



**September 28, 2021**

Honorable Senator Sherrod Brown  
503 Hart Senate Office Building  
Washington, DC 20510

**Honorable Senator Brown;**

The three national community development organizations in the People & Places Collaboration ask you to prioritize the needs of low- and moderate-income people and places and communities of color when debating housing and community development funds as part of the reconciliation package. We strongly commend Congress for proposing bold action. We offer the following recommendations to strengthen the targeting of some of the more innovative housing and community development programs that have been put forward.

The fundamental innovation of the community development sector is resident leadership and community control over the tools, technical capabilities, and professional resources in the places where they live and work. In the ideal forms of community development corporations and other community-based organizations, residents can direct – instead of only being subject to – the forces of real estate development and financing, property management, housing ownership, neighborhood and community planning, architecture and design, and public policy.

To help fully realize the potential of the community development sector, federal policy needs to make significant strides in the following three areas:

1. **Equitable Funding Distribution and Data:** We need relevant data to ensure that funding is being directed to community-based, community-representative organizations working directly in low-income communities of color.
2. **Community Power:** Building power through movement and alliances can only happen when there is permanent, consistent, or reliable funding sources, technical assistance, and more.
3. **Accountability:** Community-based planning and oversight is required to provide increased accountability for all federal programs that invest in infrastructure, community development, and anti-poverty. This oversight will ensure that the goals, structure, and implementation of programs actually benefit those they are meant to support.

**Proposed Legislative Actions**

We ask that the reconciliation package includes a number of specific provisions to help achieve these priorities.

1. **Set asides:** Set aside funds that are only accessible to nonprofit community-based development organizations, their support organizations, underserved markets, and communities of color.
  - o *Housing Investment Fund (HIF):* A 35% minimum set aside of HIF funds should be dedicated to smaller community-based development organizations, including community development corporations, neighborhood redevelopment groups,

community housing development organizations, and similar types of nonprofit organizations that serve the needs of hard-to-reach communities. While the CDFI Fund has a proven track record of making effective community development investments, it has proven less effective at making investments in smaller organizations and non-CDFIs that serve many smaller cities, rural areas, and entire regions, as well as many communities in larger urban areas that are not adequately served by CDFIs, such as those communities that are largely Asian American.

We see the HIF as an opportunity to encourage the CDFI Fund to ensure that the program application and reporting requirements are such that smaller groups can successfully compete for – and effectively utilize – awards. Congress can also allow for a more accessible application process, including loosened matching requirements, among other loosened restrictions, to make the funds easier and quicker to access and deploy.

- *HOME Investment Partnership Program (HOME):* The CHDO set-aside should remain in place, be increased to 20%, and be easier to attain. A 10% set aside currently exists in the HOME Program, known as the set-aside for Community Housing Development Organizations (CHDOs). Our Collaboration has called for a 20% set-aside for the HOME Program as part of its reauthorization. The reconciliation package is an opportunity to get a head start on that set-aside, to ensure more communities can access HOME dollars, more dollars can be used for homeownership purposes and resources are flexibly available for each community's diverse housing needs. We will continue to work with Congress during the HOME Program's reauthorization to refine the CHDO certification process to make it easier and to encourage quicker resource allocation and deployment.
2. **TA and Training:** The reconciliation package, as passed by the House Financial Services Committee in September 2021, provides necessary resources to help communities and nonprofit organizations quickly and effectively use the proposed funds. These resources, however, need effective targeting.
- *Decentralize TA providers:* Over about the last ten years, HUD has significantly centralized technical assistance providers into a small handful of large national organizations. The result has been that the providers do not know local market and other conditions to provide the most effective support to developers and service providers. Knowledge and experience with local market conditions should be a priority when awarding TA contracts.
  - *Drive TA resources into hard-to-reach communities:* Similarly, over the last ten years, organizations located in major cities, and easier-to-reach markets, have had an easier time securing technical assistance and training. Decentralizing providers, dedicating set asides, and increasing HUD's capacity to manage TA requests would help TA reach more communities.
  - *Award TA contracts to organizations with accountability to the communities and organizations benefiting from the assistance:* When awarding TA contracts, special consideration should be given to organizations with a track-record of working with LMI and minority communities and community-based organizations.
3. **Community Restoration and Revitalization Fund (CRRF):** Our collaboration applauds the efforts of the committee to address displacement and gentrification in underserved communities with the establishment of the CRRF. We ask that it be given a priority throughout the reconciliation negotiations. As the initiative continues through the legislative and regulatory process, we urge

that projects strengthening civic infrastructure include the preservation and investment in culturally-driven commercial corridors, particularly for LMI business owners and entrepreneurs. The intersection between housing and small business investment must be integrated as local place-based recovery strategies. We look forward to continuing to work with the Committee, Congress, and the Administration to advance the President's Executive Order on Racial Equity and Support for Underserved Communities. Our goal is to ensure that policies and investments are effective, uplifting and, expand opportunities in communities of color.

**What is the People & Places Collaboration?**

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.

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

Thank you for considering our recommendations. We welcome any feedback or questions your office may have.

Sincerely,



Frank Woodruff

*Marla Bilonick*

Marla Bilonick



Seema Agnani

