

WHEDA: Awarded \$7.5 million from Capital Magnet Fund

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MADISON, Wis. – The U.S. Department of the Treasury’s Community Development Financial Institutions Fund has awarded the Wisconsin Housing and Economic Development Authority a Capital Magnet Fund grant of \$7.5 million.

For the fiscal year 2021, the U.S. Treasury awarded a total of \$336.4 million in grants nationwide to 59 organizations for the development of affordable housing and community facilities in low-income communities. WHEDA has now received five awards totaling more than \$25.3 million since 2016.

Nationwide, a total of 146 organizations requested more than \$991.8 million from the Capital Magnet Fund for the FY 2021 round, highlighting the program’s competitive nature.

“Capital Magnet Funds help expand housing opportunities for working families and individuals, many of whom spend more than half of their paychecks on rent,” said WHEDA CEO and Executive Director Elmer Moore, Jr. “Affordable housing has a domino effect on communities by lowering rent burdens and leaving more income for essentials such as food, medical care, childcare, and transportation.”

WHEDA plans to use the award to support the preservation, rehabilitation, development, and purchase of affordable housing for individuals across the state. The award may include down payment assistance, gap lending for rental housing, or new initiatives needed in rural Wisconsin. The award is expected to leverage more than \$140 million of affordable housing investment in Wisconsin.

Under the program, awardees are required to leverage their awards with other private and public investments by at least 10 to 1, guaranteeing that a minimum of \$3.36 billion nationwide will be invested in eligible projects. U.S. Treasury officials reported this round of awards will finance eligible projects in low-income neighborhoods in 47 states, the District of Columbia, and Puerto Rico valued at about \$12.4 billion.

Moore said this funding will help to advance WHEDA’s affordable housing mission in Wisconsin. 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.

Nationwide, awardees plan to develop more than 41,100 affordable housing units, including more than 38,700 rental units and more than 2,400 homeownership units. Combined, 97 percent of all housing units will be developed for low-income families at 80 percent of the area median income or below. Some 61 percent of the rental units will be developed for very low-income families at 50 percent of the area median income or below. Some 51 percent of the awardees plan to invest a portion of their awards in rural areas.

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

ABOUT WHEDA

For 50 years, WHEDA has worked to provide low-cost financing for housing and small business development in Wisconsin. Since 1972, WHEDA has financed more than 80,000 affordable rental units, helped more than 137,600 families purchase a home, and provided more than 29,000 small business and agricultural loan guarantees. WHEDA is a self-supporting public corporation that receives no tax dollars for its operations. For more information on WHEDA programs visit wheda.com or call 800-334-6873.