



WASHINGTON UPDATE: An Update on the Past and Present

Thursday, February 9, 2023
3:00pm EST

www.ndconline.org

Panelists



Daniel Marsh, President & CEO *National Development Council (NDC)*

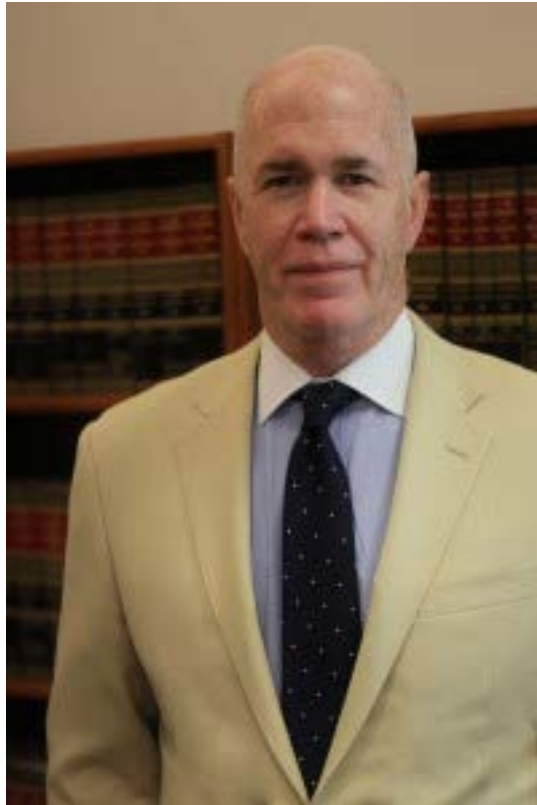
Daniel Marsh was elevated to President and CEO of the National Development Council (NDC) in January 2017. His work in the field of economic and community development has spanned over 35 years in the public, private and non-profit sectors and includes all aspects of business finance, real estate development and continuing education focused on community development.

Considered one of the nation's leading experts in the field of community development finance and program development, he oversees every aspect of NDC's staff and operations across the United States. NDC's wide-ranging areas of focus include advisory services, education, community development financing, small business lending, affordable housing finance and development, and social infrastructure services and programs.

Prior to becoming President and CEO, Marsh also served as Executive Vice President for Policy and Programs in NDC's Washington Office and Eastern Regional Director of Advisory Services. He is credited with incorporating and building NDC's mission focused affiliate, NDC Housing and Economic Development Corporation, in which NDC's nationally recognized nonprofit Social Infrastructure Program, Tax Leveraged Investment Program and Federal Home Loan Bank member lending programs are housed.



Panelists



Bob Rapoza, Founder & President

Rapoza Associates

Bob Rapoza has over four decades' experience as a professional lobbyist and is an expert on the federal budget and appropriations process, with special expertise in federal housing and community development policy.

Bob has been responsible for numerous legislative accomplishments, including sustaining federal rural housing and community development programs, establishing the Intermediary Re-lending Program at the Agriculture Department, increasing funding for community development programs at the Department of Health and Human Services, promoting the creation of a YouthBuild program at the Department of Housing and Urban Development and, most recently, successfully steering the New Markets Tax Credit program to enactment and implementation.

Bob has served on the boards of several housing and community development organizations and has been profiled in the Washington Post, the authoritative Beacham's Guide to Key Lobbyists, and The Hill's 2018, 2019, 2020, and 2021 Top Lobbyists Lists.

Panelists



Paul Anderson, Vice President

Rapoza Associates

Paul Anderson works to advance the legislative priorities of community and economic development clients by lobbying Congress and federal agencies on their behalf. Collecting and analyzing data and case studies, Paul also creates policy tools, including comprehensive reports used in the firm's lobbying and advocacy efforts. In his advocacy and research efforts, Paul is Rapoza Associate's resident GIS expert, graphic designer, and web developer.

Previously he served as Director of Programs at the George Mason University Center for Social Entrepreneurship, and in Congressional Affairs at the National Trust for Historic Preservation. Paul is a graduate of the University of Virginia with a degree in Political Science and a graduate of the Sorensen Institute's Political Leadership Program.

About NDC

Capacity

Technical Assistance



Technical Assistance- NDC field directors help define, design and execute development and business finance initiatives.

Training & Certification



Training- NDC instructors teach skills and knowledge needed to successfully facilitate housing and economic development projects.

Financing & Development

Affordable Housing



Affordable Housing- NDC serves as a development partner as well as providing syndicated investments in low income and historic tax credits

Small Business Lending



Small Business Lending- NDC creates jobs through lending that focuses on LMI as well as W/MBE businesses

Housing & Economic Development



Housing & Economic Development- NDC finances and builds community and public facilities on behalf of our client communities through public-private partnerships and new markets tax credits



State Small Business Credit Initiative (SSBCI) 2.0



<https://www.thenewlocalism.com/newsletter/the-state-small-business-credit-initiative-where-we-stand/>



DREXEL UNIVERSITY

Nowak Metro Finance Lab

Lindy Institute for Urban Innovation

End of the Year Spending Bills

- Enacted December 2022
- Fund the Federal Government through Sept. 30, 2023

One Hundred Seventeenth Congress
of the
United States of America

AT THE SECOND SESSION

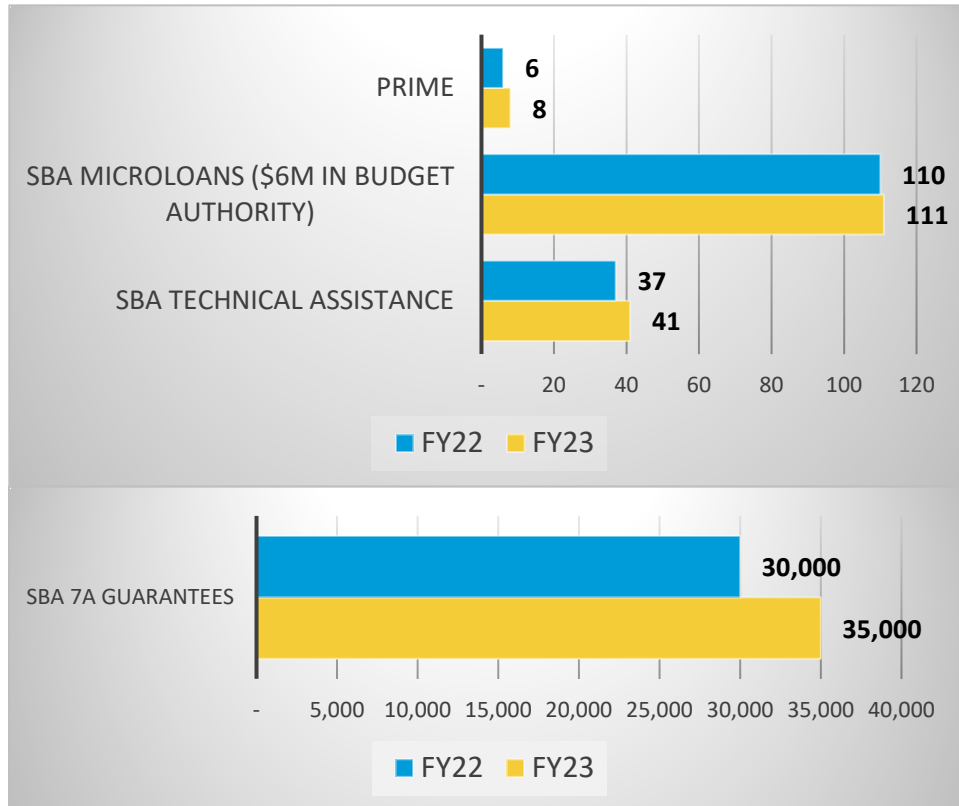
*Begun and held at the City of Washington on Monday,
the third day of January, two thousand and twenty-two*



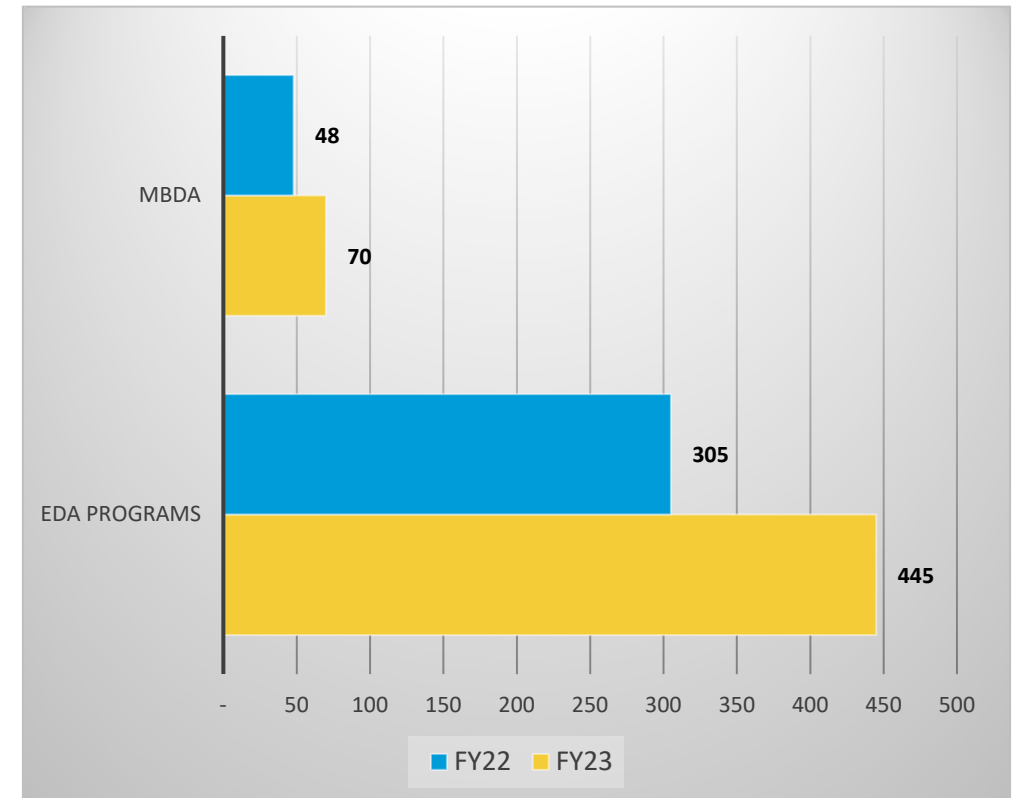
FY 2023 Omnibus Appropriations

SBA and EDA, \$ in millions

SBA

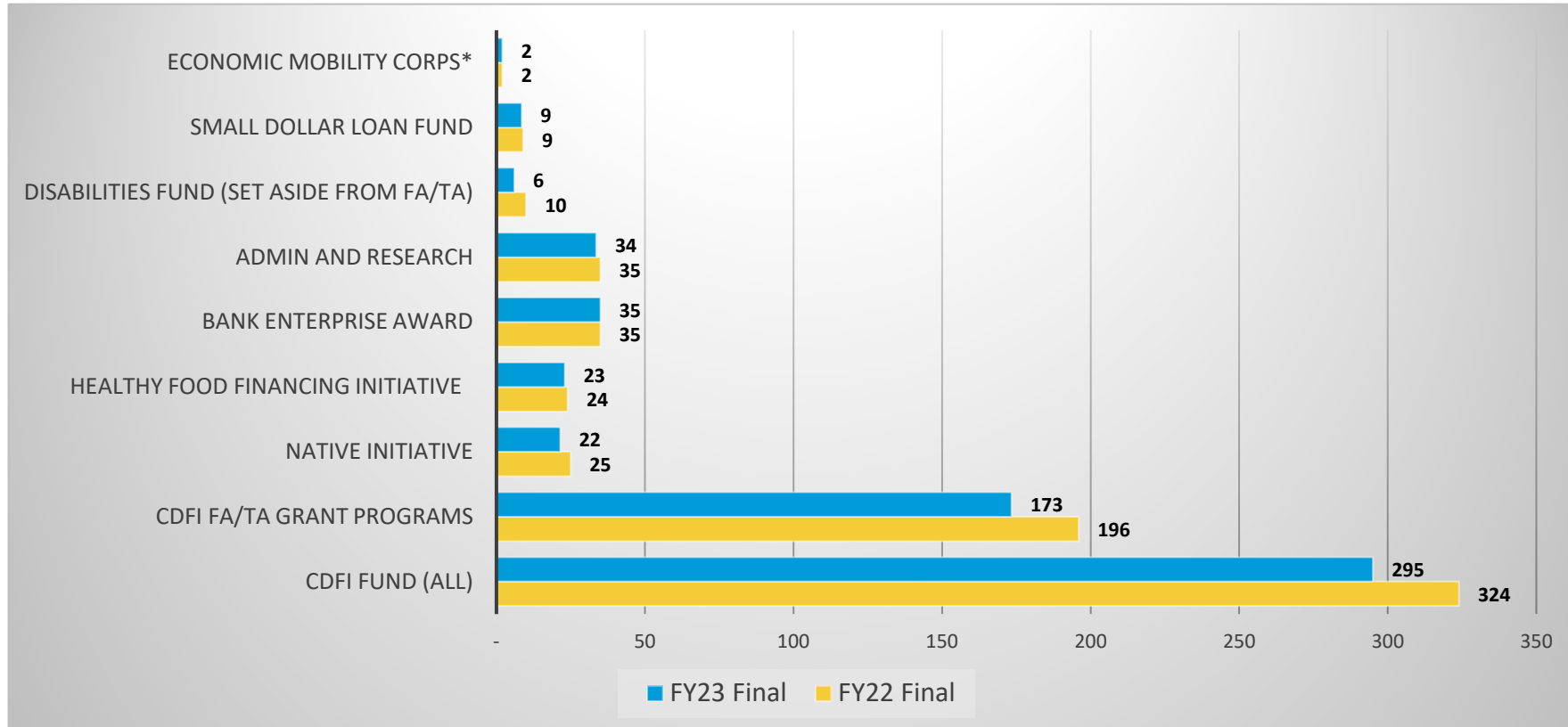


Economic Development Administration



FY 2023 Omnibus Appropriations

CDFI Fund, \$ in millions



Other CDFI Fund Programs:

- Bond Guarantee Program Steady at \$500M in annual authority
- New Markets Tax Credit authorized through 2025 at \$5B annually
- Capital Magnet Fund application due March 21



CDFI Fund News

Certification

- Comment Period Ended in December
- More opportunities for feedback
- Certification Moratorium Oct. 1, 2022 – April 30, 2023
 - Most likely extended

Awards:

- Coming soon: Equitable Recovery Program (\$1.75B) and CY22 CDFI Program (FA/TA) Awards
- CY23/24 CDFI Program Application Delayed

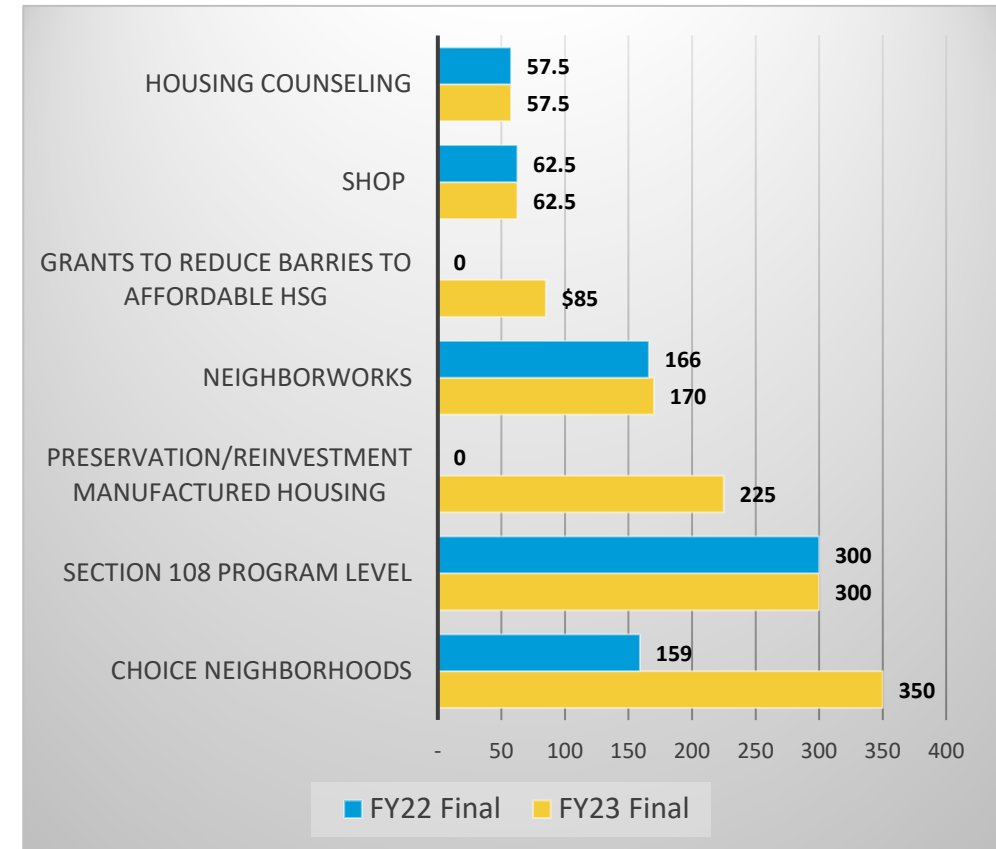
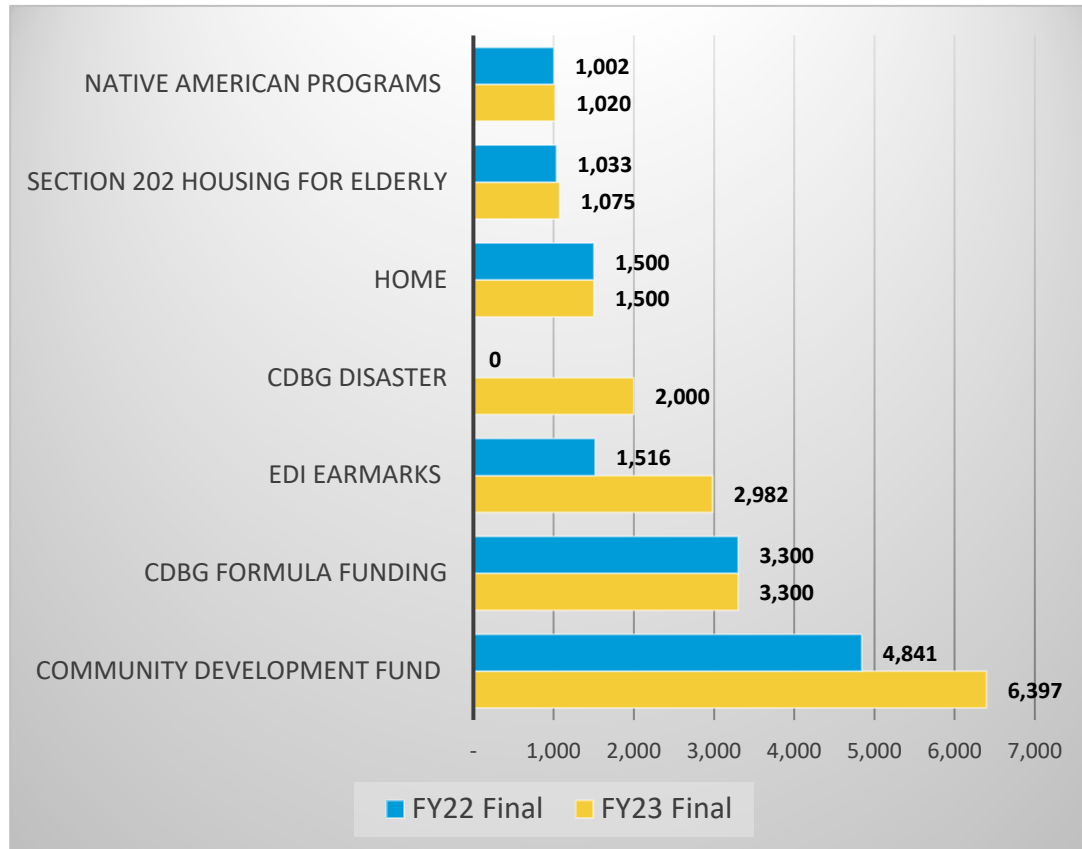
Senate Community Development Financing Caucus

- Chairs: Mark Warner (D-VA) and Mike Crapo (R-ID)



FY 2023 Omnibus Appropriations

HUD, \$ in millions





HUD News

Recent Awards:

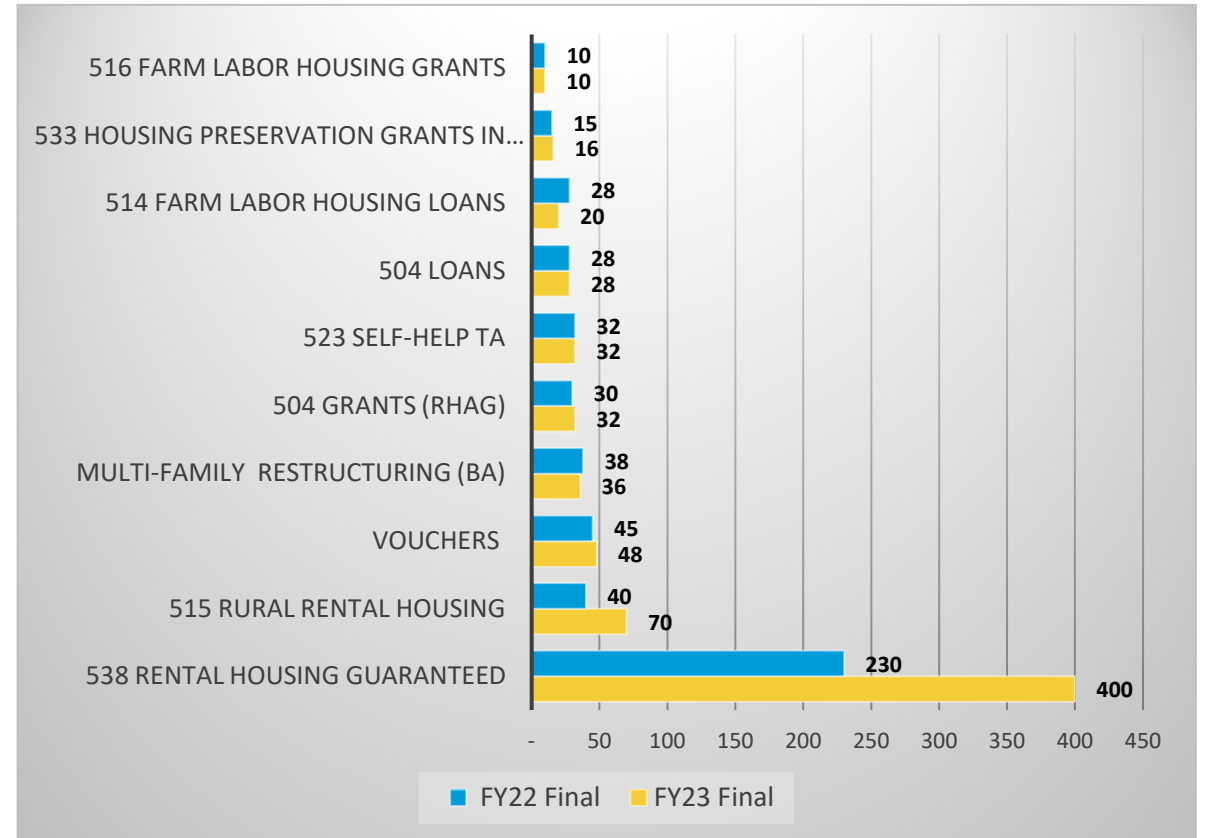
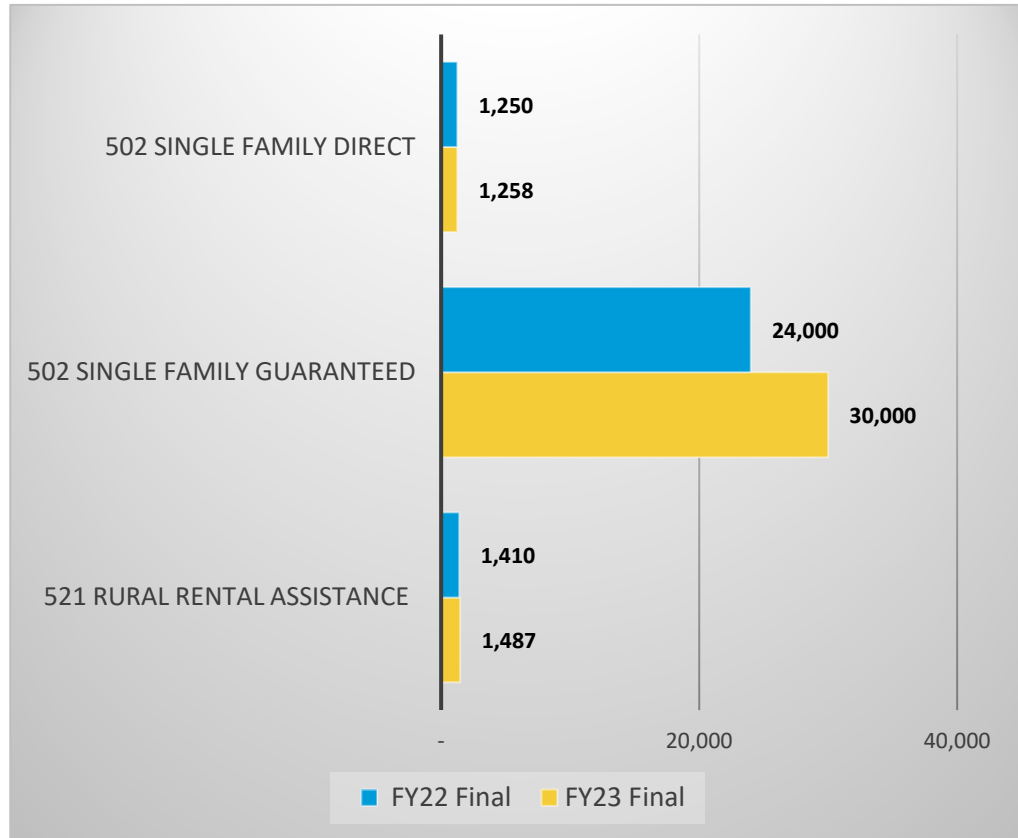
- **Continuum of Care (Feb. 1):** Awarded \$315M in grants to address homelessness

Notable Open Applications:

- **HUD's Lead Hazard Reduction Grant Program:** \$403 million in grants to state and local governments (**Due Mar. 14**) and \$165 million for Public Health Authorities (**Due Apr. 13**) for improving health and safety in privately-owned older (pre-1978) homes of low-income families

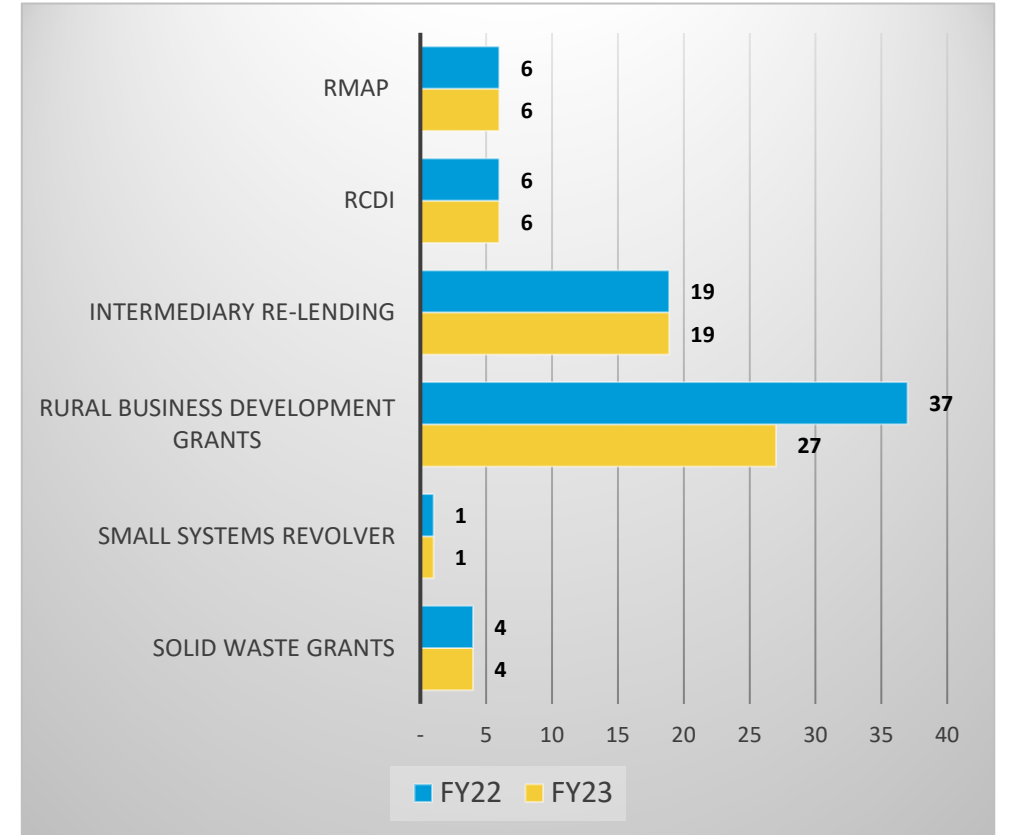
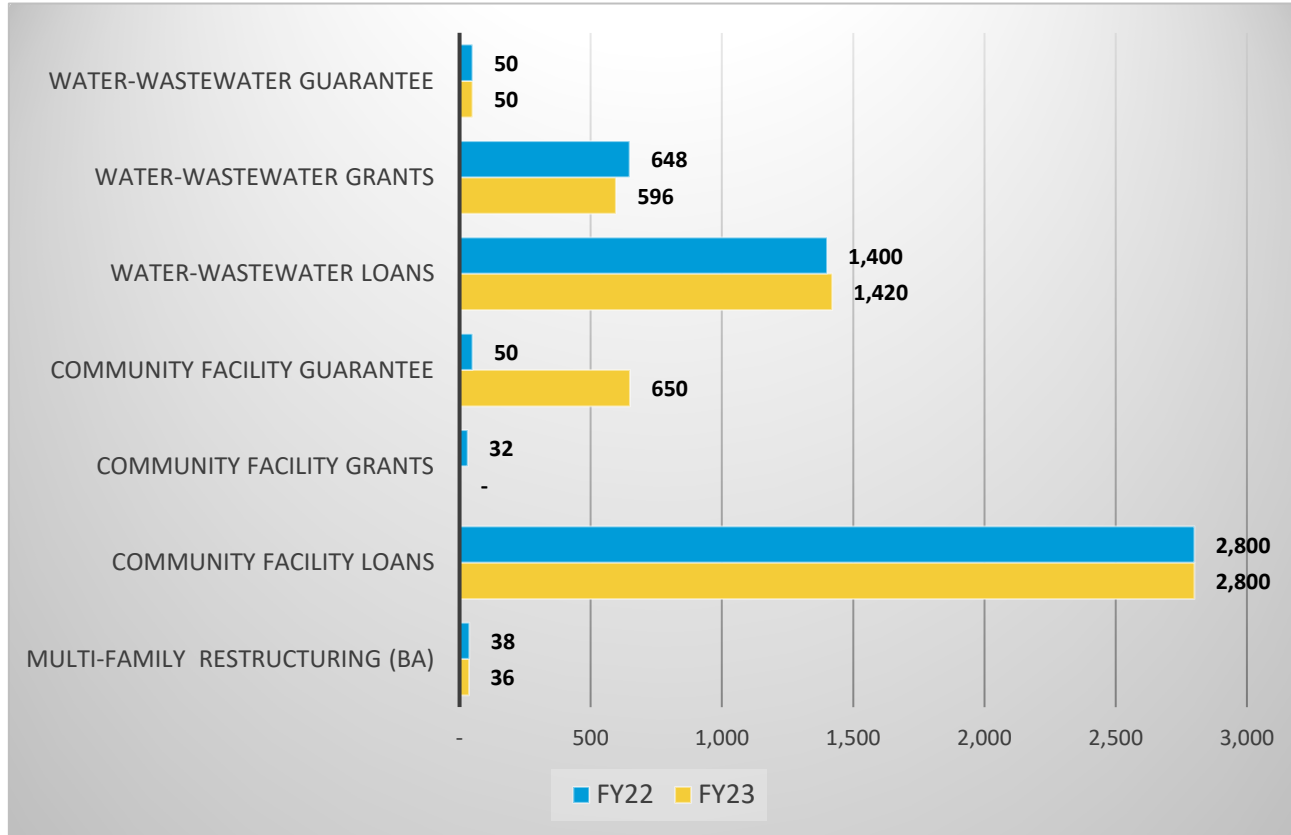
FY 2023 Omnibus Appropriations

Rural Housing, \$ in millions



FY 2023 Omnibus Appropriations

Rural Development, \$ in millions



Inflation Reduction Act (Pub. L. 117–169) aka the Climate Bill

Sec. 134 Greenhouse Gas Reduction Fund

- Administered by EPA
- \$7 billion for state local, and tribal grants to develop and deploy zero emission technology; available within 180 days of enactment until 9.30.24;
- A range of projects, available within 180 days of enactment until 9.30.24;
- \$11.9 billion competitive grants for financial and technical assistance, available within 180 days of enactment until 9.30.24; and
- \$8 billion for disadvantaged and low-income communities available within 180 days of enactment until 9.30.24.

Greenhouse Gas Reduction Fund - Details

Use of GGRF Fund:

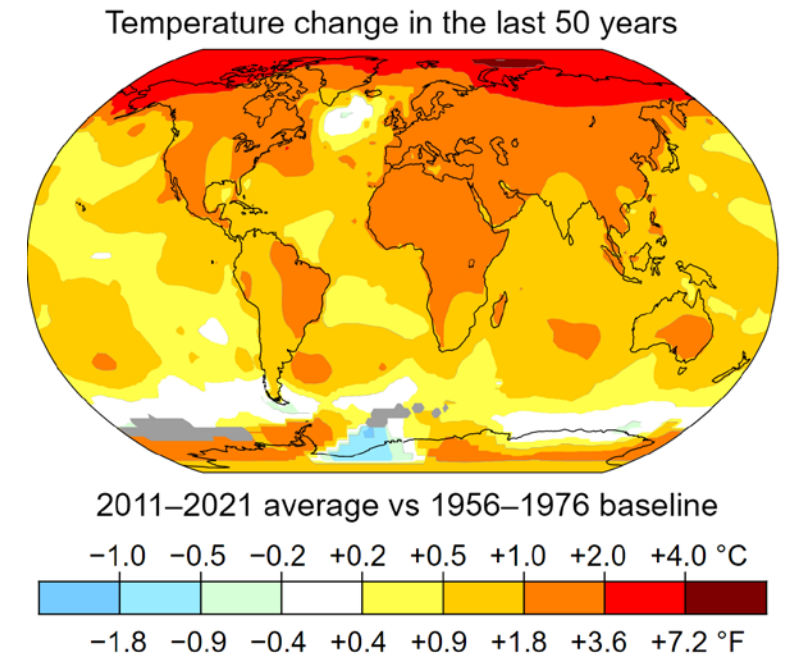
- Direct investment: financial and technical assistance to qualified projects; priority to projects lacking access to other capital; recycling interest, principal, and additional capital from other sources for continued use;
- Indirect investment: financial and technical assistance to support new or new and existing entities that provide financing to qualified projects;

Eligible Entities:

- Nonprofit organizations that provide and leverage capital and other forms of financial assistance for eligible projects; do not take deposits; funded by public or charities, and invest and finance projects alone or with other investors;

Qualified Projects:

- Projects, activity, or technology that reduces greenhouse gas emissions and other forms of air pollution by leveraging other private sector capital sources; assistance for communities' efforts to reduce greenhouse gas and other forms of air pollution;



Potential GGRF Project Examples

- Building a **partnership of organizations to deliver free “Aquaculture in Shared Waters” courses** that help Mainers in the lobstering and fishing industries, like Morning Star Fisheries & Aquaculture, diversify their revenue and plan alternative ways to work on the water as the Gulf of Maine temperature increases, pushing traditional species further north. (CEI Maine)
- Cinnaire, a CDFI serving the Midwest, supported the 1300 Residences development, a 50-unit, a high-quality affordable housing project for residents with 30-80% of Area Median Income (AMI) in River Falls, Wisconsin. The project sponsors - West Central Wisconsin Community Action Agency (West CAP) and Gerrard Corporation -- designed the development to meet the environmental goals of the community, incorporating 580 rooftop photoelectric panels, three solar Smartflowers, state-of-the-art air source heat pumps, insulated glass windows to reduce energy loss, and a bus stop to help the City establish transit service.
- **NDC:** San Jose Environmental Innovation Center (SJEIC) provides laboratory, office, proto-type manufacturing and demonstration space for emerging clean technology companies. The 50,000 sq. ft. facility is located near downtown San Jose on an industrial site in a targeted distressed community. As part of the City’s Green Vision Plan to nurture emerging “green technology” businesses, SJEIC integrates broad-spectrum workforce training opportunities for local residents seeking to enter the green economy. The LEED Platinum project is itself a model of sustainability with solar PV panels installed throughout the project to generate all or most of the facility’s energy, a storm water mitigation system, pervious sidewalk and LED street lighting.



New House Leadership, 118th Congress



- Speaker: Kevin McCarthy (R-CA)
- Majority Leader: Steve Scalise (R-LA)
- Majority Whip: Tom Emmer (R-MN)

Key House Committee Changes

- Appropriations: Kay Granger (R-TX)
- Budget: Jodey Arrington (R-TX)
- Financial Services: Patrick McHenry (R-NC)
- Ways and Means: Jason Smith (R-MO)



Tax Policy



NMTC Extension Act of 2023 (S. 234)

- Introduced Feb. 2, 2023 by Sens. Cardin (D-MD) and Daines (R-MT)
- Makes program permanent (it currently expires in 2025)
- \$5B in annual allocation with inflation adjustment
- AMT relief for NMTC investors

Neighborhood Homes Investment Act

- Not yet reintroduced
- A new federal tax credit that will produce new equity investment dollars for the development and renovation of 1-4 family housing in distressed urban, suburban, and rural neighborhoods

Low Income Housing Tax Credit (LIHTC)

- **The Affordable Housing Credit Improvement Act (AHCIA)** to be reintroduced soon.
- Has been reintroduced in every Congress since 114th
- Need new Republican lead sponsorship – Sen. Portman retired and Rep. Walorski sadly passed away during the 117th Congress.
- Some provisions in the AHCIA may be modified in 2023 before reintroduction.

AHCIA (117th Congress) Basics

- **Expand the 9% Housing Credit allocation authority by 50% (phased in over two years).**
- **Lower the Private Activity Bond financing threshold from 50% to 25% when combining this financing with the 4% Housing Credit which would significantly expand production**
- Provide flexibility for existing tenants' income eligibility, especially in case of recapitalization.
- Simplify the Housing Credit student rule
- Prohibit local approval and contribution requirements (anti-NIMBY)
- Make the Housing Credit compatible with energy tax incentives (eliminate the basis reduction)



ACHIA (117th Congress) Highlights

- Provide up to a 50% basis boost for projects serving Extremely Low-Income Households in at least 20% of apartments.
- Repeal the Qualified Census Tract population cap
- Increase the Difficult Development Area (DDA) population cap from 20 to 30% - adding more communities that fall under DDA. Make “Indian areas” and rural areas automatically DDA.
- Allow the Housing Bond program to more easily use income averaging.
- Standardize income eligibility for rural properties, making bond-financed developments more feasible
- Codify IRS guidance allowing veterans to be specified group in bond-financed/9% properties.
- Allow states to provide up to 30% basis boost for bond-financed properties



Data and Advocacy Resources for the AHCIA

- **ACTION Campaign** is a national coalition of Housing Credit/LIHTC stakeholders – more than 2,400 organizations and businesses at local, state and national level focused on protecting, expanding and strengthening LIHTC. It is cochaired by the National Council of State Housing Agencies and Enterprise Community Partners.
- ACTION publishes National, State and Congressional District Fact Sheets:
- <https://rentalhousingaction.org/national-state-district-fact-sheets/>








Low-Income Housing Tax Credit Impact In New York





The ACTION Campaign represents over 2,400 organizations and businesses working to address our nation's severe shortage of affordable rental housing by supporting the Low-Income Housing Tax Credit.

The Housing Credit's Benefits For Low-Income Families And The Economy, 1986 - 2021

| | |
|---|--|
|  | 252,902 homes developed or preserved in NY |
|  | 544,613 low-income households served |
|  | 420,208 jobs supported for one year |
|  | \$16.551 billion in tax revenue generated |
|  | \$47.644 billion in wages & business income generated |

The Need for Affordable Housing

Though the Housing Credit has had a tremendous impact across the country, much more affordable housing is still needed to meet the growing demand.

| | |
|---|---|
|  | 1,014,972 renter households in New York pay more than half of their monthly income on rent, leaving too little for other expenses like health care, transportation, and nutritious food |
|  | In order to afford a one-bedroom apartment, a minimum wage worker in New York has to work 99 hours per week |

The Low-Income Housing Tax Credit (Housing Credit) is a proven solution to help address the affordable housing crisis.

The Housing Credit is our nation's most successful tool for encouraging private investment in affordable rental housing.

It has financed over 3.7 million homes for low-income families and individuals nationwide since 1986.

The ACTION Campaign calls on Congress to:

- Expand the Housing Credit to address the severe shortage of affordable housing.
- Strengthen the Housing Credit to maximize impact in communities facing the greatest need.
- Enhance multifamily Housing Bonds, which provide critical financing to about 50 percent of Housing Credit homes.

Addressing Our Nation's Severe Shortage Of Affordable Housing

Up to 119,890 additional affordable homes could be financed in NY by the primary unit financing provisions in the *Affordable Housing Credit Improvement Act*.

Visit rentalhousingaction.org for data sources and methodologies.

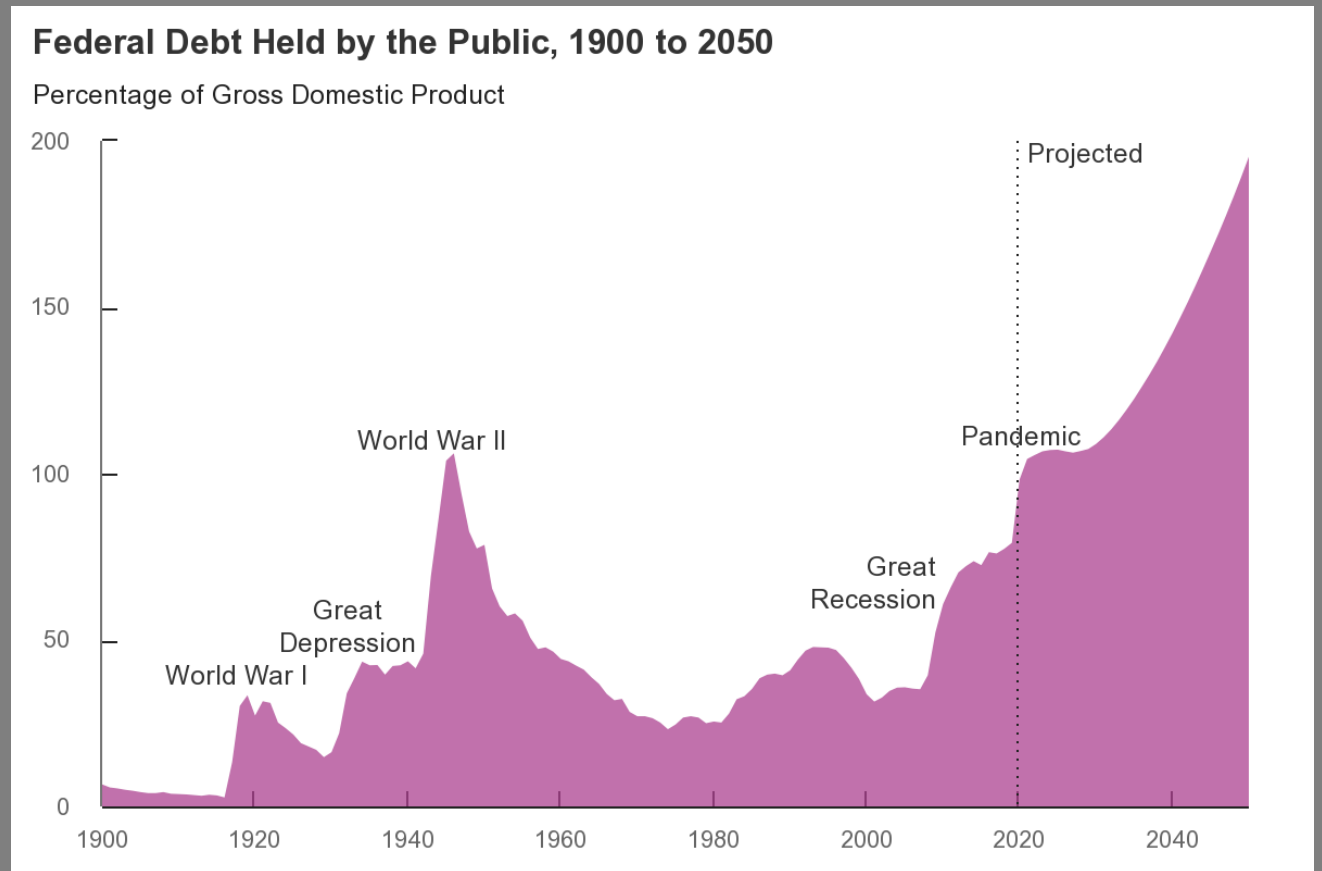
Closest House Margin in History (TIE)

- 83rd Congress (1953-55),
- 107th Congress (2001-03),
- 117th Congress (2021-23),
- 118th Congress (Today)
- 5 seat margin



Looking Forward

- Debt Ceiling Expiration
- Appropriations
 - House proposing overall cut of discretionary spending (all focused on domestic) down to FY22 levels.
- Tax bill



Questions?

Please send your questions by using the chat box in your control panel.

