

# MULTI-HOUSING NEWS

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## **Organizations Launch \$42M Awards Program to Support Community Development Financial Institutions**

By Keat Foong

The Wachovia Foundation, the John D. and Catherine T. MacArthur Foundation and the Opportunity Finance Network will award \$42 million to exceptional community development financial institutions (CDFIs) serving low-income and low-wealth people throughout the U.S.

The organizations have announced their partnership and launched a new five-year program called the "Wachovia Next Awards for Opportunity Finance."

The first recipients of the Wachovia NEXT Awards will be named in December 2007 in Miami. A distinguished national committee will choose two premier CDFI organizations to receive \$8.25 million in grants and investments. Financing provided by community-based CDFIs allows nonprofits and entrepreneurs to build and preserve affordable housing, help small businesses grow, and develop new community facilities, such as schools, health clinics and centers for child care, recreation and culture.

"The goal of the Wachovia NEXT Awards is to propel high-potential CDFIs to a next level of growth, success, and staying power with major one-time infusions of capital," explained Mark Pinsky, president and CEO of the Philadelphia-based Opportunity Finance Network.

The Wachovia Foundation, MacArthur and the Opportunity Finance Network created the awards program to spotlight and reinforce the growing – but underappreciated – role of CDFIs in the U.S. economy. Ultimately, the three partners hope more investors, policymakers, and talented young leaders will discover the innovative field of opportunity finance and help raise its scale and impact significantly.

"We expect these unprecedented awards to result in more jobs, affordable housing, assets, and vital community services and facilities for low-income and low-wealth communities across the nation," said Pinsky. "Nothing of this magnitude has been tried before in our field. The major investments that The Wachovia Foundation and the MacArthur Foundation are making will bring together capital market leaders and opportunity finance institutions to help many more people join America's economic mainstream."

The Wachovia Foundation is making a \$16.75 million grant and the MacArthur Foundation is making a \$25 million low-cost, long-term loan called a program-related investment to fund the Wachovia Next Awards.

"At the Wachovia Foundation, we're committed to strengthening communities and bringing together financial support and relationships with community partners," said Ken Thompson, chairman and CEO of Wachovia Corp. and board chairman for The Wachovia Foundation. "We're proud to continue our long-standing support for the opportunity finance industry with our investment in these awards, which will help innovative, up-and-coming CDFIs grow and create

even more economic opportunity for families and communities."

"These awards celebrate the impressive achievements of CDFIs and the creative way they use capital, business acumen, and community-oriented solutions to bring greater economic security and opportunity to people of modest means," said Jonathan Fanton, president of the MacArthur Foundation. "Our \$25-million commitment to these new awards marks a turning point. It is a capstone investment to help launch the next era of achievement, growth and impact for the entire opportunity finance industry. We are delighted to join forces with Wachovia in this effort. Their robust support truly signals that CDFIs have become valued, enduring partners for our country's largest financial institutions."