

## Overview

### Mission Statement

Increase economic opportunity and promote community development investments for underserved populations and in distressed communities in the United States.

### Program Summary by Budget Activity

Dollars in Thousands

Appropriation	FY 2010 Enacted	FY 2011 Annualized CR Level	FY 2012 Request	\$ Change	Change FY10 to FY12 % Change
Community Development Financial Institutions Program	\$107,600	\$107,600	\$125,869	\$18,269	16.98%
Bank Enterprise Award Program	\$25,000	\$25,000	\$0	(\$25,000)	(100.0%)
Native Initiatives	\$12,000	\$12,000	\$12,000	\$0	-
Capital Magnet Fund	\$80,000	\$80,000	\$0	(\$80,000)	(100.0%)
Administration*	\$18,000	\$18,000	\$22,965	\$4,965	27.58%
Financial Education and Counseling	\$1,000	\$1,000	\$0	(\$1,000)	(100.0%)
Hawaii Financial Ed and Counseling	\$3,150	\$3,150	\$0	(\$3,150)	(100.0%)
Bank on USA Initiative	N/A	N/A	\$41,425	\$41,425	100.0%
Healthy Food Financing Initiative	N/A	N/A	\$25,000	\$25,000	100.0%
<b>Total Appropriated Resources</b>	<b>\$246,750</b>	<b>\$246,750</b>	<b>\$227,259</b>	<b>(\$19,491)</b>	<b>(7.9%)</b>
<b>Total FTE</b>	<b>84</b>	<b>84</b>	<b>90</b>	<b>6</b>	<b>7.14%</b>

\* NMTC Program Administration is included in the Administration budget activity for the FY 2012 Budget request.

\*\* In addition, \$13.5 million is available for the administration of the Bond Guarantee Program provided in PL 111-240.

### FY 2012 Priorities

In accordance with the Department of the Treasury's Strategic Goal of *Ensuring that the U.S. and World Economies Perform at Full Economic Potential*, the Strategic Objective of *Improved Economic Opportunity, Mobility and Security with Robust, Real, Sustainable Economic Growth at Home and Abroad*, and the Strategic Outcome of *Strong U.S. Economic Competitiveness*, the CDFI Fund's FY 2012 priorities are:

- To administer all award and certification programs and initiatives effectively, efficiently, and in a timely manner; improve management processes through continuous assessment of policies and procedures; and align administrative resources to address programmatic growth.
- To implement the Healthy Food Financing Initiative that will support CDFIs to increase the availability of affordable, healthy foods in underserved urban and rural communities.
- To support human capital investment to develop staff skills and expertise. To significantly upgrade award management and information technology systems to more cost effectively administer an increased application workload, increased compliance monitoring activities, and new research initiatives.

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## **Section 1 – Purpose**

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### **1A – Description of Bureau Vision and Priorities**

The mission of the Community Development Financial Institutions Fund (CDFI Fund) is to increase economic opportunity and promote community development investments for underserved populations and in distressed communities in the United States.

In accordance with the Department of the Treasury's goal of repairing and reforming the financial system, the CDFI Fund's FY 2012 priorities are:

Priority 1: To administer all award and certification programs and initiatives effectively, efficiently, and in a timely manner; improving management processes through continuous assessment of policies and procedures and aligning administrative resources to address programmatic growth. The CDFI Fund will develop and implement new initiatives in FY 2012; administer existing programs efficiently, effectively and in a timely manner; address increased programmatic requirements; and position the CDFI Fund to undertake new initiatives beyond FY 2012, as needed.

Priority 2: To implement the Healthy Food Financing Initiative that will support CDFIs to increase the availability of affordable, healthy foods in underserved urban and rural communities.

Priority 3: To support human capital investment to develop staff skills and expertise. The CDFI Fund will undertake activities to develop and maintain staff skills and expertise in order to be responsive to the latest trends in the fields of community development finance, economic development and federal agency policies and practices.

Priority 4: To significantly upgrade award management and information technology systems to more cost effectively administer an increased application workload, increased compliance monitoring activities, and new research initiatives. The CDFI Fund will enhance its information technology systems, including hardware and applications, in order to support significant programmatic growth.

### **1B – Program History and Future Outlook**

Fiscal Year 2010: In FY 2010, in addition to the CDFI and Native award programs, the CDFI Fund implemented two new initiatives: the Capital Magnet Fund (CMF) and the Financial Education and Counseling (FEC) Pilot Program. During this time the CDFI Fund processed:

- 322 Financial Assistance (FA) applications and made 147 FA awards totaling \$102 million under the FA component of the CDFI Program;
- 86 Technical Assistance (TA) applications and made 32 TA awards totaling \$2.9 million under the TA component of the CDFI Program;
- 61 applications and made 45 awards totaling \$10.3 million under its Native Initiatives;

- 76 applications and made 69 awards totaling \$25 million under the BEA Program;
- 233 applications and made 9 awards totaling \$6.15 million under the FEC Program (FY 2009 and FY 2010 funding);
- 250 applications under the New Markets Tax Credit Program, which will be awarded in February 2011;
- 1,595 compliance reviews by the Certification, Compliance, Monitoring, and Evaluation office during FY 2009 and FY 2010.

In addition, in FY 2010, the CDFI Fund launched a multi-year capacity building initiative through which it has entered into vendor contracts to provide technical assistance and capacity building services to CDFIs. Moreover, the CDFI Fund launched a multi-year effort to re-certify all CDFIs whose certification determinations are at least three years old (encompassing approximately 600 CDFIs). The CDFI Fund also certified 142 new institutions as CDFIs, and re-certified an additional 56 organizations as CDFIs.

Fiscal Year 2011: During the first quarter of FY 2011, the CDFI Fund processed a total of 230 applications and made 23 awards totaling \$80 million under the CMF Program. During FY 2011, the CDFI Fund will implement a new initiative and assist in the implementation of another that were authorized and funded under the Small Business Jobs Act of 2010 (P.L. 111-240):

- The CDFI Bond Guarantee Program (Sec. 1134); and
- The Small Business Lending Fund Program related to Community Development Loan Funds (Sec. 4102), in support of Treasury's Office of Financial Institutions.

In addition, , the CDFI Fund is preparing to implement a new initiative authorized in Title 12 of the Dodd-Frank Wall Street Reform and Consumer Protection Act (P.L. 111-203):

- The Bank on USA Program (Section 1204) in conjunction with Treasury's Office of Financial Education and Financial Access.

Finally, in FY 2011, the CDFI Fund is also prepared to administer the Healthy Food Financing Initiative through its CDFI Program as well as through the NMTC Program.

Fiscal Year 2012 (proposed): During FY 2012, the CDFI Fund will continue to execute its core programs and administer the new programs that were implemented during FY 2011. With the introduction of new programs, the CDFI Fund will use its resources to: engage in program outreach, develop application materials, establish application review policies and procedures, and establish reporting requirements and compliance monitoring protocols. The introduction of new programs, as well as the increase in awards made under its existing programs, will also add to the CDFI Fund's growing portfolio of awardees.

The CDFI Fund is requesting \$125.9 million for the Community Development Financial Institutions (CDFI) Program. The CDFI Program uses federal resources to invest in and

build the capacity of CDFIs to serve low-income people and communities lacking adequate access to affordable financial products and services. The FY 2012 funding request will provide monetary awards for Financial Assistance (FA) and Technical Assistance (TA) to CDFIs to further goals such as:

- Economic development (job creation, business development, and commercial real estate development);
- Affordable housing (housing development and homeownership); and
- Community development financial services (provision of basic banking services to underserved communities and financial literacy training).

The CDFI Fund will also provide critical support to the Healthy Food Financing Initiative (HFFI), including \$25 million in grant funding to CDFIs in order to expand the offering of affordable financing for healthy food retail options in distressed communities, and \$250 million of New Markets Tax Credit allocation authority. HFFI is a multi-year effort to increase the availability of affordable, healthy foods in underserved urban and rural communities, particularly through the development or equipping of grocery stores and other healthy food retailers.

In 2012, the Departments of Agriculture, Health and Human Services, and Treasury have partnered to make available over \$400 million in financing to community development financial institutions, other nonprofits, public agencies, and businesses with sound strategies for addressing the healthy food needs of communities. These organizations will use federal grants, below-market rate loans, loan guarantees and tax credits to attract private sector capital for an even greater investment in projects that increase access to fresh produce and other healthy foods. The goal is to eliminate food deserts in our nation over seven years.

The CDFI Fund is also requesting \$12 million to continue its effort for the Native Initiatives Program. The objective of the Native Initiatives Program is to increase opportunities and to provide access to credit, capital, and financial services to Native CDFIs that are primarily serving Native Communities.

The CDFI Fund requests \$22.9 million in administrative funding for FY 2012. These administrative resources will be used to, among other things:

- Accommodate the staffing and resource demands created by the unprecedented growth in existing programs and new programs;
- Address significantly increased compliance monitoring requirements; and
- Provide research and program evaluation efforts.

The CDFI Fund requests \$41.4 million for its Bank on USA initiative. The Bank on USA Initiative will promote access to affordable and appropriate financial services and basic consumer credit products for households without access to such products and services.

## Section 2 – Budget Adjustments and Appropriation Language

### 2.1 – Budget Adjustments Table

Dollars in Thousands

<b>Community Development Financial Institutions Fund</b>	<b>FTE</b>	<b>Amount</b>
<b>FY 2010 Enacted</b>	<b>84</b>	<b>\$246,750</b>
<b>FY 2011 Annualized CR Level</b>	<b>84</b>	<b>\$246,750</b>
Changes to Base:		
Adjustment to Reach Policy Level:	6	\$3,144
Adjustment to Reach FY 2011 President's Policy	6	\$3,144
Maintaining Current Levels (MCLs):	-	\$201
Maintaining Current Levels	-	\$201
Efficiencies, Savings & Base Reductions:	-	(\$1,830)
Office Relocation	-	(\$1,700)
Procurement Savings	-	(\$130)
Subtotal FY 2012 Changes to Base	6	\$1,515
<b>Total FY 2012 Base</b>	<b>90</b>	<b>\$248,265</b>
Program Changes:		
Program Decreases:	-	(\$22,706)
Community Development Financial Institutions Program	-	(\$14,131)
Bank on USA Initiative	-	(\$8,575)
Program Reinvestment:	-	\$1,700
Adjustment to Support New Programs	-	\$1,700
Subtotal FY 2012 Program Changes	-	(\$21,006)
<b>Total FY 2012 Request</b>	<b>90</b>	<b>\$227,259</b>

### 2A – Budget Increases and Decreases Description

**Adjustment to Reach Policy Level.....+3,144,000/ +0FTE**

Adjustment to Reach FY 2011 President's Policy +3,144,000/ +0 FTE

Adjustment to reach the FY 2011 President's Policy Level

**Maintaining Current Levels (MCLs) .....+\$201,000 / +0 FTE**

Maintain Current Levels +201,000 / +0 FTE

Funds are requested for inflation adjustments in non-labor expenses such as GSA rent adjustments, postage, supplies and equipment and health benefits and the increase in Federal Employee Retirement System participation. No inflation adjustment is requested for pay in FY 2012.

**Efficiencies Savings and Base Reductions .....-\$1,830,000 / -0 FTE**

Procurement Savings -\$130,000 / +0 FTE

Reducing non-competitive and high-risk contract actions and implementing the use of socio-economic programs such as 8(a) and small business set-asides can achieve procurement savings. Other methods to achieve savings include strategic sourcing, advanced acquisition planning, and GSA discount savings.

Office Relocation – 1,700,000 / -0 FTE

This is a one-time cost in the administrative account which is associated with the CDFI Fund's FY 2011 office relocation.

**Program Decreases.....-\$22,706,000 / -0 FTE**

***Community Development Financial Institutions Program - \$14,131,000 / -0 FTE***

The CDFI Fund will reduce the amount and number of Financial Assistance and Technical Assistance awards and the funding level for the capacity building initiative, which complements existing funding for technical assistance and capacity building services to CDFIs. However, the impact of the reduction in funding is mitigated by additional financial support to CDFIs from other Treasury programs, including the more than \$500 million that has been made available to CDFIs under the Community Development Capital Initiative (CDCI) in FY 2010, and the up to \$300 million that is authorized under Small Business Lending Fund (SBLF) in FY 2011.

***Bank on USA Initiative - \$8,575,000 / -0 FTE***

The FY 2012 request is reduced because certain one-time fixed costs incurred in FY 2011 will not be incurred in FY 2012 (technical assistance to local Bank on USA programs, research contracts, and start-up and related administrative costs).

**Program Reinvestment.....+1,700,000 / +0 FTE**

***Administration Resources to Support New Programs +\$1,700,000 / +0 FTE***

The CDFI Fund will redirect reinvestment of non-recurring cost from the office relocation to cover the additional administrative support costs resulting from the implementation of two high-priority initiatives—the Bank on USA Initiative and the Healthy Food Financing Initiative.

## 2.2 – Operating Levels Table

Dollars in Thousands

Community Development Financial Institutions Fund	FY 2010 Enacted	FY 2011 Annualized CR Level	Proposed Reprogrammings	FY 2011 Proposed Operating Level	FY 2012 Request
FTE	84	84	-	84	90
Object Classification					
11.1 - Full-time permanent	\$8,223	\$6,965	\$0	\$6,965	\$8,655
12 - Personnel benefits	\$2,060	\$1,786	\$0	\$1,786	\$2,313
21 - Travel and transportation of persons	\$119	\$167	\$0	\$167	\$119
22 - Transportation of things	\$20	\$6	\$0	\$6	\$20
23.1 - Rental payments to GSA	\$1,553	\$1,470	\$0	\$1,470	\$1,553
23.2 - Rental payments to others	\$190	\$0	\$0	\$0	\$190
23.3 - Communication, utilities, and misc charges	\$368	\$0	\$0	\$0	\$368
24 - Printing and reproduction	\$20	\$84	\$0	\$84	\$20
25.1 - Advisory and assistance services	\$1,023	\$3	\$0	\$3	\$0
25.2 - Other services	\$1,035	\$4,941	\$0	\$4,941	\$4,671
25.3 - Other purchases of goods and services from Govt. accounts	\$867	\$2,481	\$0	\$2,481	\$3,334
25.5 - Research and development contracts	\$1,500	\$0	\$0	\$0	\$1,500
26 - Supplies and materials	\$111	\$70	\$0	\$70	\$111
31 - Equipment	\$111	\$27	\$0	\$27	\$111
33 - Investments and loans	\$800	\$0	\$0	\$0	\$0
41 - Grants, subsidies, and contributions	\$228,750	\$228,750	\$0	\$228,750	\$204,294
<b>Total Budget Authority</b>	<b>\$246,750</b>	<b>\$246,750</b>	<b>\$0</b>	<b>\$246,750</b>	<b>\$227,259</b>

### Budget Activities

Community Development Financial Institutions Program	\$107,600	\$107,600	\$0	\$107,600	\$125,869
Bank Enterprise Award Program	\$25,000	\$25,000	\$0	\$25,000	\$0
Native Initiatives	\$12,000	\$12,000	\$0	\$12,000	\$12,000
Capital Magnet Fund	\$80,000	\$80,000	\$0	\$80,000	\$0
Administration	\$18,000	\$18,000	\$0	\$18,000	\$22,965
Financial Education and Counseling	\$1,000	\$1,000	\$0	\$1,000	\$0
Hawaii Financial Ed and Counseling	\$3,150	\$3,150	\$0	\$3,150	\$0
Bank on USA Initiative	\$0	\$0	\$0	\$0	\$41,425
Healthy Food Financing Initiative	\$0	\$0	\$0	\$0	\$25,000
<b>Total Budget Authority</b>	<b>\$246,750</b>	<b>\$246,750</b>	<b>\$0</b>	<b>\$246,750</b>	<b>\$227,259</b>



## 2.3 – Appropriations Detail

(Dollars in Thousands)

Resources Available for Obligation	FY 2010		FY 2010		FY 2011		FY 2012	
	Obligations		Enacted		Annualized CR		Budget	
	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT
<b>New Appropriated Resources:</b>								
Community Development Financial Institutions Program		\$102,987		\$107,600		\$107,600		\$125,869
Bank Enterprise Award		\$24,715		\$25,000		\$25,000		\$0
Native Initiatives		\$10,909		\$12,000		\$12,000		\$12,000
Capital Magnet Fund		\$0		\$80,000		\$80,000		\$0
Administration <sup>1, 2</sup>	84	\$17,535	84	\$18,000	84	\$18,000	90	\$22,965
Financial Education and Counseling Pilot Program		\$0		\$1,000		\$1,000		\$0
Financial Education and Counseling Pilot Program (Hawaii)		\$0		\$3,150		\$3,150		\$0
Bank on USA Initiative		\$0		\$0		\$0		\$41,425
Healthy Food Financing Initiative		\$0		\$0		\$0		\$25,000
<b>Subtotal New Appropriated Resource</b>	<b>84</b>	<b>\$156,146</b>	<b>84</b>	<b>\$246,750</b>	<b>84</b>	<b>\$246,750</b>	<b>90</b>	<b>\$227,259</b>
<b>Other Resources:</b>								
Recoveries		154		154		194		194
Unobligated Balance		104,111		8,591		24,000		14,000
Offsetting Collections - Reimbursables		1,000		1,000		1,160		1,160
Available multi-year/no-year funds		3,976		2,587		3,976		400
<b>Subtotal Other Resources</b>	<b>0</b>	<b>\$109,241</b>	<b>0</b>	<b>\$12,332</b>	<b>0</b>	<b>\$29,330</b>	<b>0</b>	<b>\$15,754</b>
<b>Total Resources Available for Obligation</b>	<b>84</b>	<b>\$265,387</b>	<b>84</b>	<b>\$259,082</b>	<b>84</b>	<b>\$276,080</b>	<b>90</b>	<b>\$243,013</b>

<sup>1</sup>/ NMTC Program Administration is included in the Administration budget activity for the FY 2012 Budget request.

<sup>2</sup> / In addition, \$13.5 million is available for administration of the Bond Guarantee Program provided in PL 111-240

## 2B – Appropriations Language and Explanation of Changes

<p style="text-align: center;">DEPARTMENT OF THE TREASURY COMMUNITY DEVELOPMENT FINANCIAL INSTITUTIONS FUND</p> <p><i>To carry out the Community Development Banking and Financial Institutions Act of 1994 (Public Law 103-325), including services authorized by 5 U.S.C. 3109, but at rates for individuals not to exceed the per diem rate equivalent to the rate for ES-3, 227,259,000, to remain available until September 30, 2013; of which \$12,000,000 shall be for financial assistance, technical assistance, training and outreach programs, under sections 105 through 109 of the Community Development Banking and Financial Institutions Act of 1994 (12 U.S.C. 4704-4708), designed to benefit Native communities and provided primarily through qualified community development lender organizations with experience and expertise in community development banking and lending in Indian country, Native American organizations, tribes and tribal organizations and other suitable providers; of which, notwithstanding section 108(d) of such Act, up to \$25,000,000 shall be for a Healthy Food Financing Initiative to provide grants and loans to community development financial institutions for the purpose of offering affordable financing and technical assistance to expand the availability of healthy food options in distressed communities; of which \$41,425,000 shall be for initiatives to establish bank accounts for low and moderate-income persons who do not have bank accounts with financial institutions and to improve access to the provision of bank accounts as authorized by section 1204 of Public Law 111-203; of which up to \$22,965,000 may be used for administrative expenses, including administration of the New Markets Tax Credit; of which up to \$10,315,000 may be used for the cost of direct loans; and of which up to \$250,000 may be used for administrative expenses to carry out the direct loan program: Provided, That the cost of direct loans, including the cost of modifying such loans, shall be as defined in section 502 of the Congressional Budget Act of 1974: Provided further, That these funds are available to subsidize gross obligations for the principal amount of direct loans not to exceed \$25,000,000.</i></p>	<p>Restores waiving the match for HFFI</p>
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## 2C - Legislative Proposals

The CDFI Fund does not recommend any legislative changes for FY 2012.

## Section 3 – Budget and Performance Plan

This table lists all FY 2012 resources by strategic goal, objective and outcome outlined in the FY 2007-2012 Treasury Department Strategic Plan. The Treasury Strategic Plan provides a description of what the agency intends to accomplish over the next five years. For detailed information about the FY 2007-2012 Treasury Strategic Plan, please go to: <http://www.treasury.gov/about/budget-performance/strategic-plan/Pages/index.aspx>

### 3.1 – Budget by Strategic Outcome

(Dollars in Thousands)

Treasury Strategic Outcome	FY 2010 Enacted	FY 2011 Annualized CR Level	FY 2012 Request	% Change FY10 to FY12
Strong U.S. economic competitiveness	246,750	246,750	227,259	-7.89%
<b>Total</b>	<b>\$246,750</b>	<b>\$246,750</b>	<b>\$227,259</b>	<b>-7.89%</b>

**3A – Community Development Financial Institutions Program** (\$125,869,000 from direct appropriations): Through the CDFI Program, the CDFI Fund makes Financial Assistance (FA) awards to CDFIs that have comprehensive business plans for creating community development impact and that demonstrate the ability to leverage private sector sources of capital, and Technical Assistance (TA) grants to CDFIs and entities proposing to become CDFIs in order to build their capacity to advance community development and meet capital access needs in their target markets.

### 3.2.1 – CDFI Program Budget and Performance Plan

(Dollars in Thousands)

Community Development Financial Institutions Program Budget Activity					
Resource Level	FY 2008 Obligated	FY 2009 Obligated	FY 2010 Enacted	FY 2011 Annualized CR Level	FY 2012 Request
Appropriated Resources	\$50,941	\$149,750	\$107,600	\$107,600	\$125,869
Reimbursable Resources	\$0	\$0	\$0	\$0	\$0
<b>Total Resources</b>	<b>\$50,941</b>	<b>\$149,750</b>	<b>\$107,600</b>	<b>\$107,600</b>	<b>\$125,869</b>

<b>Budget Activity Total</b>	<b>\$50,941</b>	<b>\$149,750</b>	<b>\$107,600</b>	<b>\$107,600</b>	<b>\$125,869</b>
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Measure	FY 2008 Actual	FY 2009 Actual	FY 2010 Actual	FY 2011 Target	FY 2012 Target
ALL - Award Cycle Time	N/A	N/A	B	7.5	7.5
ALL - Disbursement Cycle Time	N/A	N/A	B	2.0	2.0
ALL - Jobs Created/Maintained	N/A	N/A	B	51,312	48,991
CDFI - Amount of Loans/Investments Originated (Annual)	N/A	N/A	N/A	B	B
CDFI - Number of Loans/Investments Originated (Annual)	N/A	N/A	N/A	B	B

Key: Oe - Outcome Measure, E - Efficiency Measure, Ot - Output/Workload Measure, M - Management/Cust. Satisfaction, DISC - Discontinued, and B - Baseline

*Description of Performance:* In FY 2010, CDFIs reported leveraging private investment in the prior year of over \$1.9 billion (based on reporting from program year 2009 results), more than triple the target of \$600 million; this success was largely due to increased CDFI Program funding which was met by private sector commitments despite the effects of the financial crisis. In FY 2011, the leveraged private investment measure is being replaced by two new measures on the number and amount of loans originated by CDFI awardees. These two new measures will be baselined in FY 2011. In addition, in FY 2011 the FTE job creation/maintenance measures and the two administrative cycle time measures will be consolidated into CDFI Fund-wide measures reflecting the outcomes of all programs.

**3B – New Markets Tax Credit Program:** Through the NMTC Program, the CDFI Fund spurs the investment of new private sector capital into low-income areas through Community Development Entities (CDEs), which in turn use the privately managed investment vehicles to make loans and equity investments in businesses and real estate projects in low-income communities. By making an equity investment in CDEs, individual and corporate investors can receive a tax credit against their federal income taxes worth 39 percent of the value of the amount invested in the CDE over seven years.

### 3.2.2 – New Markets Tax Credit Program Budget and Performance Plan

(Dollars in Thousands)

New Markets Tax Credit Program Administration* Budget Activity					
Resource Level	FY 2008 Obligated	FY 2009 Obligated	FY 2010 Enacted	FY 2011 Annualized CR Level	FY 2012 Request
Appropriated Resources	\$4,120	\$4,267	\$4,203	\$4,203	\$0
Reimbursable Resources	\$0	\$0	\$0	\$0	\$0
<b>Total Resources</b>	<b>\$4,120</b>	<b>\$4,267</b>	<b>\$4,203</b>	<b>\$4,203</b>	<b>\$0</b>

<b>Budget Activity Total</b>	<b>\$4,120</b>	<b>\$4,267</b>	<b>\$4,203</b>	<b>\$4,203</b>	<b>\$0</b>
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Measure	FY 2008 Actual	FY 2009 Actual	FY 2010 Actual	FY 2011 Target	FY 2012 Target
ALL - Award Cycle Time	N/A	N/A	B	7.5	7.5
ALL - Disbursement Cycle Time	N/A	N/A	B	2.0	2.0
ALL - Jobs Created/Maintained	N/A	N/A	B	51,312	48,991
Community Development Entities' Annual Investments In Low-Income Communities (\$ billions) (Oe)	3.3	3.6	3.1	3.0	3.0

Key: Oe - Outcome Measure, E - Efficiency Measure, Ot - Output/Workload Measure, M - Management/Cust. Satisfaction, DISC - Discontinued, and B – Baseline

\* NMTC Program Administration is included in the Administration budget activity for the FY 2012 Budget request.

*Description of Performance:* In FY 2010, the NMTC Program competitively awarded \$5 billion in NMTC allocation authority to CDEs, including \$1.5 billion in Recovery Act

authority, providing tax credit allocation authority to CDEs for targeted investments in low-income communities. As reported in FY 2010 (based on reporting from program year 2009 results), cumulative investments in low-income communities by CDEs rose to \$15.8 billion (exceeding the performance target) and amounted to an annual increase of \$3.1 billion over the prior year (exceeding the annual target by \$600 million). In FY 2011 the FTE job creation/maintenance measures and the two administrative cycle time measures will be consolidated into CDFI Fund-wide measures reflecting the outcomes of all programs.

**3C – Bank Enterprise Award Program** (*\$0 from direct appropriations*): Through the BEA Program, the CDFI Fund encourages insured depository institutions to increase investments and services in distressed communities and financial assistance to CDFIs. The CDFI Fund does not propose to fund the BEA Program in FY 2012.

### 3.2.3 – Bank Enterprise Award Program Budget and Performance Plan

(Dollars in Thousands)

#### Bank Enterprise Award Program Budget Activity

Resource Level	FY 2008 Obligated	FY 2009 Obligated	FY 2010 Enacted	FY 2011 Annualized CR Level	FY 2012 Request
Appropriated Resources	\$19,924	\$22,000	\$25,000	\$25,000	\$0
Reimbursable Resources	\$0	\$0	\$0	\$0	\$0
<b>Total Resources</b>	<b>\$19,924</b>	<b>\$22,000</b>	<b>\$25,000</b>	<b>\$25,000</b>	<b>\$0</b>

<b>Budget Activity Total</b>	<b>\$19,924</b>	<b>\$22,000</b>	<b>\$25,000</b>	<b>\$25,000</b>	<b>\$0</b>
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*Description of Performance:* In FY 2010, the CDFI Fund received 76 applications requesting a total of \$94 million compared to 58 applications requesting approximately \$57 million in FY 2009. The CDFI Fund selected 69 FDIC-insured institutions to receive approximately \$25 million in awards. FY 2010 applicants were headquartered in 20 states and the District of Columbia. In the FY 2010 funding round (based on the 2009 Assessment Period), awardees provided \$373.9 million in qualified loans or investments in distressed communities, \$53.9 million in qualified loans, deposits and technical assistance to CDFIs, and \$233.3 million in qualified financial services in distressed communities. The CDFI Fund does not propose to fund the BEA in FY 2012.

**3D – Native Initiatives:** (*\$12,000,000 from direct appropriations*): Through the Native Initiatives, the CDFI Fund assists entities in overcoming barriers that prevent access to credit, capital and financial services in American Indian, Alaska Native, and Native Hawaiian communities. The Native Initiatives' central program is the Native American CDFI Assistance Program (NACA Program), through which the CDFI Fund makes monetary awards to increase the number and capacity of existing or new CDFIs serving

Native Communities. In addition, the Native Initiatives provide training to help strengthen and develop Native CDFIs.

### 3.2.4 – Native Initiatives Budget and Performance Plan

(Dollars in Thousands)

#### Native Initiatives Budget Activity

Resource Level	FY 2008 Obligated	FY 2009 Obligated	FY 2010 Enacted	FY 2011 Annualized CR Level	FY 2012 Request
Appropriated Resources	\$7,979	\$16,500	\$12,000	\$12,000	\$12,000
Reimbursable Resources	\$0	\$0	\$0	\$0	\$0
<b>Total Resources</b>	<b>\$7,979</b>	<b>\$16,500</b>	<b>\$12,000</b>	<b>\$12,000</b>	<b>\$12,000</b>

<b>Budget Activity Total</b>	<b>\$7,979</b>	<b>\$16,500</b>	<b>\$12,000</b>	<b>\$12,000</b>	<b>\$12,000</b>
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Measure	FY 2008 Actual	FY 2009 Actual	FY 2010 Actual	FY 2011 Target	FY 2012 Target
ALL - Award Cycle Time	N/A	N/A	B	7.5	7.5
ALL - Disbursement Cycle Time	N/A	N/A	B	2.0	2.0
ALL - Jobs Created/Maintained	N/A	N/A	B	51,312	48,991
NACA - Amount of Loans/Investments Originated (Annual)	N/A	N/A	N/A	B	B
NACA - Number of Loans/Investments Originated (Annual)	N/A	N/A	N/A	B	B

Key: Oe - Outcome Measure, E - Efficiency Measure, Ot - Output/Workload Measure, M - Management/Cust. Satisfaction, DISC - Discontinued, and B - Baseline

*Description of Performance:* In FY 2010, the NACA Program received 61 applications requesting a total of \$23.7 million. The CDFI Fund awarded 45 organizations a total of \$10.3 million for both FA and TA funding in FY 2010. In FY 2010, the Native Initiatives registered a 26 percent increase in the total assets of Native CDFIs. In FY 2011, the total assets measure is being replaced by two new measures on the number and amount of loans originated by NACA Program awardees. These two new measures will be baselined in FY 2011. In addition, in FY 2011 the FTE job creation/maintenance measures and the two administrative cycle time measures will be consolidated into CDFI Fund-wide measures reflecting the outcomes of all programs.

**3E – Capital Magnet Fund (\$0 from direct appropriations):** Through the CMF the CDFI Fund increases capital investment for the development, preservation, rehabilitation, and purchase of affordable housing for low-, very low-, and extremely low-income families, and related economic development activities. As initially conceived, the CMF was to be capitalized through proceeds from Fannie Mae and Freddie Mac. The CDFI Fund does not propose to fund the CMF in FY 2012.

### 3.2.5 – Capital Magnet Fund Budget and Performance Plan

(Dollars in Thousands)

#### Capital Magnet Fund Budget Activity

Resource Level	FY 2008 Obligated	FY 2009 Obligated	FY 2010 Enacted	FY 2011 Annualized CR Level	FY 2012 Request
Appropriated Resources	\$0	\$0	\$80,000	\$80,000	\$0
Reimbursable Resources	\$0	\$0	\$0	\$0	\$0
<b>Total Resources</b>	<b>\$0</b>	<b>\$0</b>	<b>\$80,000</b>	<b>\$80,000</b>	<b>\$0</b>

<b>Budget Activity Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$80,000</b>	<b>\$80,000</b>	<b>\$0</b>
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*Description of Performance:* In its inaugural FY 2010 Capital Magnet Fund (CMF) funding round, the CDFI Fund announced \$80 million in competitively awarded grants to 23 CDFIs and qualified nonprofit housing organizations serving 38 states. The CDFI Fund received a total of 230 applications for the FY 2010 CMF funding round. In FY 2011, the CDFI Fund will baseline awardees' performance reporting. Awardees will be required to report annually: number of affordable housing units developed or produced; number/percentage of low-income renters/owners; number/percentage of very low-income renters/owners; number of jobs produced; leverage ratio; and deployment rate. In addition, in FY 2011 the FTE job creation/maintenance measures and the two administrative cycle time measures will be consolidated into CDFI Fund-wide measures reflecting the outcomes of all programs.

**3F – Administration** (\$22,965,000 from direct appropriations): This budget activity encompasses the CDFI Fund's operational support and management activities for each of its award programs. This includes, among other activities: developing regulations, Notice of Funds Availability (NOFAs) and application materials; reviewing and evaluating certification and funding applications; selecting awardees; finalizing the terms of award agreements; making disbursements; collecting and evaluating performance data; and monitoring awardees' compliance.

During FY 2011, the CDFI Fund will incur one-time cost in the administrative account, which is associated with the CDFI Fund's FY 2011 office relocation. The CDFI Fund will redirect the non-recurring savings from the office relocation to cover the additional administrative support costs resulting from the implementation of two high-priority initiatives—the Bank on USA Initiative and the Healthy Food Financing Initiative.

In FY 2012, the CDFI Fund will continue to enhance compliance monitoring of all awardees. The CDFI Fund has developed IT systems that allow awardees to report information to the CDFI Fund through on-line reporting tools, as well as IT systems that compare the report submissions to the awardees' assistance agreements to flag any incidences of non-compliance. CDFI Fund staff engages in compliance desk reviews and site visits to monitor further the activities and record keeping of CDFIs and CDEs.

Since the CDFI Fund's inception in 1994, its business processes and types of programs have evolved and undergone substantial changes and modifications. However, the corresponding changes in the IT systems and applications used to manage the awards process have not been made based on a unified architecture and/or a common technology platform. Instead, the IT system has been subjected to recurrent modifications with varying business requirements, often resulting in stove-piped designs. The management information system is being replaced with a more efficient, reliable, scalable, and cost effective system that fully integrates all phases of the information system lifecycle.

### 3.2.6 – Administration Budget and Performance Plan

(Dollars in Thousands)

#### Administration Budget Activity

Resource Level	FY 2008 Obligated	FY 2009 Obligated	FY 2010 Enacted	FY 2011 Annualized CR Level	FY 2012 Request
Appropriated Resources	\$9,492	\$11,883	\$18,000	\$18,000	\$22,965
Reimbursable Resources	\$0	\$0	\$0	\$260	\$0
<b>Total Resources</b>	<b>\$9,492</b>	<b>\$11,883</b>	<b>\$18,000</b>	<b>\$18,260</b>	<b>\$22,965</b>
<b>Budget Activity Total</b>	<b>\$9,492</b>	<b>\$11,883</b>	<b>\$18,000</b>	<b>\$18,260</b>	<b>\$22,965</b>

*Description of Performance:* The CDFI Fund has made significant progress enhancing program administrative business processes, enabling quicker award disbursements. New administrative productivity measures were implemented beginning in FY 2010. These measures replace the old administrative efficiency measure, which was intrinsically difficult to compute because it required allocating a share of organizational overhead to each program. The new program-level measure has two components: cycle time from the date when applications are received to the date of award announcement; and time from the date of award announcement to date of disbursement.

These new administrative measures were initially deployed for each of the CDFI Fund's programs. These measures were first tested through the deployment of the CDFI Fund's Recovery Act funding rounds. In FY 2009, two months after Recovery Act grant awards were announced, the CDFI Fund disbursed all \$98 million to 59 CDFIs and 10 Native CDFIs. In addition, the CDFI Fund entered into allocation agreements with CDEs for \$1.5 billion in Recovery Act NMTC authority within 60 days of award announcement. In FY 2010, these two program efficiency measures (*application-award* and *award-disbursement cycle times*) were analyzed across all programs to formulate a composite, CDFI-Fund-wide efficiency measure based on the weighted average of the number of awards per program.

In FY 2011, these two administrative efficiency measures will be baselined for performance reporting in FY 2012. In addition, a *performance indicator* was formulated for tracking the cycle time from the date when Notice of Funding Availability (NOFA) is



posted to the date when applications are received (in months). Cycle time is calculated as a weighted average across all CDFI Fund programs, weighted by the number of applications per program in each round. In conjunction with the two cycle time performance measures, this new indicator will allow the CDFI Fund to monitor and adjust the NOFA-application cycle time to accommodate the deployment of additional program application rounds; thus, this indicator is intrinsically meant to be a management tool to gauge overall program deployment cycle time, rather than as a performance measure.

**3G – Healthy Food Financing Initiative** (\$25,000,000 from direct appropriations): Through the HFFI, the CDFI Fund will make CDFI Program awards and NMTC allocation authority to CDFIs and CDEs that will finance healthy food alternatives in food deserts and low-income neighborhoods.

### 3.2.7 – Healthy Food Financing Initiative Budget and Performance Plan

(Dollars in Thousands)

Healthy Food Financing Initiative Budget Activity					
Resource Level	FY 2008 Obligated	FY 2009 Obligated	FY 2010 Enacted	FY 2011 Annualized CR Level	FY 2012 Request
Appropriated Resources	\$0	\$0	\$0	\$0	\$25,000
Reimbursable Resources	\$0	\$0	\$0	\$0	\$0
<b>Total Resources</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$25,000</b>

<b>Budget Activity Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$25,000</b>
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Measure	FY 2008 Actual	FY 2009 Actual	FY 2010 Actual	FY 2011 Target	FY 2012 Target
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HFFI - Retail Outlets Created/Preserved N/A N/A N/A B B  
 Key: Oe - Outcome Measure, E - Efficiency Measure, Ot - Output/Workload Measure, M - Management/Cust. Satisfaction, DISC - Discontinued, and B - Baseline

*Description of Performance:* Proposed HFFI performance metrics include square footage of new retail food outlets created; jobs created at food outlets; and the total number of healthy food retail outlets financed. Performance measures will be implemented in FY 2011, with reporting slated to begin in FY 2012.

**3H – Bank on USA Initiative** (\$41,425,000 from direct appropriations): Through the Bank on USA Initiative, the CDFI Fund will work in partnership with Treasury’s Office of Financial Education and Financial Access to promote access to and innovations in

affordable and appropriate financial services, basic consumer credit products and financial education for households without access to such products and services.

### 3.2.8 - Bank on USA Initiative Budget and Performance Plan

(Dollars in Thousands)

#### Bank on USA Initiative Budget Activity

Resource Level	FY 2008 Obligated	FY 2009 Obligated	FY 2010 Enacted	FY 2011 Annualized CR Level	FY 2012 Request
Appropriated Resources	\$0	\$0	\$0	\$0	\$41,425
Reimbursable Resources	\$0	\$0	\$0	\$0	\$0
<b>Total Resources</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$41,425</b>

<b>Budget Activity Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$41,425</b>
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Measure	FY 2008 Actual	FY 2009 Actual	FY 2010 Actual	FY 2011 Target	FY 2012 Target
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Bank on - Number of Accounts Opened N/A N/A N/A B B  
 Key: Oe - Outcome Measure, E - Efficiency Measure, Ot - Output/Workload Measure, M - Management/Cust. Satisfaction, DISC - Discontinued, and B - Baseline

*Description of Performance:* The Bank on USA Initiative will measure performance based on the number of new accounts opened. This measures whether institutions are providing un- and under-banked consumers access to affordable and appropriate financial products and services. This measure will be baselined in FY 2011. Additional performance indicators will be collected by the CDFI Fund from Bank on awardees to more accurately evaluate awardee performance and overall program effectiveness.

**3J – Financial Education and Counseling Pilot Program** (\$0 from direct appropriations): Through the FEC Pilot Program, the CDFI Fund makes grants to eligible organizations to provide a range of financial education and counseling services to prospective homebuyers. The CDFI Fund does not propose to fund the FEC Pilot Program in FY 2012.

### 3.2.9 – Financial Education and Counseling Pilot Program Budget and Performance Plan

(Dollars in Thousands)

#### Financial Education and Counseling Budget Activity

Resource Level	FY 2008 Obligated	FY 2009 Obligated	FY 2010 Enacted	FY 2011 Annualized CR Level	FY 2012 Request
Appropriated Resources	\$0	\$2,000	\$1,000	\$1,000	\$0
Reimbursable Resources	\$0	\$0	\$0	\$0	\$0
<b>Total Resources</b>	<b>\$0</b>	<b>\$2,000</b>	<b>\$1,000</b>	<b>\$1,000</b>	<b>\$0</b>

<b>Budget Activity Total</b>	<b>\$0</b>	<b>\$2,000</b>	<b>\$1,000</b>	<b>\$1,000</b>	<b>\$0</b>
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**3K – Financial Education and Counseling Pilot Program (Hawaii)** (*\$0 from direct appropriations*): Through the FEC Pilot Program (Hawaii), the CDFI Fund makes grants to eligible organizations to provide a range of financial education and counseling services to prospective homebuyers in the State of Hawaii. The CDFI Fund does not propose to fund the FEC Pilot Program (Hawaii) in FY 2012.

### 3.2.10 – Financial Education and Counseling Pilot Program (Hawaii) Budget and Performance Plan

(Dollars in Thousands)

#### Hawaii Financial Ed and Counseling Budget Activity

Resource Level	FY 2008 Obligated	FY 2009 Obligated	FY 2010 Enacted	FY 2011 Annualized CR Level	FY 2012 Request
Appropriated Resources	\$0	\$0	\$3,150	\$3,150	\$0
Reimbursable Resources	\$0	\$0	\$0	\$0	\$0
<b>Total Resources</b>	<b>\$0</b>	<b>\$0</b>	<b>\$3,150</b>	<b>\$3,150</b>	<b>\$0</b>

<b>Budget Activity Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$3,150</b>	<b>\$3,150</b>	<b>\$0</b>
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For detailed information about each performance measure, including definition, verification and validation, please go to:

<http://www.treasury.gov/offices/management/dcfo/accountability-reports/>

## Section 4 – Supporting Materials

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### 4A-- Human Capital Strategy

The CDFI Fund's Human Capital strategy is designed to further the CDFI Fund's mission and operations by developing a Five-Year Human Capital Plan, identifying organizational effectiveness, improving employee training and development, enhancing the CDFI Fund's recruitment and diversity strategies, and improving employee retention and satisfaction.

**Five-Year Human Capital Plan:** Currently, the CDFI Fund is developing a five-year strategic plan that aligns with the growing needs of the CDFI community. As part of the strategic planning process, the CDFI is outlining a five-year human capital plan to coincide with the five-year strategic plan. The human capital plan will serve as a roadmap to ensure that the CDFI Fund is able to close employee skill gaps that have been identified. Areas of focus will be within the compliance and research divisions, which will be heavily relied on to monitor compliance and track performance of awardees. The human capital plan will also identify ways to address attrition, as it is critical to the success of the CDFI Fund to have a plan of action to recruit and retain high performers.

**Organizational Effectiveness:** From FY 2008 through FY 2010, the CDFI Fund underwent an evaluation of the efficiency and effectiveness of its operations. This involved extensive internal assessments of every business unit to determine what was working well, what areas needed improvement and where the organization was duplicating services and/or costs. Managers and staff served an active role by working with contractors to capture pertinent business processes and by evaluating standard operating procedures.

**Training & Development:** To ensure mission success into the future, the CDFI Fund needs a talented group of employees and leaders able to produce results and able to inspire, motivate, and guide others to produce.

During the second quarter of FY 2010, the CDFI Fund launched the CDFI Fund *Academy*, training, development and succession-planning tool designed to ensure that the CDFI Fund staff have the skills they need to achieve mission success. The CDFI Fund *Academy* prepares staff to take on more challenging and broader roles, as well as more responsibilities, within their area of technical responsibility; provides opportunities to understand customer and industry issues; enhances staff understanding, effectiveness and mobility across programs and business units; and creates a culture of current and future leaders who value people and focus on achieving valuable results that matter to the communities we serve. Through the CDFI Fund *Academy*, each employee has access to a coach to assist with career and/or personal development.

**Recruitment and Diversity:** During FY 2009 and FY 2010, the CDFI Fund has aggressively staffed vacant positions using its established recruitment strategies. The CDFI Fund is dedicated to recruiting a diverse pool of applicants to reflect its diverse

constituents. During FY 2011 and FY 2012, the CDFI Fund will continue the Director's outreach initiative to organizations such as the Hispanic National Internship Program, the Washington Internships for Native American Students, Historical Black Colleges and Universities, and to organizations that represent persons with disabilities. Given the current economic challenges in the CDFI community, the CDFI Fund will also target individuals from the community and economic development finance industries. This will help bring years of specialized experience to enhance the CDFI Fund's mission.

**Employee Retention and Satisfaction:** In FY 2012, the CDFI Fund will continue surveying its employees to measure employment satisfaction and identify opportunities for improvement. The Director will continue regular informal outreach meetings (including "Brown Bag" lunches) with line staff in order to stay connected to their needs and concerns. The meetings help employees to understand policy, program decisions, and provide an opportunity to share ideas with the Director. In FY 2010, the CDFI Fund developed a group of Change Champions; these business unit liaisons serve as change communicators between management and staff. The Change Champions will continue into FY 2012 to assist with future changes to programs and operations. In order to promote a fully engaged workforce, senior management will ensure that employee ideas and recommendations are captured early through meetings, working groups, policy discussions, and other methods.

Through the Employee Recognition and Award Program, managers and staff acknowledge employee contributions over and above what is expected with "Quality" performance. The award program is designed to establish continual improvement of the CDFI Fund's programs and operations through motivation and reward of employees. Awards include Special Act Awards, On-the-Spot Awards, Time off Awards, and non-monetary awards (such as certificates and tours of historical landmarks in the Washington, D.C. area).

#### 4.1 - Summary of IT Resources Table

(Dollars in Thousands)

Major IT Investments / Funding Source	Budget Activity	FY 2009 Enacted	FY 2010 Enacted	% Change from FY 2009 to FY 2010	FY 2011 Annualized CR Level	FY 2012 Request	% Change from FY 2010 to FY 2012
None		\$0	\$0	0.0%	\$0	\$0	0.0%
<b>Subtotal, Major IT Investments</b>		<b>\$0</b>	<b>\$0</b>	<b>0.0%</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0%</b>
CDFI Non-Major Investments	CIIS is a web-based data collection system that CDFIs and CDEs use to submit their Institution-Level Reports and Transaction-Level Reports to the Fund. CDFI LAN supports email, grants processing and all business areas within the Fund. CDFI Fund Website C	\$427	\$450	5.3%	\$450	\$2,222	367.8%
<b>Non-Major IT Investments</b>		<b>\$427</b>	<b>\$450</b>	<b>5.3%</b>	<b>\$450</b>	<b>\$2,222</b>	<b>367.8%</b>
CDFI Infrastructure (End User)	The CDFI Fund's annual office automation budget to support the Grants Management system.	\$2,179	\$2,584	118.6%	\$2,584	\$1,450	-52.5%
CDFI Infrastructure (Mainframes and Servers)	CDFI Fund infrastructure costs for hardware and system administration services for Grant processing requirements.	\$0	\$80	100.0%	\$80	\$440	340.0%
CDFI Infrastructure (Telecommunications)	Telecommunications and web hosting services for the CDFI Fund including web hosting services from TTB.	\$335	\$355	5.9%	\$355	\$310	-26.0%
<b>Infrastructure Investments</b>		<b>\$2,514</b>	<b>\$3,019</b>	<b>20.1%</b>	<b>\$3,019</b>	<b>\$2,200</b>	<b>-39.7%</b>
None							
<b>Enterprise Architecture</b>							
<b>Total IT Investments</b>		<b>\$2,941</b>	<b>\$3,469</b>	<b>18.0%</b>	<b>\$3,469</b>	<b>\$4,422</b>	<b>7.2%</b>

#### **4B – Information Technology Strategy**

The CDFI Fund does not have any Major IT investments, as the term is defined by Treasury guidelines for defining Major IT investments. As such, the CDFI Fund is not required to submit an OMB 300, and instead submits Exhibit 53 for No Major IT investments. However, the CDFI Fund's Chief Operations Officer (COO) ensures that all decision-making is integrated into the organization's planning, operations, and budgeting processes. The Supervisory IT Specialist assists the COO in ensuring that existing processes and structures supporting IT investments are tied to the strategic plan, support the mission, and remain within the approved budget.

The IT unit is responsible for ensuring that the CDFI Fund's IT strategic goals conform to legislative requirements, the goals of Treasury and the Administration, the Federal Information Security Management Act (FISMA), Grants.gov, and the Information Technology Infrastructure Line of Business (ITILoB). This information, as well as budget and project management information for the Capital Planning and Investment Control process is coordinated with Treasury's Office of the Chief Information Officer as part of the Department's IT management process.

The FY 2012 budget request includes the costs associated with new investments that will allow the CDFI Fund to better support its award programs. The CDFI Fund must create a more stable IT infrastructure to improve operational efficiency, research capabilities, and to enhance compliance monitoring for all awards. The CDFI Fund also proposes to form a new formal IT Governance/Compliance framework that will monitor measurable objectives and the overall performance of IT resources and to implement a Grants Management Information System Modernization Plan.

The CDFI Fund has analyzed its business processes and is developing a single, comprehensive, enterprise-wide to-be target architecture for its grant's management system that optimizes business processes by streamlining and eliminating unnecessary redundancies, removing stove-piped and program-specific procedures, and leveraging automation and technology. The benefits associated with this transition are enterprise-wide and will result in a more efficient, flexible, and scalable organization that can handle the larger volume of awards that are managed by the CDFI Fund. This modernization initiative will enable the CDFI Fund to provide more transparency, better data quality, and improve governance within the organization, all resulting in a better value to customers.

#### **4C – Place-Based Policies and Programs**

**Summary of CDFI Fund Programs:** The following programs have requested funding and/or authorization in the FY 2012 budget request:

CDFI Program: Provides Financial Assistance awards to institutions that are certified as CDFIs, which in turn provide loans, investments, financial services (including financial education) and technical assistance to underserved populations and low-income communities; and Technical Assistance grants to certified CDFIs and entities that will become certified as CDFIs within three years.

Native Initiatives: Provides Financial Assistance awards, Technical Assistance grants, and training to Native CDFIs and other Native entities proposing to become or create Native CDFIs.

NMTC Program: Provides tax allocation authority to certified CDEs, enabling investors to claim tax credits against their Federal income taxes; the CDEs, in turn, use the capital raised to make investments in low-income communities.

Bank on USA Initiative: Provides competitive grants to a variety of entities, including financial service providers, community-based organizations and governmental entities, for use in promoting access to and innovations in affordable and appropriate financial services, basic consumer credit products and financial education unbanked and under-banked households.

Healthy Foods Financing Initiative: Through the HFFI, the CDFI Fund will make CDFI Program awards and NMTC allocation authority to CDFIs and CDEs, respectively, for the purpose of financing projects that will increase the availability of healthy food alternatives in food deserts and other areas that currently lack access to healthy and nutritious food options.

**Applicability of Place-Based Policies and Programs:** The CDFI Fund programs do not fit neatly into the concept of “place-based” initiatives. Each of these programs, to a varying degree, could be considered “place-based” given their goals of improving communities and promoting economic growth. However, the programs are not focused on specific geographic areas. Some program awardees may be serving a local area, but many have a nationwide footprint and/or focus on delivering services to low-income individuals, without a dedicated focus to a particular community. Furthermore, requiring CDFIs to limit their investments to certain geographies may impact their ability to serve low-income persons, diversify their loan pool, mitigate risks, and achieve financial sustainability. Similarly, by limiting NMTC investments to more narrowly defined geographical areas, CDEs may be challenged to achieve balanced portfolios and acceptable financial returns that meet both the financial goals of investors and the social goals of the program.