Solving the Rural Housing Crisis for Very Low-Income Individuals and Families

Impact Seven Wins $100,000 to Launch Innovative Preservation Initiative in Wisconsin

(PHILADELPHIA, August 14, 2014)—The Wells Fargo NEXT Awards for Opportunity Finance announced this morning that Impact Seven, an Almena, WI-based CDFI (community development financial institution), has won this year’s $100,000 NEXT Seed Capital Award for its strategy to preserve affordable housing for very low-income individuals and families in rural Wisconsin.

The NEXT Awards Selection Committee chose Impact Seven for the potential to scale its innovative financing product to preserve small, multifamily rental properties in rural Wisconsin. This unique program will preserve affordable housing financed originally through the U.S. Department of Agriculture’s Rural Development Section 515 Loan Program. The USDA preservation incentives will expire on thousands of properties across the U.S. over the next few years, and Impact Seven’s pilot in Wisconsin may serve as a model to help solve this issue nationally.

With the Award, Impact Seven will fund a new, targeted program to help mission-based, nonprofit organizations acquire these expiring properties and keep them affordable for those with no other housing options. It will also help those seeking to sell these properties to navigate the complex process.

"Our goal is to preserve small, multifamily rental properties in rural Wisconsin where affordable rental housing is scarce and the demand for it is high,” said Brett Gerber, President and CEO of Impact Seven. “The initial pilot will preserve and rehabilitate 120 units most at risk for critical neglect or conversion to market rate. By maintaining this aggressive pace, we can preserve as many as 50 percent of Wisconsin’s most needed and viable USDA 515-funded projects by 2020.”

Impact Seven helps low-income communities by providing housing and business financing, as well as property development and management in rural and distressed areas of Wisconsin. It is a member of Opportunity Finance Network (OFN), which presents the award, with generous funding from Wells Fargo.

“What’s innovative about this housing strategy is they’re working not just with buyers but also sellers to provide technical support and resources to help these transactions take place,” said Lesley Eckstein, executive vice president and head of Community Lending and Investment at Wells Fargo. “By pursuing this strategy, Impact Seven is helping to ensure that affordable and responsible financial products and services are available in underserved communities—a key reason Wells Fargo supports this important program.”
Each year through 2016, one CDFI with a promising idea for expanding its products and services to serve more low-income people and communities will win a $100,000 NEXT Seed Capital Award.

“Impact Seven’s strategy can serve as a model for the thousands of at-risk, rural subsidized housing properties—in Wisconsin and nationally,” said Mark Pinsky, President and CEO of OFN. “The model is replicable and preservation of affordable, rural housing is sorely needed. By scaling this product, Impact Seven and other CDFIs will preserve and provide rural affordable housing and opportunity for all.”

About the Awards
The Wells Fargo NEXT Awards for Opportunity Finance celebrate the CDFI industry—its creativity, accomplishments, and enduring importance.

Launched in 2007, the NEXT Awards have celebrated the innovation of the nation’s most promising CDFIs by awarding more than $58 million through a competitive awards process over the last seven years.

It is the nation’s largest awards program for CDFIs and in 2014 it will award $8.35 million dollars through two award pools—The NEXT Opportunity Award and the NEXT Seed Capital Award—to high-performing CDFIs to expand their coverage strategies related to the Future of Housing Finance. Each year the NEXT Awards culminates in a ceremony at OFN’s Annual Conference to spotlight Awardees and the entire CDFI industry.

About the Groups Behind the Awards
Wells Fargo & Company (NYSE: WFC) is a nationwide, diversified, community-based financial services company with $1.6 trillion in assets. Founded in 1852 and headquartered in San Francisco, Wells Fargo provides banking, insurance, investments, mortgage, and consumer and commercial finance through more than 9,000 locations, 12,500 ATMs, and the internet (wellsfargo.com), and has offices in 36 countries to support customers who conduct business in the global economy. With approximately 265,000 team members, Wells Fargo serves one in three households in the United States. Wells Fargo & Company was ranked No. 29 on Fortune’s 2014 rankings of America’s largest corporations. Wells Fargo’s vision is to satisfy all our customers’ financial needs and help them succeed financially. Wells Fargo perspectives are also available at Wells Fargo Blogs and Wells Fargo Stories.

The John D. and Catherine T. MacArthur Foundation supports creative people and effective institutions committed to building a more just, verdant, and peaceful world. In addition to selecting the MacArthur Fellows, the Foundation works to defend human rights, advance global conservation and security, make cities better places, and understand how technology is affecting children and society. MacArthur has been a leading supporter of the Opportunity Finance field since the early 1980s, investing nearly $250 million in approximately 100 groups nationwide. More information is available at: www.macfound.org.

About Opportunity Finance Network (OFN): OFN, the leading network of private financial institutions, creates growth that is good for communities, investors, individuals, and the economy. Members of OFN are community development financial institutions (CDFIs) that deliver responsible lending to help low-wealth and low-income communities join the economic mainstream. Through 2012, OFN’s Network originated more than $33.3 billion in financing in urban, rural, and Native communities, and financed development/rehab of 960,000 housing units, started or expanded nearly 94,000 business and microenterprises, and helped create or maintain nearly 600,000 jobs. More information is available at: www.opportunityfinance.net

ABOUT IMPACT SEVEN
Impact Seven was established in 1970 to address poverty and disinvestment across a rural seven-county area of northwest Wisconsin. Today, Impact Seven provides mission-based investments and development services in communities of all sizes across the state and beyond. Workable business loans and investments support job-sustaining businesses unable to secure traditional financing, while commercial and residential real estate development projects stimulate local economies and support a growing portfolio of quality, affordable rental housing. Learn more at: http://www.impactseven.org/