportunity across America – great places to live, work, visit, do business and raise families. Since 1980, LISC has invested \$19.3 billion to build or rehab 376,000 affordable homes and apartments and develop 63 million square feet of retail, community and educational space.