



## 2021 People & Places Collaboration

- **National Alliance of Community Economic Development Associations (NACEDA)**
- **National Association for Latino Community Asset Builders (NALCAB)**
- **National Coalition for Asian Pacific American Community Development (National CAPACD)**
- **National Urban League**

**Who we are:** A diverse coalition of networks that represent community-based organizations and regional community development networks that touch thousands of low-income neighborhoods and communities of color nationally.

**Why we exist:** We are committed to combating structural racism and economic disparity through policy strategy and advocacy. We exist to create the conditions for residents to determine and control the future of their neighborhoods and get what they need to ensure their long-term stability, health, and wealth. When all people & places thrive, our nation thrives.

**What we do:** In solidarity, we advance policies, investments, and protections that prioritize the well-being of African American, Latino, Asian American, Pacific Islander, and Indigenous communities while working to ensure the stability, health, and wealth of all low-income communities.

## Federal Policy Priorities

**Housing as Infrastructure** — Affordable housing must be part of any infrastructure package. Smaller community-based organizations can play a critical role in ensuring dollars are invested equitably.

**Reauthorize and Improve the HOME Investment Partnerships Program** — We urge Congress to revamp the Community Housing Development Organizations (CHDOs) component to maximize the capacity of communities of color and low- and moderate-income (LMI) neighborhoods to build and preserve safe, affordable housing. Specific requests:

- Set-asides for *smaller* organizations and grantees in communities of color;
- Flexible certification for non-profits and participating jurisdictions;
- A mandatory operating grant program;
- Increased CHDO set-aside from 15% to 20%;
- Strengthened eligibility requirements;
- Ways to encourage more LMI homeownership;
- Homeowner-oriented usage of home funds;
- Increased annual funding levels and \$35 billion proposed in the American Jobs Plan; and
- Allow more CHDO resources to be used for state/locally-provided TA, outreach, and training for capacity building (important for organizations led by communities of color).

**Reauthorize the Neighborhood Stabilization Program (NSP)** — We support equitable housing and community development through the NSP. NSP helps state and local governments purchase blighted, vacant, abandoned, foreclosed, or surplus properties and converts them to affordable housing. We urge Congress to:

- Require at least 25% of housing units serve families whose income does not exceed 50% of area median income, and apply long-term affordability requirements in all cases;
- Authorize new funding to be allocated as a HUD competitive grant program, including funds to provide TA to grantees; and
- Prioritize smaller, non-profit developers, allotments for TA, and set-asides for communities of color in funding allocations.

**Strengthen Small Businesses in Underserved Communities** — To mitigate further financial losses and better reach underserved small businesses and entrepreneurs of color, federal policymakers must:

- Conduct oversight of Section 1071 of the Dodd-Frank Act to improve the collection of small business lending data with a focus on lending practices to entrepreneurs of color and urge to collect data disaggregated by gender, age, race, and ethnicity;
- Support direct grant programs that aim to reach underserved markets; expand and codify programs at the Small Business Administration (SBA) that target entrepreneurs of color;
- Allocate set-asides and increased resources for technical assistance for Community Development Financial Institutions (CDFIs) and non-profit organizations that have a track record of success in and primarily serve minority/underserved entrepreneurs; and
- Increase access to CDFI certification and strengthen the CDFI Fund and advocate for CDFIs led by people of color.

**Codify the Community Advantage (CA) Pilot Program** — The [CA](#) pilot program expands Small Business Association (SBA) lending to businesses in underserved communities of color by creating loan guarantees specifically for mission-oriented lenders, primarily non-profit financial intermediaries focused on economic development. We urge Congress to:

- Make the CA program a **permanent** SBA loan program to specifically target small businesses and micro-entrepreneurs in underserved markets and intentionally support their credit, management, and technical needs;
- Ensure equitable SBA program oversight and implementation through [eligible CA program lenders](#); and
- Include set-asides for CDFIs led by people of color.

**Modernize the Community Reinvestment Act (CRA)** — The CRA bans redlining by financial institutions and is an incredibly powerful tool for community developers. Modernizing the CRA would:

- Keep institutions accountable to communities by compelling them to clearly identify local community needs and assets;
- Make credit unions, fintech, internet banks, and loan production offices subject to regulation;
- Take race into consideration when determining examination results and collected CRA-related data;
- Ensure community-based organizations and capacity-building organizations are eligible investments;
- Ensure Fair Lending violations have consequences; and
- Encourage smaller-sized loans, especially for minority businesses.

**Pass the Federal Home Loan Banks (FHLB) Mission Implementation Act** — The [FHLB Mission Implementation Act \(S.1684\)](#) would strengthen the ability of the FHLB system to provide critical financing to address the economic crisis caused by the pandemic and meet the housing, community economic development, and capacity needs of low-income communities of color. Additional critical provisions would:

- Double the FHLBanks' investments in affordable housing through the Affordable Housing Program;
- Create a new economic development grant to promote growth in low-income communities by providing capital to community development corporations, community development loan funds, and similar mechanisms to finance small businesses; and
- Authorize FHLBanks to accept government-guaranteed loans as collateral to support COVID-19 programs.