Policy Priorities

2021–2022

- Capacity Building, Leadership, and Innovation
- Economic Development
- Education
- Family Income and Wealth Building
- Health
- Housing
- Safety and Justice

LISC

Foreword

How can our government ensure economic opportunity for all?

That question has long been the guidepost for LISC's federal public policy efforts. For more than 40 years, we have drawn on our community investment experience to advance policies that fuel affordable housing, economic development, health, education, safety and jobs, all designed to help families and communities thrive.

In 2020, this work has become increasingly urgent. COVID-19 has magnified the gaps in health and wealth that have long affected our communities, especially for people of color. We are keenly focused on strategies that not only support near-term relief and recovery, but that also address the nation's deep and persistent disparities—those that limit the life prospects and economic well-being of people based largely on race, class, gender or geography.

In this document, we outline a federal policy blueprint for building a broadly shared prosperity. While government tools and resources, on their own, are not sufficient to address the nation's interconnected challenges, we know from experience that federal programs are critical, helping attract private capital to places it might not otherwise flow, and creating pathways to opportunity for families and communities.

There is no one-size-fits-all solution, of course, which is why these recommendations span 17 federal agencies. From rural broadband to small business support and affordable childcare to homeownership, our hope is to offer the Administration and Congress a view of what works to expand economic opportunity, based on our $22 billion in community investments in nearly every state.

And still, we know much more is needed. We are committed to pursuing action on the items highlighted in this document, as well as to identifying additional opportunities for policy development and advocacy in the coming months and years.

We are proud of our work over the years, as we have tested new ideas, developed new partnerships and tied the lessons we have learned to new programs and policy approaches. We continue to leverage the expertise of our staff in 36 local LISC program offices and a rural investment program that reaches more than 2,200 counties in 45 states, as well as that of LISC affiliates focused on affordable housing, community facilities and businesses nationwide.

These are unprecedented times, and this work simply cannot wait. An effective base of federal policies is critical to our national economy and to the well-being of all Americans. We invite you to read through these policy proposals, consider the opportunities they present, and join us in advocating for a strong and growing economy that works for everyone.

Maurice A. Jones

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LISC PRESIDENT AND CEO

Matt J. Josephs

Matt Josephs
LISC SENIOR VICE PRESIDENT
FOR POLICY

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LISC's Policy Priorities
Executive Summary

LISC's 40-year history as a community development organization has taught us that people thrive when their communities are supplied with a set of interconnected physical, social, and economic assets. Our approach is comprehensive, embracing affordable housing development and workforce training, initiatives for better health, safer public spaces, and much more. Last year alone LISC invested $1.8 billion in hundreds of historically underserved communities across the United States.

Working closely with 2,500 local partner organizations—nonprofits with deep roots in their distinctive communities—LISC brings resources and technical assistance to city neighborhoods and rural counties that too often have been isolated from American opportunities. Working in partnership with mission-aligned for profit and nonprofit entities, we bridge the gap to equip community groups with the resources that allow them to do their best work. Our initiatives focus first and foremost on equity and inclusion, which we know are the basis for a prospering, resilient nation.

Our efforts are enhanced through federal commitments—both in the form of policy development that helps set the agenda for revitalizing disinvested communities, and funding that puts that agenda in motion. Federal commitments are the linchpin of LISC's public-private partnership investment model, helping us attract billions of dollars of private capital each year to places it wouldn't otherwise go.

We care deeply about the fine points of federal programs and appropriations; we've seen the difference they make. Here we advance LISC's policy priorities for federal action. They cover seven areas of community development across 17 separate federal agencies, as summarized below. We are committed not just to pursuing action on the items highlighted in this document, but also on identifying additional opportunities for policy development and advocacy in the coming months and years.

Capacity Building, Leadership and Innovation

Community development relies on the knowledge and hard work of change agents at the local level. We must invest directly in these organizations to support their capacity to deliver critical services, and to help them develop innovative approaches that can be replicated in other communities.

We advocate for federal policies that:

- Support **capacity building and technical assistance**, in particular through increased funding of programs at the U.S. Department of Housing and Urban Development (HUD) and U.S. Department of Agriculture (USDA) that build the capacity of community development corporations in urban and rural communities, and through provision of technical assistance to small local governments under HUD's Community Compass initiative.
- Make **fostering innovation** a priority, for example by supporting federal evidence-based practices, expanding cross-agency demonstrations, and financing "Pay for Success" initiatives.
- Promote **national service** by passing the Cultivating Opportunity and Response to the Pandemic through Service (CORPS) Act, which would double AmeriCorps service positions and boost benefits for service members, and by providing funding for the Economic Mobility Corps, which places AmeriCorps members at certified community development financial institutions (CDFIs).

Economic Development

Investing in inclusive economic development initiatives ensures that low-income individuals and families can fully participate in the economic growth of their region and build wealth within their communities.

We support federal initiatives that:

- Enhance critical **community development** programs at Housing and Urban Development (HUD), the U.S. Department of Commerce, U.S. Department of Agriculture (USDA), the U.S. Department of Health and Human Services, the U.S. Environmental Protection Agency, and the National Endowment for the Arts.
- Strengthen **public-private partnerships** by making New Markets Tax Credits permanent, adding accountability measures and community-benefit incentives to the Opportunity Zones initiative, and modernizing the Community Reinvestment Act to ensure beneficial community outcomes.
- Boost **investments in CDFIs** via, for instance, a new tax credit for investors in CDFIs, a new CDFI direct loan product, and substantial new funding for the U.S. Treasury Department's CDFI Fund.
- Broaden access to **small business lending** for very small businesses, minority-owned enterprises, and others underserved by traditional lenders by strengthening the Small Business Administration's capital-access and technical-assistance programs, permanently authorizing and robustly funding the Minority Business Development Agency, and providing funding for states and localities to support small business lending to underbanked borrowers.
- Promote equitable **transit-oriented development**, including by establishing a federal loan fund for CDFIs that would allow these lenders to finance affordable housing and other community-benefiting projects near transit hubs.

Education

Education is a sound predictor of well-being and economic stability. That's why the crux of LISC's education agenda is to promote educational opportunity in neighborhoods across the country.

We encourage the federal government to adopt policies that:

- Support **early childhood facilities** through, for example, legislation that would create a competitive grant program to enable facility renovations, and the establishment of a dedicated technical-assistance funding stream for small business supports tailored to the needs of child care business operators, the majority of whom are women and/or minorities.
- Assist with **charter school financing**, in particular by increasing funding for and improving the U.S. Department of Education's Credit Enhancement for Charter Schools Program.
- Increase **postsecondary education** opportunities for low-income families by expanding Pell Grant eligibility, investing in community colleges and Historically Black Colleges and Universities, and promoting partnerships between community colleges and local industries.

Family Income and Wealth Building

In an era marked by growing economic inequality, we must work to expand opportunities for all families, especially those in marginalized communities, to build income and wealth.

We endorse federal initiatives that:

- Improve opportunities to build **credit and savings** by, for instance, enhancing protections against predatory lending and providing funding for federal programs that help low-wealth families save for education, homeownership, or starting a small business.
- Support **financial coaching** and tax preparation services, by incentivizing workforce development programs to incorporate financial coaching, using the resources of the Consumer Financial Protection Bureau to support financial coaching, and making sure the Volunteer Income Tax Assistance (VITA) program of the Internal Revenue Service is made permanent and fully funded.
- Strengthen the **income supports** so vital to our social safety net by, among other things, increasing funding for the Supplemental Nutrition Assistance Program Employment and Training (SNAP E&T) initiative, and expanding and improving the Earned Income Tax Credit and Child Tax Credit.
- Promote **digital inclusion**, for instance by subsidizing broadband services for low-income families through the Federal Communications Commission's Lifeline program, and adopting legislation establishing grants for local digital equity projects.
- Invest in **workforce development**, for example by passing the Relaunching America's Workforce Act (RAWA), which would dedicate an additional $15.6 billion for worker training, apprenticeships, and adult learning.

Health

Disparities in health and longevity are tightly linked to physical, social, and economic conditions. Reducing these disparities is a cornerstone of LISC's holistic strategy to improve health and well-being in underserved places.

We support federal policies that:

- Address **social determinants of health**, for example by leveraging the infrastructure of the medical system, including Medicaid funding streams and nonprofit hospitals' Community Health Needs Assessments (CHNAs), to support investments that will create healthier environments.
- Improve the **provision of health care** in underserved communities through, among other things, substantial long-term funding commitments for Federally Qualified Health Centers and permanent adoption of COVID-19-related changes in federal policy that make it easier for people to receive telehealth services.
- Ensure all people have access to **healthy food**, including by robustly funding food-access projects through the USDA and the CDFI Fund.
- Increase opportunities for **community recreation**, in particular by fully funding the National Park Service's Land and Water Conservation Fund, which provides grants to states to acquire land and develop outdoor recreation spaces.

Housing

Access to safe, decent, and affordable housing is essential for the health and economic well-being of every family—and to the viability of every community.

We support federal strategies that:

- Develop, preserve, and widen access to **affordable rental housing**, for example by expanding the Low-Income Housing Tax Credit (LIHTC) program, and making Section 8 Housing Choice Vouchers available to all income-eligible families.
- Fight **homelessness** by increasing HUD resources for homeless assistance and expanding veterans' eligibility for supportive housing and clinical services.
- Restore robust **fair housing** policy, focusing on the Affirmatively Furthering Fair Housing (AFFH) and Disparate Impact rules that have allowed local communities to actively address housing policies that are discriminatory in intent or effect.
- Promote **homeownership** for low- and moderate-income people by, for instance, sufficiently funding HUD's down payment assistance programs and passing legislation to scale the land-bank sector and to create incentives to develop and rehabilitate homes in distressed communities.

Safety and Justice

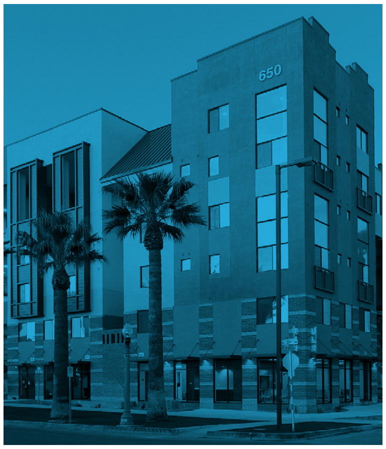
For 25 years LISC has been operating a dedicated safety and justice program. We spearhead initiatives that allow local people to work together to reduce crime, support formerly incarcerated individuals as they return to community life, and strengthen understanding between police and the people they serve.

LISC endorses federal actions that:

- Promote collaborative approaches to **community safety,** for example by reauthorizing the Innovations in Community-Based Crime Reduction (CBCR) grant program of the U.S. Department of Justice, and by establishing a federal framework that brings police and community groups together to plan for and respond to major incidents.
- Uphold **justice**—for every individual and all communities—by dedicating substantial funds for programs that prevent violence and victimization in schools, and by funding pre-entry and re-entry programs that help dismantle pipelines to prison and support formerly incarcerated persons to reintegrate successfully into their communities.

Capacity Building, Leadership, and Innovation

As important as federal resources are, they are only a part of the solution when it comes to rebuilding distressed communities. We rely as well on the knowledge and hard work of change agents at the local level. The federal government must do more than provide resources to support local organizations' programs and project-level investments. It must also invest directly in these organizations to support their capacity to deliver critical services, and to help them develop innovative approaches that can then be disseminated and replicated in other communities.



Capacity Building and Technical Assistance

The needs of local governments and community-based organizations are as varied as the communities they serve. Although local organizations' long-term capacity for housing and community development is critical for stable and affordable communities, the small size and lean budgets of such nonprofits often mean that they lack the ability to implement some critical components of development strategies. This is true even for well-resourced city government agencies and larger nonprofits, as the structure and financing of development transactions have become increasingly complicated in recent years. We need additional resources for capacity-building and technical-assistance programs to ensure that community-based organizations have the necessary talent and skill sets to support their work.

LISC supports:

Investing in HUD's Section 4 Capacity Building for Community Development and Affordable Housing Program

The U.S. Department of Housing and Urban Development (HUD) Section 4 program strengthens the nation's lower-income urban and rural communities by bolstering nonprofit community developers that build and invest in their neighborhoods. The program provides grants on a competitive basis to national intermediary community development organizations, which provide training, education, financial support, and development assistance to local community development corporations (CDCs). These funds are matched on a three-to-one basis, and then used to leverage additional private capital. Total aggregate leverage has consistently been in the range of $20 or more for each dollar of Section 4 funding. From 2015 to 2019, Section 4 funds have been deployed by 926 CDCs and other nonprofit developers, resulting in the creation or preservation of more than 40,000 homes and the attraction of over $8.4 billion in investment to communities.

The Section 4 program is the sole source of funding at HUD that provides financial support and development assistance to CDCs to support their housing and community revitalization efforts. Unfortunately, funding for the program has been relatively flat in recent years, straining its ability to build the capacity of CDCs to respond to local needs. LISC recommends that the program receive robust appropriations to scale CDCs' affordable housing and community development activities.

Enhancing the USDA's Rural Community Development Initiative

Rural low-income areas experience distinct capacity challenges in responding to local affordable housing and community development needs. It's often difficult for these communities to apply for and receive public and private resources due to capacity constraints, which typically include small, under-resourced local governments and fewer community development organizations. The Rural Community Development Initiative (RCDI) program of the U.S. Department of Agriculture (USDA) is an important resource for funding nonprofit housing and community development organizations that invest in housing, community facilities, and community and economic development projects in rural areas.

The RCDI program is the only specific capacity-building resource provided through USDA's Rural Development programs, and it helps scale the ability of nonprofits to further their community development work in rural areas. RCDI grants are competitively awarded and are capped at $250,000.

LISC supports increased appropriations for the RCDI program to build the capacity of rural communities to respond to local needs.

Increasing HUD's Technical Assistance Resources

Community development projects are often complex undertakings, requiring an understanding of how to layer multiple financing programs while staying in compliance with requirements related to the use of federal resources. HUD supports the technical-assistance needs of HUD funding recipients and local communities through the Community Compass (CC) and Distressed Cities Technical Assistance (DTCA) programs.

The CC program brings all of HUD's technical-assistance resources together in one program so applicants can indicate the particular topics or programs for which they would like to provide HUD-funded technical assistance to local communities. Activities funded under CC can include needs assessments, direct technical assistance, development of resources, and other supports. The DCTA program fills an important niche by providing small local governments facing challenges caused by natural disasters with the assistance they need to recover.

LISC supports sufficient appropriations for the Community Compass and Distressed Cities Technical Assistance programs so HUD grantees and local communities have the support they need to utilize federal funding for their affordable housing and community development priorities.

National Service

National service programs provide a foundation upon which capacity building and innovation often occur. While expanding nonprofits' capacity to address unmet needs across the nation, national service also creates jobs and provides pathways to success in the workforce. As a cornerstone of national service, the AmeriCorps program has provided over one million citizens with an opportunity to get things done through innovative service work in their communities. Increased investment in national service programs results in substantial economic and social benefits and helps create resilient communities of opportunity.

LISC supports strong investment in the AmeriCorps program, including:

Robustly Funding the AmeriCorps State and National Programs

Since 1994, the AmeriCorps program has placed members at nonprofits, schools, public agencies, and community- and faith-based groups across the country. AmeriCorps has long benefited from bipartisan support in line with the American tradition of community service and the continued demonstration of strong economic returns on national service investments. A recent evaluation found that for each $1 invested, the return to society, program members, and the government is $17.30—totaling $17.5 billion in economic benefit. Aside from the financial returns, AmeriCorps members serve their communities, expand nonprofit capacity, gain transferable skills and work experience, and strengthen local communities.

We support a top-line budget of no less than $545 million for AmeriCorps State and National programs.

Enacting the Cultivating Opportunity and Response to the Pandemic through Service (CORPS) Act

This bipartisan bill introduced in the 116th Congress would equip communities with the resources and tools needed to face challenges brought on by COVID-19 through an expansion of AmeriCorps national service opportunities. The bill would double the number of service positions, increase service members' educational award and living stipend, and prioritize programs in rural and underserved communities. Passage of the CORPS Act is essential to increasing the capacity of organizations on the ground that are providing services to those in need.

Continuing Funding for the Economic Mobility Corps

The Economic Mobility Corps (EMC), funded for the first time in the FY 2020 appropriations bill for the Community Development Financial Institutions Fund (CDFI Fund), supports the development of a new partnership between the CDFI Fund and AmeriCorps, formerly the Corporation for National and Community Service. The partnership expands AmeriCorps national service opportunities by placing service members at certified CDFIs.

CDFIs foster financial inclusion—filling critical gaps in the provision of financial services, products, and wealth-building opportunities for low- and moderate-income consumers, small business owners, and underserved geographic areas. Despite this critical work, these organizations are often under-resourced and strained for human capital as federal funding typically restricts staff operation costs to 15 percent of funds. EMC members will strengthen the capacity of CDFIs to provide communities—often the very communities that have been overlooked by mainstream financial institutions—with the tools and resources they need to enhance neighborhoods and expand economic opportunity.

Fostering Innovation

Federal policies that make investments in innovation should consistently involve partnerships among government agencies, nonprofit groups, and private investors, and must include resources that support equitable access to funding opportunities for community-based organizations and programs. One of the more promising approaches to fostering innovation is the “Pay for Success” model. In this model, private-sector investors that invest in traditionally public-sector activities are promised higher economic returns if key social impacts are achieved and independently verified.

LISC encourages federal investments in Pay for Success, including:

Supporting the Social Impact Partnerships to Pay for Results Act

The Social Impact Partnerships to Pay for Results Act (SIPPRA) was enacted by the Bipartisan Budget Act of 2018, allocating $100 million to support the launch of state and local Pay for Success (PFS) initiatives over a 10-year period. The U.S.

Department of the Treasury is entering into funding agreements with state and local governments to support social-impact partnership projects that deliver measurable results for individuals and communities in need. This is achieved through funding and contracting practices that reward providers for producing positive program outcomes, as determined by a rigorous evaluation.

LISC supports the goals of SIPPRA and encourages the Treasury to undertake a thorough evaluation of the process for selecting awardees and the extent to which this was predictive of success, with a goal of identifying best practices for future federal funding rounds and/or state-level efforts.

Incorporating Pay for Success Concepts Across Federal Agencies

In order to encourage the federal government to focus on achieving desirable policy and program outcomes, to direct funding toward proven practices, to move toward breaking down silos across agencies, and to incentivize innovation, LISC supports the Pay for Success platform developed by America Forward. The core principles of this platform include, among others:

- allocating funding based on tiered-evidence frameworks that target resources to programs that have greater evidence of effectiveness;
- resourcing innovation, or research and development (R&D), across government to develop and scale effective interventions;
- investing in updated data systems to support data analysis and data sharing in order to strengthen capacity for conducting evaluations and decrease their cost; and
- resourcing evaluations as a core element of the receipt of discretionary, mandatory, and even entitlement funding.

Specifically, LISC recommends the following:

1. **Engage in outcomes-focused federal training and technical assistance.** Federal training and technical assistance (T/TA) contracts vary in value and results. Congress could amend relevant T/TA program authorities to call for T/TA resources to be used to support: A) dissemination of evidence-based practices, including through clearinghouses and other registries; B) assistance to help service providers adopt such practices or develop an evidence base for longstanding programs; C) assistance to service providers to access and use

data to enhance targeting of service delivery, and track outcomes and improve quality of service in real time; and D) assistance for communities, including state and local governments, to explore how to sustain evidence-based practices via models like Pay for Success and similar outcomes-based contracting.

2. **Revive and expand cross-agency demonstrations.** Congress should continue performance partnership pilots (P3) such as those awarded to sites through the federal Departments of Labor, Health and Human Services, Education, and Justice focusing on disconnected youth. P3 demonstrations allow states or localities to pool certain monies they receive under multiple discretionary federal funding streams and obtain waivers from some program requirements to test innovative outcomes-based interventions. Congress should expand the authority to create these pilots to additional agencies and broaden the focus to include populations of most need in local communities. These pilots would allow communities to develop comprehensive strategies to achieve better results using federal investments through multiple programs.

3. **Promote the use of agency-wide waivers through administrative guidance and support.** Agency-wide waivers enable federal agencies to demonstrate, replicate, and scale innovative interventions and can incorporate Pay for Success and other outcomes-based contracting approaches.

Economic Development

Equitable economic growth necessitates inclusive economic development policies—policies that expand opportunities for shared prosperity by focusing on low-income communities which have traditionally been underinvested and undervalued in their ability to contribute to regional economic growth. Research from the Urban Institute demonstrates that inclusion and economic health are strongly correlated across the nation. Investing in inclusive economic development initiatives ensures that low-income individuals and families are able to fully participate in the economic growth of the region and build wealth within their communities. In practice, this requires a multi-pronged approach that invests in the people, small businesses, and places that make our communities more equal, inclusive, and resilient.

Community Development Programs

Investments in community resources help to spur broader economic growth. Federal investments often fill gaps in project financing and are at the core of funding that makes inclusive economic development initiatives possible on the local level. This cooperative effort joining federal investment and locally led programs expands the entire economic ecosystem by revitalizing neighborhoods, attracting businesses, creating jobs, and broadening access to opportunity for all residents. LISC supports robust investment in programs across federal agencies that promote comprehensive community development initiatives and facilitate cross-sector partnerships.

LISC supports:

Improving and Enhancing the Community Development Block Grant Program

The Community Development Block Grant (CDBG) program is a critical source of community development funding that benefits low- to moderate-income (LMI) communities. Established in 1974, the block grant program allows grantees to meet locally identified needs within CDBG regulations' scope. Despite the proven impacts and bipartisan support of the program, CDBG has had its funding decreased by 80 percent from its peak in 1979. Meanwhile, many CDBG regulations remain the same as in 1974 and fail to address twenty-first-century needs. As a result, community development efforts are often hampered by limited funding, undue administrative burdens, lengthy processes, and exacting requirements.

When disaster strikes communities, the Community Development Block Grant–Disaster Recovery (CDBG-DR) program provides the resources needed to rebuild, expand resilience capabilities, and strengthen post-disaster opportunities. Timely and well-targeted federal assistance is critical to an inclusive recovery, particularly in low-income communities. But the current funding mechanism is cumbersome and inefficient, delaying the delivery of much-needed investments for aid and recovery and leaving disaster-stricken communities stuck in administrative limbo.

LISC recommends the following:

1. **Congress should restore Community Development Block Grant (CDBG) funding to $11 billion annually.** This figure represents the initial authorization level set forth by the Housing and Community Development Act of 1974, adjusted for inflation, and meet the needs of today.

2. **The U.S. Department of Housing and Urban Development (HUD) should conduct a comprehensive review of CDBG regulations to facilitate modernization and innovation.** This should include soliciting stakeholder feedback, with particular attention to the rules governing economic development activities, and developing a report for Congress on recommended legislative updates.

3. **Congress should permanently authorize disaster relief through CDBG-DR and annually appropriate a modest amount to a Declared Disaster Recovery Fund to allow for immediate assistance.** LISC joins the National Low Income Housing Coalition in calling for the Senate to pass the Reforming Disaster Recovery Act to make CDBG-DR permanent and provide much-needed reforms.

4. **Congress should create an independent statutory authority for disaster recovery.** This authority could use CDBG requirements as a foundation but should be updated to reflect the needs in disaster areas, such as allowing flexibility in meeting the "urgent need" national objective for CDBG-funded activities and setting realistic requirements for environmental review.

Strengthening Economic Development Administration Initiatives

The U.S. Department of Commerce's Economic Development Administration (EDA) actively facilitates regional and local economic growth. EDA investments in planning, revolving loan funds, technical assistance, industry-driven workforce development, and infrastructure construction expand the community development capacity of communities. LISC joins the National Association of Development Organizations and others in calling for Congress to appropriate for the EDA an annual amount higher than or equal to the congressionally approved FY 2020 funding level of $333 million, including increased funding for Disaster Recovery efforts.

We also support efforts to increase the accessibility of the EDA's Revolving Loan Fund (RLF) Program by streamlining reporting and reducing associated regulatory burdens. RLFs promote broader access to capital for small businesses, at or below market rates, through local intermediary organizations. The House should join the Senate in passing the bipartisan Reinvigorating Lending for the Future (RLF) Act of 2020, which would take the necessary legislative action to reform the program's "in perpetuity" reporting requirement. This obligation currently burdens RFL administrators by requiring reporting on loans, including those long since repaid, in perpetuity. It should be updated to allow for the release of federal interests after seven years, a policy applied in other federal programs.

The EDA can also do more to ensure that additional technical resources and funding are directed to support projects that benefit historically disinvested communities and workers. Current funding mechanisms rely too heavily on outdated metrics that focus solely on job creation, which minimizes the ability of community-based organizations to participate in implementing inclusive economic development initiatives that offer broader benefits. LISC recommends that the EDA target a significant portion of funding to projects that take a holistic view of community development within underserved communities, and that it offer financial commitments in the earlier stages of development.

LISC also encourages the EDA to utilize a larger portion of its regional planning funds to support equitable regional economic growth. Accomplishing equitable growth starts with explicitly focusing on promoting racial and geographical inclusion in the development of Comprehensive Economic Development Strategies (CEDS) across the nation. These efforts could be supported nationally by increasing funding for Technical Assistance and Innovation Demonstration grants to help build the organizational capacity of economic development agencies and implement innovative pilot programs that offer the promise of replication nationally.

Funding Brownfield Revitalization

The Brownfields and Land Revitalization Program of the U.S. Environmental Protection Agency (EPA) offers communities critical technical-assistance, planning, and financing resources to address local environmental concerns while supporting neighborhood revitalization. LISC supports the provision of additional federal appropriations for the EPA to expand direct funding opportunities that support brownfields assessment, cleanup, revolving loans, environmental job training, technical assistance, training, and research.

The Brownfields Area-Wide Planning Program provides communities, particularly those with old and unused industrial areas, with planning and coordination resources that facilitate effective and safe redevelopment. Revolving Loan Fund (RLF) grants allow recipients to capitalize a revolving loan fund that provides funding for cleanup activities at brownfield sites. This program contributes to community redevelopment of brownfields, improves environmental conditions, and provides an ongoing source of capital within a community to address brownfield remediation needs. The EPA should leverage its authority provided under the Small Business Liability Relief and Brownfields Revitalization Act and dedicate additional funding as part of the annual appropriations for Brownfields RLF grants in order to capitalize new brownfields revolving loan funds and recapitalize depleted existing funds.

Investing in Broadband Infrastructure

Increased investments in the deployment of broadband infrastructure can help ensure all of our communities have access to the technology necessary to drive economic growth in the twenty-first century. LISC joins the National Association of Counties in calling for expanded resources to support broadband infrastructure and accessibility across the nation, including pre-development and technical assistance funds to support broadband planning in rural communities. Congress can provide the critical resources needed to get America connected by passing the Rural Broadband Acceleration Act, a bipartisan proposal to immediately fund shovel-ready high-speed internet projects.

LISC also supports efforts to modernize the Federal Communications Commission's Universal Service Fund (USF) by formally expanding the definition of covered communications services to include broadband services, thus drawing contributions to the fund from broadband providers. Funds generated through the USF assist with broadband infrastructure construction and affordability and must be updated to reflect the needs of the twenty-first century. Congress can make these updates by passing the bipartisan Universal Broadband Act of 2020.

Investing in Creative Placemaking

Creative placemaking fosters the development of arts-related business clusters and creates opportunities for neighborhood businesses to grow and create jobs by highlighting the unique culture of place. The National Endowment for the Arts supports creative placemaking through the Our Town grants program. Our Town provides project-based funding to integrate arts, culture, and design activities into community development efforts to sustain community-driven, comprehensive, and collaborative arts and culture strategies. Similarly, the National Endowment for the Humanities supports creative placemaking by increasing access to cultural and educational resources and funding public projects at cultural organizations and cultural heritage centers, among other sites.

Congress should leverage the creative economy to rebuild local economies by doubling funding for the National Endowment for the Arts and the National Endowment for the Humanities (indexing this funding at $1 per capita) and should increase funding for the Our Town program to address oversubscription.

Congress can also expand arts and culture opportunities in current and forthcoming legislation and regulations by including authorizing language that explicitly allows for the use of federal funds to support the creative economy. Community development is strengthened by place-based initiatives that harness creativity and distinctive local cultural assets to drive economic growth. Arts-based initiatives strengthen communities by leveraging the unique power of arts and culture to empower residents to build vibrant, resilient, and socially connected communities. LISC supports the Americans for the Arts policy platform to activate the creative economy in fostering community resilience.

Extending the Community Facilities Relending Program

The U.S. Department of Agriculture (USDA) established the Community Facilities (CF) Relending Program in 2016 to better target direct loan funds to persistently poor communities by delivering them through community development financial institutions (CDFIs) and other relenders with deep local networks and capacity for technical assistance. Under the program, CF relenders are responsible for identifying eligible community facility projects, originating and underwriting eligible loans, and submitting them to USDA for approval. The USDA advances funds after approving loans and has made $401 million available to 27 relenders, with another $175 million in projects currently in the pipeline.

LISC supports extending the CF Relending Program beyond its current five-year sunset date of September 30, 2021, so more community facility projects can be financed in persistently poor, rural communities. The program's complexity and targeting to our nation's most low-wealth communities caused implementation delays at USDA although the current pipeline shows the demand for these resources. Extending the program will ensure that relenders continue to finance new projects without fear of running up against the authorization deadline.

Funding the Community Economic Development Grant Program

The U.S. Department of Health and Human Services (HHS) provides critical resources to support community development efforts through its Office of Community Services, which houses the Community Economic Development (CED) grant program. CED grants are awarded to community development corporations (CDCs) to cover initiatives that provide funding for:

- startup or expansion of businesses, physical improvements, or commercial activities;
- capital expenditures such as the purchase of equipment or real property;

- allowable operating expenses; and
- loans or equity investments.

These grants promote economic mobility by creating new employment or business opportunities for low-income individuals.

The program regularly supports neighborhood and corridor revitalization by funding commercial construction projects with limited access to other subsidy due to their location in historically disinvested communities. Congress should build on the success of the Community Economic Development grant program by appropriating an annual amount higher than or equal to the congressionally approved FY 2020 funding level of $20.3 million.

Public-Private Partnerships

While many federal programs help support local community development efforts through direct financing, some of the most effective programs are those that incentivize the private sector to make these investments. Building off the success of the Low-Income Housing Tax Credit of 1986, Congress has in the past 30 years enacted a number of place-based investment incentives in the tax code, including Enterprise Zones, Empowerment Zones, Renewal Communities, New Markets Tax Credits and, most recently, Opportunity Zones. These incentives have helped get the private sector more engaged in making community development investments and, alongside the Community Reinvestment Act (CRA), have been essential to encouraging regulated financial institutions to make significant investments in community development activities.

LISC supports:

Enhancing the New Markets Tax Credit Program

The New Markets Tax Credit (NMTC) Program attracts investment capital to low-income neighborhoods that have been left behind by the traditional private marketplace. Under the program, investors receive a tax credit for making equity investments in certified Community Development Entities (CDEs), which in turn use the proceeds to make loans and investments in businesses, real estate projects, and community facilities located in low-income communities. To date, $57.5 billion has been invested in low-income communities through the NMTC, supporting a wide variety of activities including small businesses, manufacturing facilities, for-sale housing, charter schools, health care centers, child care centers, and shopping centers and grocery stores, to name but a few.

Through 2019, LISC has placed $1.04 billion in NMTC equity investments in 145 different projects in low-income communities throughout the country, supporting $2.9 billion in total development costs. LISC NMTC investments have created or retained more than 21,000 construction and permanent jobs, developed 11.3 million square feet of commercial and community space, and financed health care facilities serving more than 260,000 patients and educational facilities serving 25,000 students.

In order to ensure the continuing success of the NMTC Program, LISC supports:

1. **Making NMTCs permanent at no less than $5 billion per year.** NMTCs are scheduled to expire in 2020. Congress should support legislation in the House (H.R. 1680) and the Senate (S. 750) that would make the NMTC permanent, allocate no less than $5 billion in tax credit authority per year, index it to inflation, and permit it to be used to offset the alternative minimum tax (AMT).

2. **Diversifying the NMTC awardee pool.** The NMTC allocation process is incredibly competitive. While this helps ensure that the awardees selected are highly qualified and will be good stewards of the allocations, it also means that many qualified applicants are frozen out each year; and it is becoming increasingly difficult for "new" awardees to get an opportunity. Congress and the U.S. Department of the Treasury should consider options (e.g., priority points, set-asides) that would help ensure participation by a broader diversity of underserved CDEs, including most notably minority-owned CDEs and CDEs that are located in and serve underserved rural communities.

Improving the Opportunity Zones Initiative

The Opportunity Zones initiative, enacted in 2017, encourages investors with realized capital gains taxes to reinvest those dollars in businesses and real estate projects located in Opportunity Zones (low-income communities designated by state agencies) by:

- allowing for a reduction and deferral of payment on those taxes for up to ten years, and
- eliminating taxes on any gains realized from investments in the Opportunity Zones.

The program has the potential to shift significant investment capital into low-income communities, and it is estimated that approximately $75 billion has been invested in Opportunity Zones through 2019.

As promising as the initiative is in its sheer scope, there are structural constraints that should be addressed through legislation or regulation. Specifically, the initiative lacks a requirement that the investments provide direct benefits to the residents of low-income communities in the form of enhanced services, high-quality jobs, affordable housing, etc., and has only minimal reporting requirements, which will make it difficult to ascertain over time whether or not the program is appropriately serving the communities and residents it was designed to serve.

LISC supports H.R.2593, bipartisan legislation to strengthen reporting and disclosure requirements, as well as other legislative efforts focusing on retiring certain less impactful Opportunity Zones from the program and creating a source of funding for states and localities to use to help finance more impactful Opportunity Zone projects.

Strengthening the Community Reinvestment Act

The Community Reinvestment Act (CRA), enacted in 1977, requires banks to invest in the communities, including low-income communities, where they are taking deposits. CRA has proven to be a critical, if not the most critical, resource available to facilitate the flow of private capital into underinvested communities. It has been successful not only for the communities and community residents that have benefitted from these investments, but also for the banks—which have managed to find new and profitable investment opportunities that generally perform as well or better than other bank investments.

As successful as the CRA has been, its regulations have not been substantively updated since 1995. This is despite the fact that the banking industry has undergone significant changes in that period, most notably in the rise of interstate banking, internet banks, mergers of institutions, and mobile banking. A reexamination of the current CRA delivery system is therefore appropriate and, some might argue, even overdue.

In 2020, the Office of the Comptroller of the Currency (OCC) released its final regulations overhauling CRA. LISC and most other commenters, from both the community-development and banking sectors, expressed serious reservations about the approach ultimately adopted by the OCC in these final regulations. Among LISC's concerns was that the approach would devalue more impactful community development investments in favor of larger, more easily financeable deals. Notably, neither the Federal Deposit Insurance Corporation (FDIC) nor the Federal Reserve Board joined the OCC in promulgating these final regulations.

The OCC should withdraw this final rule and work with the other agencies to create a unified framework for securing a stronger and more impactful CRA.

Investing in Community Development Financial Institutions

Community development financial institutions (CDFIs) provide capital, credit, and financial services in distressed communities and to underserved individuals throughout the country. There are over 1,100 certified CDFIs across the country, ranging from credit unions to small nonprofit loan funds to large national organizations. CDFIs serve borrowers and geographic areas that are not readily served by mainstream financial institutions, providing loans to first-time homebuyers, financing for affordable housing and community facilities, and small business financing. In many cases, CDFIs provide the gap financing that allows projects to secure traditional financing.

The CDFI industry has grown significantly over the last 20 years, and this growth would not have been possible without the support of the U.S. Department of the Treasury's CDFI Fund. The CDFI Fund certifies CDFIs, and administers several different awards programs to build the capacity and financial strength of CDFIs.

The federal government can continue to support CDFIs in a number of ways, including:

Robustly Funding the CDFI Fund

In FY 2020, the CDFI Fund's top-line appropriations figure was $252 million, which is just a tiny fraction of the total assets of all certified CDFIs, currently estimated to be $222 billion. CDFI Fund programs need to be scaled to meet the growth and needs of the industry, with appropriations of no less than $1 billion annually.

To this end, LISC supports the Jobs and Neighborhood Investment Act (S. 4255), bipartisan legislation introduced in the 116th Congress that would provide $18 billion of federal support to CDFIs and minority depository institutions.

Reauthorizing the CDFI Fund

The CDFI Fund has not been reauthorized since its initial authorization in 1994, despite significant growth in the CDFI industry and in the number and scope of initiatives being administered by the CDFI Fund. LISC has made a number of recommendations for improvements and enhancements to the CDFI Fund's programs, including:

- expanding and funding a secondary market loan-purchase program for loans issued by CDFIs,
- creating and funding an initiative that would support CDFI investments in communities that have been targeted for redevelopment by other federal government initiatives (e.g., Opportunity Zones, Promise Zones, Choice Neighborhoods), and
- establishing a CDFI direct-loan product so that CDFIs can access loan capital from the Treasury Department outside of the annual award rounds.

Providing CDFIs with Resources to Support Disaster Recovery Efforts

LISC supports the CDFI Crisis Fund Act (S. 4430), legislation introduced in the 116th Congress that would create a $2 billion fund so that CDFIs have the resources to address both natural and economic disasters.

Creating a CDFI Investment Tax Credit

While there do exist tax incentives for investing in low-income communities that CDFIs have successfully administered on behalf of investors (e.g., New Markets Tax Credits, Opportunity Zones), these programs do not support direct investments in CDFIs. Congress should create a tax credit to incentivize direct investments in the form of equity and grants to CDFIs, so that they can grow their balance sheets and significantly increase their lending in low-income communities.

Small Business Lending

An inclusive economic development framework requires equitable access to capital and technical assistance for small businesses. The provision of financing, resources, and technical support for entrepreneurs grows businesses, expands employment and asset-building opportunities, and strengthens local economies. Yet a pervasive gap in traditional financing regularly limits the growth of businesses in low- and moderate-income communities and of businesses owned by veterans, women, and minority entrepreneurs. Addressing these barriers to success requires advancing policies and increasing our investments in alternative financing and technical assistance that is affordable, culturally relevant, and linguistically accessible.

LISC supports:

Strengthening Small Business Capital and Technical Assistance Programs

To close the financing gap, we must substantially increase our investments in programs administered by the Small Business Administration (SBA). Many SBA programs, including Community Advantage, 7(a), 504, and PRIME, have a demonstrated ability to expand capital flow to underserved entrepreneurs and communities. To increase equitable access, LISC urges the following actions:

1. **Congress should pass the Closing the Credit Gap Act to ensure that the Community Advantage pilot program is made permanent.** Community Advantage (CA), launched as a pilot in 2011, is a critical resource in closing the financing gap by providing loan capital of $20,000 to $250,000 to businesses in need. The program also provides entrepreneurs with technical assistance, focuses the majority of investments in underserved markets, and provides mission-based lenders access to 7(a) loan guarantees. Permanence will give certainty to existing CA lenders and those lenders in need of further assurances before committing the resources needed to secure CA designation and develop a product line.
2. **Congress should make permanent the expanded eligibility allowances for the 7(a) loan guarantee program provided under the Paycheck Protection Program as part of the Coronavirus Aid, Relief, and Economic Security (CARES) Act.** This will allow loans not only to eligible businesses but also to 501(c)(3) nonprofit

organizations and 501(c)(19) veteran organizations with fewer than 500 employees. Congress should also consider expanding these provisions to include 501(c)(6) nonprofit organizations with fewer than 500 employees.

3. **Congress should increase funding for the Program for Investment in Micro-Entrepreneurs (PRIME).** PRIME provides community-based organizations with essential resources that assist low-income entrepreneurs. The program focuses on providing financial and technical assistance to disadvantaged micro-entrepreneurs, capacity building for micro-enterprise development organizations and programs, and increasing research and development in the field. Congress should increase appropriations for the program to $10 million to address oversubscription and ensure more communities are able to unlock its benefits.

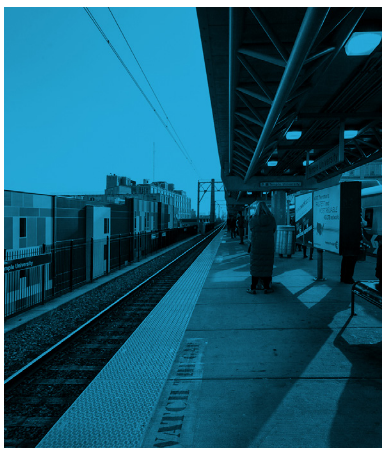
4. **Congress should pass the Unlocking Opportunities in Emerging Markets Act to establish an Office of Emerging Markets (OEM) within SBA's Office of Capital Access.** The office would ensure that SBA's access-to-capital initiatives address the needs of entrepreneurs in underserved markets, precisely and comprehensively. Similarly, the passage of the Minority Business Resiliency Act would codify the permanence of the Minority Business Development Agency (MBDA) and ensure minority entrepreneurs across the nation are equipped with the resources and tools needed to grow.

Providing Flexible Resources to States and Localities to Support Small Business Lending

Small businesses thrive when they have access to capital and technical assistance. With this in mind, we support policies that increase the provision of capital to states, localities, and community-based organizations dedicated to fostering equitable access to capital and providing coaching for small businesses.

Congress should pass the Recharge and Empower Local Innovation and Entrepreneurs Fund for Main Street (RELIEF for Main Street) Act. This bipartisan legislation would create a $50 billion Small Business Local Relief Fund that provides direct assistance to cities, counties, and states to establish or scale relief funds for businesses with no more than 20 employees or companies with no more than 50 employees that are located in low-income neighborhoods. This is of critical importance to communities typically underserved by traditional lenders and SBA products, including micro-enterprises and businesses owned by immigrants, minorities, women, and low- to moderate-income entrepreneurs. Appropriating additional resources focused on local relief funds and partnership initiatives affords broader accessibility and fosters entrepreneurial success.

LISC also joins the Council of Development Finance Agencies in calling on Congress to reauthorize the State Small Business Credit Initiative (SSBCI) by passing the Small Business Access to Capital Act. The SSBCI program provides grants to states to use as guarantees for small business lending. Reauthorization of the SSBCI program, which expired in 2017, would provide $3 billion in flexible funding that expands access to affordable capital for small businesses. Helping small businesses access capital, grow, and create jobs is critical to an inclusive recovery. Congress should act immediately to leverage the existing SSBCI infrastructure and reauthorize the successful program.



Transit-Oriented Development (TOD)

For too many years, transportation policy has not considered the full impact of transportation investments on lower-income and minority communities. From highways built through underserved neighborhoods that divide those neighborhoods from the larger community, to new or expanded mass-transit systems that displace existing residents and businesses, transportation investments have often isolated rather than connected communities. The consequences of these transportation policies are long lasting. Recent policy changes seek to address these inequities, giving broader consideration to the scope and impact of transportation investments; however, the effect of these initiatives has been limited because funding mechanisms for transit investments and nearby non-transit investments are largely unaligned.

LISC supports:

Establishing a Federal Transit-Oriented Development Loan Fund for CDFIs

Equitable transit-oriented development (eTOD) projects support investments in transportation infrastructure by bringing complementary investments in nearby projects that meet the needs of low-income families, including affordable housing, small businesses, and community facilities. To support greater investment in eTOD projects by community development financial institutions (CDFIs), we support the establishment of a permanent financing program. This would help maximize investments in equitable developments located along transit hubs.

Congress has recognized the importance of these investments, and in the FAST Act of 2015 created opportunities to invest Transportation Infrastructure Finance and Innovation Act (TIFIA) debt capital into TOD projects through direct project loans.

This legislation also authorized the U.S. Department of Transportation to work with State Infrastructure Banks (SIBs) as intermediary lenders for surface transportation projects and related TOD investments. Despite these best efforts and intentions, no TIFIA assistance has been used for TOD projects or through the SIB's delegated lending authority.

We believe that Congress should build upon the FAST Act's authorities for TOD and pooled loan models by allowing certified CDFIs access to this capital. This would allow CDFIs to aggregate smaller TOD projects in a pooled loan model, facilitating the flow of capital into essential eTOD projects in both rural and low-income urban communities. LISC supports legislation that would modify the TIFIA program to further CDFI eTOD financing activities.

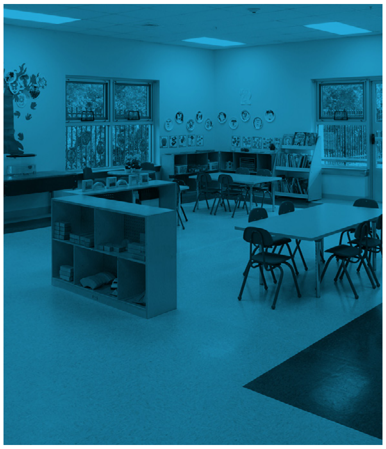
Dedicating Federal Resources to Support Equitable TOD Planning and Projects

Local communities need technical and financial resources to help further their eTOD goals and to support affordable housing production and preservation near public transportation stops. LISC supports the following legislative proposals designed to assist communities with developing eTOD practices and provide resources to implement their plans:

1. **Congress should modify public transportation grant funding evaluation criteria through the Build Housing Near Transportation Act to encourage housing production.** This bipartisan legislation would change the rating standards for the New Starts public transportation program by requiring feasibility assessments to determine how and where housing could be built near transit stops.
2. **Congress should provide new eTOD financing resources and pass the Revitalizing Economies, Housing, And Businesses (REHAB) Act of 2020.** Communities need the full array of financing resources to support eTOD projects. The REHAB Act would create a new federal tax credit to support projects near public transportation, with incentives for affordable housing.
3. **Congress should provide technical and financial assistance for eTOD activities through the Promoting Equitable Transit-Oriented Development and Mobility Corridors Act.** This bill helps local communities develop equitable TOD planning practices through technical assistance grants and provides financial resources to support eTOD projects.

Education

Education is a sound predictor of well-being and economic stability. Communities can flourish when families have access to quality early childhood education, high-performing schools and enrichment activities for their children, and when adults can get the skills training, continuing education, and higher education they need to land and advance in living-wage jobs. That's why the foundation of LISC's education agenda includes robust support of policies that promote educational opportunity in neighborhoods across the country.



Early Childhood Facilities

Early childhood programs are essential parts of every neighborhood. They prepare young children for success in school and life, support working parents, and improve family well-being. Physical spaces play an important role in child care and early education; the quality of buildings and indoor and outdoor spaces profoundly impacts child learning, and directly influences program quality and the health and well-being of children and staff. Despite what is known about the importance of these facilities, there is no dedicated federal funding to support their acquisition, construction, and/or renovation.

Fortunately, Congress can take decisive and swift action to remedy the facilities challenges facing child care and early learning providers in local communities by establishing dedicated funding streams that help meet the nation's early learning infrastructure challenges, including those that utilize experienced intermediaries like community development financial institutions (CDFIs) to build the business capacity of child care and early learning providers.

LISC supports:

Establishing Infrastructure Grants for Child Care Facilities

The Infrastructure Grants to Improve Child Care Safety provisions included in the Child Care is Infrastructure Act and the Child Care for Economic Recovery Act would create a competitive grant program for states, administered by the U.S. Department of Health and Human Services (HHS), to address renovations or modifications to child care facilities, including any modular adaptations necessary to keep staff and children safe during the COVID-19 pandemic. The provision carves out a minimum of 10 percent and a maximum of 15 percent of the authorized funds to award grants of up to $10 million to intermediary organizations, including certified CDFIs or other organizations that have demonstrated experience in developing or financing early care and learning facilities. It directs HHS to conduct two national needs assessments of early child care and learning facilities to understand the impact of the COVID-19 pandemic in the first year, and then to evaluate the ongoing needs of child care facilities by year four.

Providing Capacity-Building Resources for Early Childhood Businesses

Child care and early learning providers face unique financial challenges as small business operators. Programs serving low-income communities are highly dependent on unpredictable public funding streams for operations, and lack a consistent and effective financing system and capital subsidies. The razor-thin profit margins of child care programs often limit provider eligibility for traditional forms of private-sector financial support. Few mainstream banks, credit unions, or lending institutions have developed financial products to support child care businesses, due to the uncertainty of future funding for repayment through government operating subsidies, and because private banks typically don't employ staff with specialized knowledge of the child care sector. Additionally, providers confront challenges related to inequities faced by women entrepreneurs and people of color in accessing small business supports. Fully 89 percent of child care businesses are women-owned, and minority-owned businesses account for 60 percent of the industry.

Child care business operators deserve equitable access to small business supports tailored to meet their sector needs. LISC supports the establishment of dedicated resources to provide child care operators with small business training, technical assistance, and capacity building. We also support the establishment of a pilot program that would provide resources for intermediaries to partner with Small Business Development Centers (SBDCs), Minority Business Development Agency (MBDA) Business Centers, and Women's Business Development Centers (WBDCs) to develop innovative approaches related to child care and early learning marketing, financing, and business-related technical assistance and capacity building.

Charter School Financing

Access to high-quality public education sets the foundation for a healthy neighborhood and ensures that people, and not just places, prosper. For centuries, structural racism has barred people of color from accessing high-quality public schools. In many communities, charter schools are the only high-quality education option available. The charter school sector serves proportionally more minority (most notably, African-American) students than do traditional public schools, and high-performing charters boast gains in student academic achievement. Today, more than 6,700 public schools operate under charters in the United States, educating 2.7 million children. As local communities forge agendas to provide equitable access to educational opportunity, it is important that public policies not only increase the availability of quality educational options, but also ensure that public resources are stewarded via frameworks that promote racial equity.

One of the major challenges for public charter schools is funding the costs of facilities. Most jurisdictions with charter laws do not provide a public funding stream for charter school facilities, meaning that charter schools must take significant portions of their operating budgets—usually around 20 percent—to put toward facilities costs.

To address this issue, LISC supports:

Strengthening the Credit Enhancement for Charter School Facilities Program

The Credit Enhancement for Charter School Facilities Program (CEP) was established by the U.S. Department of Education (ED) to help charter schools overcome financial challenges that can limit their ability to access appropriate accommodations. CEP provides grants to eligible entities (states, local governmental entities, private nonprofits, and state/local/private nonprofit consortiums) to help public charter schools improve their credit in order to obtain private-sector capital to buy, construct, renovate, or lease academic facilities. This program is unique because rather than using grant funds to directly pay for a charter school's construction or repair, funds must be used to support private-sector lending through loan guarantees and other credit-enhancing means.

Specifically, LISC encourages:

1. **Robust funding for the CEP.** LISC supports an allocation of 12.5 percent of the total Charter School Programs (CSP) appropriation for facilities financing, and not less than 65 percent of CSP facilities funds for the highly successful CEP.

2. **Enhanced flexibility for CEP awardees.** CEP awardees should be provided with the authority to re-deploy CEP loan guarantee dollars as direct loans to charter schools, once the original guaranteed loans have been fully repaid.

3. **Incorporating racial equity incentives into CEP application considerations.** Program guidance for the CEP does not include any scoring criteria related to racial equity. In order to promote racial equity in the awarding of federal funding to finance public charter school facilities, LISC encourages ED to adopt a scoring criterion for CEP applications that awards bonus points to those applicants that identify racial equity focus areas—such as those identified in the Racial Equity Matrix—and make institutional commitments to achieving measurable outcomes across these focus areas.[1]

1 As part of our commitment to advancing racial equity, LISC joined eight community development financial institutions (CDFIs) in forming the CDFI Racial Equity Collaborative on Education (REC). REC worked with the educational equity nonprofit Village of Wisdom to create a racial equity matrix that can be used by CDFIs to measure a school's commitment to supporting equitable learning environments. The development of this tool and an intentional focus on inclusive intake and assessment processes in vetting applications for financial assistance are important factors in promoting racial equity in public charter school facility financing.

Postsecondary Education

Access to quality, affordable options for postsecondary education can boost the economic mobility of low-income individuals. Whether they're first-time, full-time students or are working and going to school part-time, all adult learners should be given the opportunity to pursue pathways that improve their quality of life and lead to fulfilling careers that allow them to be productive and thrive. It is important for federal policies to support equitable access to postsecondary education opportunities. Low-income individuals and people of color face multiple, unique barriers to postsecondary educational attainment. Policies that support individuals facing obstacles to educational attainment at accredited institutions with a history of specializing in equitable skill and talent development are essential to the success of local communities.

LISC supports:

Expanding Pell Grant Eligibility

The Federal Pell Grant Program is the largest source of federally funded grants for postsecondary education, and grants are awarded based on financial need. To support affordability, the federal government should extend Pell Grant eligibility to students seeking industry-recognized short-term credentials.

The Jumpstart Our Businesses by Supporting Students (JOBS) Act addresses the skills gap, along with career and technical education affordability, by expanding Pell Grant eligibility to cover short-term job training programs. Under current law, Pell Grants can be applied only toward programs that are over 600 clock hours or at least 15 weeks in length, even though many job training programs are shorter term. Expanding Pell Grant eligibility would help individuals afford skills training and attain industry credentials that are high-demand in today's job market.

Investing in Community Colleges and Promoting Sector Partnerships

Industry-recognized certifications and credentials are prerequisites for most living-wage, "middle skills" jobs with a career pathway. In fact, several of the fastest-growing occupations require education and training beyond a high school diploma. Unfortunately, many low-income individuals are unable to pursue technical training and certifications because they cannot afford to pay for their education. Making community colleges and technical training institutions affordable can connect unemployed or underemployed residents to training and credentialing programs, setting them on pathways to success.

Industry sector partnerships are important to developing talent pipelines of skilled workers to meet future demand. LISC supports the Community College to Career (CC2C) Fund in Higher Education Act, which would create a competitive grant program to support more partnerships between two-year colleges and businesses. The goal of this legislation is to help reduce education costs for students, fill jobs, and increase America's competitiveness in the global economy.

LISC also supports the Assisting Community Colleges in Educating Skilled Students (ACCESS) to Careers Act, which creates a grant program to help community colleges and states address changing workforce demands. The bill encourages partnerships among local community colleges, employers, and workforce entities to create training pathways to in-demand industries. It authorizes the Secretary of Education to provide grants to states to develop innovative models that support workforce preparedness as well as grants to community colleges and consortia of community colleges to carry out program activities; increase the number of students who attain postsecondary credentials in high-skill, high-wage, or in-demand industry sectors; and assist colleges to develop and improve strategies to support student success. This bill builds on lessons learned in the U.S. Department of Labor's Trade Adjustment Assistance Community College and Career Training (TAACCCT) grant program.

Supporting Funding and Research Partnerships with HBCUs

Historically Black Colleges and Universities (HBCUs) are postsecondary institutions that were established in order to serve the educational needs of Black Americans at a time when they were largely denied admission to traditionally white institutions. HBCUs became the principal means for providing postsecondary education to Black Americans. One could argue that HBCUs were among the first institutions of higher learning to have a focus on racial equity in education. While HBCUs make up only three percent of the country's colleges and universities, they enroll 10 percent of all African-American students and produce almost 20 percent of all African-American graduates. Nearly 50 percent of HBCUs are located in economically distressed communities. The historical significance, mission, and location of HBCUs position them as potential strong partners in community development.

The federal government can help to strengthen the ability of HBCUs to carry out their mission and impact their surrounding communities by:

1. **Extending and making permanent the Department of Education's Title III (SAFRA) funding for HBCUs.** This mandatory funding is allocated to HBCUs via the Department of Education's Strengthening Historically Black Colleges and Universities Program (Title III, Part F of the Higher Education Act). Funding expired at the end of fiscal year 2019, and represents an $85 million financial cliff for HBCUs collectively.

2. **Robustly fund the Historically Black Colleges and Universities (HBCUs) Program at HUD.** The U.S. Department of Housing and Urban Development (HUD) HBCU Program helps HBCUs support their local communities with neighborhood revitalization, housing, and economic development. HBCU grants are awarded on a competitive basis and support a range of activities that meet both a Community Development Block Grant (CDBG) Program national objective and the CDBG eligibility requirements, including: property acquisition, clearing land or demolishing buildings, renovating homes and businesses, direct homeownership assistance to low- and moderate-income people, special economic development activities (described at 24 CFR 570.203), and establishment of a community development corporation to undertake eligible activities.

Family Income and Wealth Building

In an era marked by growing economic inequality, we must work to expand income- and wealth-building opportunities. Advancing legislation and investing in the programs that broaden financial stability for all families can help ensure we are building resilient communities of opportunity. We must empower individuals, nonprofit organizations, and government agencies with supportive policies and the innovative, integrated tools necessary to address poverty, build wealth, and comprehensively increase financial stability. Doing so will require improving the accessibility of good-paying work and affordable financial services, creating new chances to build credit and wealth, and refining income supports and tax credits to form a more inclusive modern economy.

Credit and Savings

Expanding financial stability requires a multi-pronged approach that incorporates building credit and savings alongside the focus on increasing income. This positions low- and moderate-income households for success by increasing their ability to save for emergencies and long-term financial goals, establish or repair credit history, and access affordable lending products. Current estimates by the Federal Reserve indicate that 40 percent of Americans cannot withstand an emergency expense of $400 or more. This lack of savings is especially problematic in vulnerable, underbanked communities, where individuals often turn to predatory financial products for assistance. These high-cost products can deplete income gains, often trapping borrowers in debt cycles that lower credit scores and make it even more difficult to access traditional banking.

LISC supports:

Increasing Protections Against Predatory Lending

Payday lending is an industry rife with predatory practices that target vulnerable populations and trap them in a debt cycle. Frequently, payday lenders position themselves in neighborhoods that are underserved by traditional financial institutions and target individuals who are underbanked, low-income, and lack savings or access to affordable lines of credit. Despite some states' best efforts, the payday industry is not effectively regulated at the state or federal levels. The average annual percentage rate (APR) paid by a borrower is 391 percent, and some payday lenders charge an interest rate of up to 1,000 percent.

The loans' high interest rates, usage fees, and lump-sum repayment model are designed to make it difficult for borrowers to pay off the debt, allowing payday lenders to earn exorbitant profits on interest and fees—removing $8 billion in annual household income nationwide and exacerbating racial wealth inequalities. Research by Pew Charitable Trusts indicates that Black Americans are two times more likely than people of any other race and three times more likely than whites to take out a payday loan.

The Veterans and Consumers Fair Credit Act offers an opportunity to regulate the industry by expanding the proven consumer protections enacted under the Military Lending Act (MLA). Passing this legislation is critical to safeguarding all Americans against predatory practices by capping APR at 36 percent and preventing hidden fees and loopholes while protecting access to affordable credit lines.

Building Credit Through Rent Reporting

Strong credit history is critical to developing financial stability. Yet many affordable housing residents have little or no credit history and no credit score, which can lead to difficulties in obtaining credit lines, getting employment, and securing private housing. This lack of credit history stems in large part from difficulty accessing safe and affordable financial products that provide credit-building opportunities. In many cases the structure of affordable housing programs can be adapted to facilitate opt-in reporting to credit bureaus of a tenant's rent payments, which can help residents build credit history and improve credit scores.

LISC supports adoption of rent reporting as an equitable strategy that offers low-income renters an opportunity that homeowners have long enjoyed: the chance to build credit as a financial asset through monthly housing payments. A 2019 study by the U.S. Department of Housing and Urban Development (HUD) supports this call to action. It found that reporting public housing tenants' rent payment data to credit agencies tended to dramatically reduce credit invisibility and increased the share of residents with credit scores of 620 or higher. Congress and HUD administrators should leverage these findings to scale investments and create additional incentives for owners and operators of public and assisted housing to participate in rent reporting, with the consent of the tenant.

Supporting Matched Savings Accounts

In 2017, the U.S. Department of Health and Human Services ended Assets for Independence (AFI)—a longstanding program that supported funding for matched savings accounts known as individual development accounts, or IDAs. Each dollar that a participant saved was matched by an amount of $1, up to $8, in combined federal and nonfederal funds by the AFI program. AFI participants were, in turn, able to use the saved and matching funds to acquire one of three allowable assets: purchase of a first home, capitalizing or expanding a business, or funding postsecondary education or training.

A random assignment evaluation of the economic impacts of participation in the AFI program on low-income individuals and families found positive effects in increasing liquid assets, reducing material hardships, and a decline in the use of predatory financial services. Furthermore, a separate evaluation by the Urban Institute found IDAs to be a proven tool—indeed the most successful savings incentive tool—demonstrating large, positive impacts on savings, resiliency in the face of economic shocks, and homeownership.

We need Congress to restore the AFI program by appropriating no less than $18.95 million, the 2016 level of funding, to support this proven financial stability tool.

Alternatively, Prosperity Now has offered a proposal for Promise Accounts, a new matched-savings program, informed by IDA best practices that would incentivize savings and help build assets for low-income families. As outlined in Prosperity Now's *Promise Accounts: Matched Savings to Help Families Get Ahead*, the accounts can reduce economic inequality and address the racial wealth divide by expanding wealth-building opportunities.

Increasing Funding for the Family Self-Sufficiency Program

The Family Self-Sufficiency (FSS) program of the U.S. Department of Housing and Urban Development (HUD) is the federal government's most extensive asset-building program for low-income people and serves over 74,000 families living in federally subsidized housing. FSS is a voluntary program that pays for FSS coordinators, who help families living in public housing, tenants in Section 8 Project-Based Rental Assistance (PBRA) properties, and those with Housing Choice Vouchers (HCV) achieve their employment and asset-building goals. Participants build savings by having a portion of increases in their earned income saved in an escrow account for their goals, which often include attending college, purchasing a home, or starting a small business. FSS combines individual coaching with a rent-based savings mechanism to put families on a pathway to self-sufficiency.

The program was started in 1990 for public housing and HCV residents, and was authorized in 2018 to include families living in Section 8 PBRA properties. It has demonstrated results, with a 2017 report finding that participating families gained more than $10,000 in increased income over five years, at a net cost to the government of only $276 per participant. FSS currently serves only a small fraction of the 2.2 million households that are eligible. LISC supports increasing the FSS program's appropriation so it can serve more HUD-assisted residents.

Financial Coaching

Strengthening the ability of all families to manage their finances and marshal their resources is critical to helping them achieve financial stability. The provision of one-on-one financial coaching tailored to the individual's needs and goals is a promising tool that, according to an evaluation by the Consumer Financial Protection Bureau (CFPB), can help participants improve their financial behaviors, build savings and manage debt, and reduce financial stress. These programs can also increase banking and public-benefit participation and promote access to responsible lending products. Moreover, workforce development efforts are enhanced when financial coaching is incorporated, yielding higher job-placement and retention rates, and higher average earnings. Research has demonstrated that financial stress reduces employment retention and that financial capability programs can reduce financial stress, thereby increasing employment longevity.

To expand the availability of these services, LISC supports:

Connecting Financial Coaching to WIOA

The Workforce Innovation and Opportunity Act (WIOA) is well known for the critical federal support it provides for workforce development programs through American Job Centers and other organizations. Congress recognized in the WIOA the importance of workers' financial capability, making specific references to the role of financial literacy and allowing for WIOA expenditures to cover these costs. Despite this, many WIOA programs have yet to integrate financial coaching in their program designs. Maximizing WIOA requires that we utilize evidence-based approaches to workforce development, highlighting the critical role of financial coaches in overcoming barriers to long-term employment. The financial capability goals of WIOA would be better served by:

- incentivizing more providers to adopt replicable workforce programming models that incorporate financial coaching directly or in partnership with community-based organizations, and
- applying a net-income performance indicator to federal workforce programs.

Using the CFPB Penalty Fund to Support Financial Coaching

The Consumer Financial Protection Bureau (CFPB) is authorized by statute to utilize the Civil Penalty Fund, a pool of monies collected as fines from companies that violate federal consumer financial law, to support consumer education and financial literacy programs. Despite this authorization and an estimated $1.2 billion in available resources, CFPB investments directly supporting these activities have been severely limited. Given the evidence supporting financial coaching, and the lack of federal investments supporting financial capability services broadly, the CFPB's Civil Penalty Fund offers a unique opportunity to fund these critical services.

As outlined by the Credit Builders Association and endorsed by 234 organizations, this can be done by setting aside a small percentage of the fund to contract with nonprofits and community development financial institutions (CDFIs) that have a proven record delivering financial coaching services. The CFPB has done so successfully in the past and can do so again. It's time for the CFPB to invest in the nonprofit infrastructure that empowers consumers and to use the resources at its disposal to scale financial capability programs.

Increasing Federal Funding for VITA Sites

Volunteer Income Tax Assistance (VITA) is an initiative of the Internal Revenue Service (IRS) that ensures low- and moderate-income households have access to high-quality tax preparation services. As a free tax preparation service, VITA contributes to financial capability by expanding access to tax filing and refunds for low-income families. Importantly, VITA offers an alternative to paid, mostly unregulated, and at times predatory tax preparation services that can erode financial returns and make mistakes at a higher rate than VITA volunteers.

We know that for many low-income families, receiving their Earned Income Tax Credit (EITC) is an essential source of income. In 2018 alone, VITA helped tax filers access $1.9 billion in tax refunds, including $646 million in EITC. These returns have positive economic benefits on state and local economies and increase workforce participation. However, nearly 20 percent of eligible workers are not filing taxes to claim their EITC. VITA provides resources to address this issue and expand financial capability more broadly.

The VITA Permanence Act, codified into law in 2019, is the result of vigorous advocacy by financial capability groups and ensures VITA's long-term availability. However, without adequate funding, the positive impact of the program's permanence is shortchanged. We join Prosperity Now and United Way Worldwide in calling for an increase in VITA program appropriations to $30 million annually as allowed under the authorizing language. By fully funding VITA, we can ensure that the program's benefits reach more families and communities in need.

Income Supports

For millions of families, securing financial stability relies upon a robust system of income supports, otherwise known as public benefits. This can be attributed in part to the stagnation of low-income wages and a lack of career advancement opportunities, which leave many households, even those headed by full-time workers, financially vulnerable. The evidence is clear that income supports such as the Supplemental Nutritional Assistance Program (SNAP), public health insurance, the Earned Income Tax Credit (EITC), and other related programs reduce the number of families living in poverty and contribute to financial stability. Indeed, certain income supports like the EITC increase employment participation and are critical components of economic mobility work. Despite these positive effects, many income support programs have yet to be utilized in a way that maximizes their potential.

To enhance the provision of income supports, LISC supports:

Preserving Flexibility for States Under the Supplemental Nutritional Assistance Program

The Supplemental Nutritional Assistance Program (SNAP) is our nation's most important anti-hunger program, providing food assistance to low-wage working families, people with disabilities, low-income seniors, and many more. Able-bodied adults without dependents (ABAWD) can generally receive SNAP for only three months in a 36-month period, but states can receive permission to waive the time limit in areas that have an unemployment rate above 10 percent or that lack sufficient jobs. Note that this rule was suspended due to COVID-19.

In December 2019, the U.S. Department of Agriculture (USDA) published a final rule that would sharply restrict approval of these waivers, and in addition limits states' ability to carry over unused ABAWD discretionary exemptions from year to year. LISC believes the rule was ill conceived, makes it harder for states to address the needs of populations in poverty, and should be withdrawn.

Funding the SNAP Employment and Training Program at Robust Levels

The SNAP Employment and Training (SNAP E&T) program helps SNAP participants gain skills, training, or work experience to increase their ability to obtain regular employment that leads to financial stability. There are three types of federal funding for SNAP E&T: 100 percent funding, provided to states annually through formula grants; 50 percent funding, used to support administrative costs or participant reimbursements; and able-bodied adults without dependents (ABAWDs) pledge funding, which is allocated to state agencies that pledge to serve all ABAWDs at risk of losing SNAP eligibility due to the program's three-month time limit for those individuals.

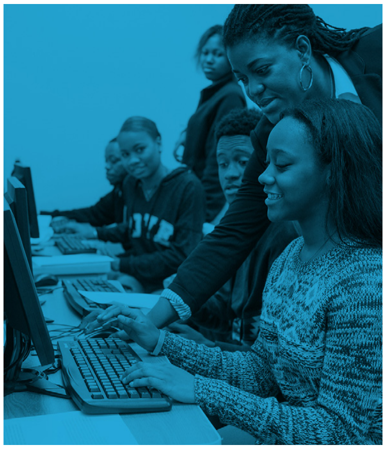
The SNAP E&T program is an important resource that helps states build meaningful partnerships with postsecondary education institutions, occupational skills training programs, and community-based organizations to address the needs of people facing multiple barriers to employment. LISC strongly supports robust funding for SNAP E&T and concentrated efforts to help states understand how to use SNAP E&T to support employment outcomes and financial stability.

Expanding and Improving the Earned Income Tax Credit and Child Tax Credit

The Earned Income Tax Credit (EITC) is a refundable tax credit for low- to moderate-income working people. The amount of credit benefit depends on a recipient's income and number of children. The EITC boosts income and work effort among low-income parents, making it a proven tool in the reduction of poverty. Likewise the partially refundable Child Tax Credit for working people with dependent children lifts some three million people out of poverty each year.

LISC supports adoption of the Working Families Tax Relief Act, which would:

- increase the EITC for families with children by about 25 percent so they would receive more resources to pay for child care, health care, and other needs;
- significantly expand the EITC for workers without children and make the credit available for people starting at age 19 up to age 67;
- allow workers to draw a $500 advance payment on their EITC, ensuring families aren't forced to turn to predatory payday lenders when the car breaks down or other unexpected expenses come up;
- make the Child Tax Credit fully refundable and adjust it for inflation; and
- create a Young Child Tax Credit to provide extra support to children age five and under.



Digital Inclusion

Access to broadband services expands a family's opportunities to build income and wealth. One Brookings Institution study found that each percentage-point increase in broadband penetration in a state is projected to increase employment by 0.2 to 0.3 percent per year. Yet up to 42 million Americans still lack access to these services, left behind in an interconnected world that increasingly relies on high-speed internet to successfully participate in online education, work, and financial management. The digital divide disproportionally impacts low-income and rural areas, and particularly communities of color, as broadband availability is significantly lower in majority-African American and majority-Native American counties.

Obstacles to achieving digital equity are rooted in structural inequities such as a lack of broadband infrastructure, affordability and equipment constraints, and digital literacy gaps. Addressing these barriers requires the expansion and adoption of federal policies that support digital inclusion efforts. Specifically, LISC's proposals focus on the three-legged stool of broadband affordability, equipment accessibility, and digital skills to narrow the digital divide.

LISC supports:

Increasing the Affordability of Internet Access and Related Devices

Many current policies aimed at addressing the digital divide focus solely on the expansion of broadband infrastructure, and in doing so overlook a critical issue: many Americans simply cannot afford the service or the devices needed to use it. A recent analysis of low-income households earning less than $30,000 a year found that 44 percent do not have broadband services, and 46 percent do not have a traditional computer or tablet. In contrast, these are nearly universally adopted by households earning more than $100,000. Pew Research found that half of the families who do not have broadband attribute this to a prohibitively expensive monthly cost.

LISC supports the Affordable, Accessible Internet for All Act, which would not only build high-speed broadband infrastructure in underserved areas, but also ensure the internet service is affordable and expand digital skill-building investments. In addition, we support updating federal affordable rental housing policies so broadband costs are eligible costs for federally assisted tenants and for owners who provide internet, computer centers, and related services.

We also endorse an update of the Federal Communications Commission's Lifeline program to help low-income households overcome the cost of broadband adoption. Originally designed to provide low-income Americans with affordable telephone access, the Lifeline program has been adapted to include wireless and smartphone internet access, but not fixed broadband. We support the following improvements to address the digital divide:

1. **Pass legislation that allows the Lifeline program to broaden the definition of eligible carriers to include not just telephone companies but also national broadband providers.** This would help low-income households access high-speed internet on computers and tablets more suitable for work, school, and other uses than smartphones.
2. **Enhance coordination of the Lifeline program to facilitate automatic enrollment across other forms of income support such as the Supplemental Nutritional Assistance Program (SNAP).** This can ensure that all eligible families receive financial assistance, while reducing administrative burdens.
3. **Pass the Promoting Access to Broadband Act, which would help increase awareness and enrollment in Lifeline for low-income households.**
4. **Retool the Lifeline program to provide the computer equipment necessary to overcome technological disparities faced by low-income households.**

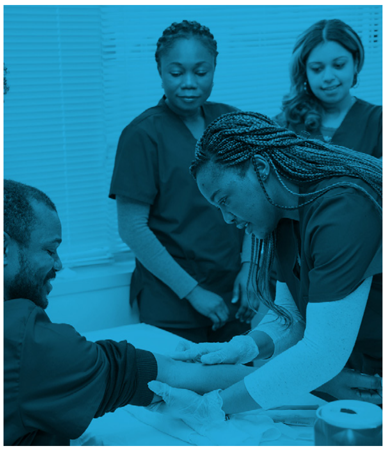
Investing in Community-Based Digital Training and Support

Achieving digital equity also necessitates robust support of digital literacy efforts. The need for digital skills to access opportunity in an increasingly digitalized U.S. economy has been noted for years. But we have yet to prioritize investment in the tools needed to address the digital literacy gap. Robust investment in digital literacy efforts can ensure widespread availability of education and training, providing participants with the range of digital skills needed to succeed. Community-based digital education and training can help the disconnected find jobs, develop new skills, and access affordable financial services.

LISC endorses:

1. **Federal funding to help support the Digital Navigator Model developed by the National Digital Inclusion Alliance.** Digital navigators are connectors and coaches who, working in client-facing roles at community organizations like libraries and social service agencies, can help people address home connectivity, learn digital skills, and find resources related to digital inclusion.

2. **Passage of the Digital Equity Act of 2019.** This bill would establish two grant programs administered by the National Telecommunications and Information Administration (NTIA), at last bringing significant funding to create and implement statewide digital equity plans, mount targeted digital equity projects, and perform project evaluations to inform policy.



Workforce Development

Investments in workforce development help ensure that individuals have access to pathways of opportunity that can lead to financial stability for themselves, their families, and their communities. Workforce programming helps to match workers with employers by providing the education, skills, and job-readiness preparation necessary to succeed in the twenty-first century economy. Apprenticeships are especially critical to closing the opportunity and wage gap by assisting in the development of a diverse and highly skilled, competitive workforce. We know that structural changes in the U.S. economy have made a high school diploma a less valuable credential for most good-paying jobs. This has important implications for closing the racial wealth gap and for those facing intergenerational poverty, whose path to the middle class may have been aided by a high school diploma in the past.

LISC supports:

Strengthening the Workforce Innovation and Opportunity Act

The job market has increasingly polarized, concentrating employment growth at the extremes of the skill and wage distribution. This has left millions of Americans in low-wage positions and a large share of middle-skill jobs unfilled. And yet federal investments to address these skill gaps have been under prioritized and underfunded. Providing full funding for workforce training and career and technical education creates meaningful employment options, expands work-based learning opportunities, and drives economic growth.

The Workforce Innovation and Opportunity Act (WIOA), enacted in 2014 with strong bipartisan support, made essential strides in modernizing workforce development legislation. The U.S. Department of Labor utilizes WIOA to fund a range of federal, state, and local efforts to link training and education to the labor market. However, these efforts are shortchanged by declining investments in adult education grants and state career and technical education grants. We need to ensure that the WIOA program is reauthorized in FY 2021 and that we allocate additional funding to better prepare Americans for career success.

In addition, Congress needs to pass the Relaunching America's Workforce Act (RAWA), which would help ensure strained workforce systems have the resources to meet increased employment needs. RAWA would appropriate an additional $15.6 billion, essentially doubling state formula grants under the WIOA and the Carl D. Perkins Career and Technical Education (CTE) Act, as well as substantially increasing funding for activities under the Adult Education and Family Literacy Act (AEFLA) and for WIOA national grant programs and registered apprenticeship programs that have established benefits for workers and businesses.

Supporting Career Pathways through Investments in Community Colleges and Apprenticeships

An integral but often overlooked component of our workforce development system, community colleges traditionally have served students who are disproportionately low-income and first-generation. Community colleges are also the education sector's most important provider of skills-based training and offer comprehensive work-based training opportunities.

We can do more to leverage community colleges' strengths in reaching underserved populations and furthering connections to registered apprenticeship programs. These changes would further the impact of WIOA while providing high school students with the skills and education they need to enjoy economic mobility.

To this end, LISC proposes:

1. **Increased funding dedicated to community colleges under Title I of WIOA.** A national Community College Pathway program could be integrated within existing national competitive grants of the U.S. Department of Labor's Education and Training Administration (ETA). The program would build upon community colleges' existing infrastructure, align with industry needs, and yield a higher return on secondary education for those participating by coupling a high school diploma with certified college coursework skills. These skills could be bolstered by relevant, paid work experience through apprenticeships. Students would earn a buildable credential that makes them immediately valuable for middle-skill work while leaving the door open for higher education. Given the evidence supporting

both pathway and early-college programming, additional WIOA investments in community colleges can help achieve a more equitable workforce system.

2. **Passage of the Community College to Career Fund Act.** This bill builds on the Carl D. Perkins Career and Technical Education Act of 2006 (Perkins IV), providing additional resources to support career and technical education. The bill would fund efforts by community and technical colleges to match skilled workers with employers, in collaboration with local industries, workforce boards, and other stakeholders. Specifically, the Act would support increased apprenticeships and credentialing programs that have a demonstrated impact in promoting economic mobility.

3. **Funding the Trade Adjustment Assistance Community College and Career Training (TAACCCT) grant program.** This program of the U.S. Department of Labor has not been funded since 2018. The Relaunching America's Workforce Act (RAWA) would invest $2 billion over three years to support this program and further expand partnerships between community and technical colleges and industry partners for adult students. These grants facilitate systems change and expand career opportunities through the establishment of registered apprenticeships, curriculum development, and increased obtainment of national certifications in high-demand trades. Investments in this impactful program are critical to helping community colleges address today's challenges and expand workforce services to a diverse population of eligible workers.

Supporting "Future of Work" Initiatives

The twenty-first century has brought many changes in the way Americans work, and will continue to do so. Future-of-work initiatives, such as those led by the Aspen Institute and the Ford Foundation, focus on what workers and businesses need to thrive in the industrial landscape of the future.

Responding to automation and other changes that have decreased employees' connection to employers, and at the same time have increased requirements for upskilling and adaptation, will require sustained effort and investments. We must also adapt our workforce policies to ensure that low-income gig and 1099 workers, who now account for 34 percent of the workforce, have access to economic opportunity and financial stability. Moreover, the historic dependence on employers to provide social benefits is rapidly becoming obsolete.

In light of these changes, Congress should pass legislation that protects workers for the economy of today and the future, including:

- the Investing in American Workers Act, which allows a business-related tax credit for employers who increase worker training expenditures;
- the Lifelong Learning and Training Account Act, which establishes tax-preferred savings accounts that may be used to pay for training;
- the Self-Employed Mortgage Access Act, which allows creditors to use certain alternative standards when evaluating an applicant's ability to pay a home mortgage, removing barriers for those with non-traditional forms of income; and
- the bipartisan Portable Benefits for Independent Workers Pilot Program Act, which requires the U.S. Department of Labor to award grants to states, local governments, or nonprofits to support innovation in providing "portable benefits" that allow non-traditional workers to maintain benefits when changing jobs.

Health

The physical, social, and economic conditions in a person's community and everyday life—known as the social determinants of health—constitute 80 to 90 percent of factors affecting health outcomes for a population, with medical care contributing just 10 to 20 percent. LISC recognizes the powerful role that community development plays in preventing chronic disease and bolstering health and wellness, and supports a comprehensive agenda to improve outcomes for people in our local communities. We invest in community health centers and other critical access points for health care services, provide financing and technical guidance to projects that increase access to healthy food, and support recreational fields and facilities that give kids quality places to play. LISC has forged partnerships with hospitals and health insurers to advance this agenda, bringing new capital to communities and leveraging data-analysis capabilities, relationships, and services to advance health equity for people of color.

Social Determinants of Health

Greater economic opportunity for people and places is inextricably linked to health and wellness. Social determinants of health (SDoH) are conditions in the environments in which people are born, live, learn, work, play, and age that affect a wide range of health, functioning, and quality-of-life outcomes and risks. LISC seeks to advance health equity—the condition in which all community members have the opportunity to attain their full health potential—through its work to improve social determinants. This is achieved through policies and investments that build partnerships and shared goals with the health sector to support housing and commercial real estate, workforce development pathways, safety, social cohesion, and other efforts that create opportunities for families and communities to thrive.

LISC supports:

Leveraging Medicaid Funding Streams to Address Social Determinants of Health

Medicaid provides health coverage to millions of Americans, including eligible low-income adults, children, pregnant women, elderly adults, and people with disabilities. Innovative federal policy approaches should be pursued to leverage the Medicaid system to improve health outcomes and well-being for vulnerable populations in communities across the country. These promising approaches include:

1. **Social determinants of health accelerator grants.** The Social Determinants Accelerator Act would authorize state, local, and Tribal governments to devise innovative, evidence-based approaches to coordinate services and improve outcomes and cost effectiveness. The bill provides funds for the Centers for Medicare & Medicaid Services (CMS) to award up to 25 planning grants and technical-assistance grants to eligible entities for the development of social determinants accelerator plans that address at least one health and one social outcome for a specified target population. It also establishes the Social Determinants Accelerator Interagency Council and provides funds for the council to: A) assist the CMS in awarding specified grants, B) increase coordination among health and social service programs, and C) provide program evaluation guidance and technical assistance to increase the impact of social service programs.

2. **Medicaid re-entry support for the incarcerated.** Most people leaving prison have chronic issues that make it more difficult to successfully reintegrate into communities after incarceration. These difficulties have a profound negative effect on supervision compliance, job stability, housing, family relationships, and sobriety. The Medicaid Reentry Act would permit Medicaid to support essential health care for 30 days prior to an incarcerated person's release and upon re-entry. The legislation seeks to increase coordinated care for incarcerated people who are re-entering society. Access to and coordination of physical, mental-health, and substance-use-disorder care are especially important to success post incarceration, and to reducing mortality rates related to drug overdoses and suicides.

Establishing Community Integration Network Infrastructures

Social service networks (largely powered by community-based organizations) are not generally connected to the health care system in a sustainable, standardized way, which limits data sharing, shared accountability, and service coordination. The establishment of technical infrastructure networks would allow states and localities to sustainably track and align the efforts of medical organizations and community organizations —providing a better understanding of the scope of community needs and the available resources to meet them, a more efficient means to initiate and address requests for assistance, and better methodology to track referrals, accountability, and outcomes.

LISC joins Aligning For Health in calling for the establishment of a program operated by the U.S. Department of Health and Human Services, Health Resources and Services Administration, that supports state Community Integration Network Infrastructures. Community Integration Network Infrastructures would: empower states to establish state-wide or regional networks that implement an aligned service delivery system capable of responding to community-wide challenges; facilitate service coordination and referral management between health care providers, community organizations, and federally funded programs for vulnerable and home-bound individuals; collect data to track community needs referrals, ensure program integrity, and evaluate program effectiveness; and improve operational capacity among participating organizations through shared expertise and transfer of knowledge. The Network Infrastructures would have a lead entity chosen by the state and, via the establishment or enhancement of a secure technology platform, would:

- enable coordination among public and privately funded providers and payers of services for individuals in the state;
- prioritize interoperability with existing technology platforms, including a capability for referrals, communication, and longitudinal tracking; and
- connect social and health care organizations, including groups working on food, housing, transportation, and job training, along with medical providers and health plans.

Strengthening Nonprofit Hospitals' Community Health Needs Assessments

When the Patient Protection and Affordable Care Act (ACA) was signed into law in 2010, it required nonprofit hospitals to carry out a hospital community health needs assessment (CHNA) every three years in order to maintain their tax-exempt status. The goal of this process was to push hospitals to go beyond their institutional walls and develop a stake in health outcomes of local communities by actively engaging state, local, and community-based entities in developing strategies to address the root causes of health inequity and financing the types of interventions (e.g., investments in healthy housing) that will lead to healthier outcomes.

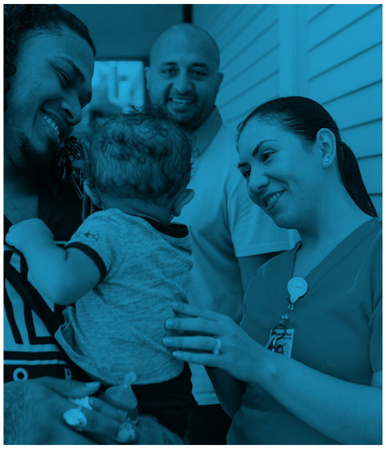
CHNAs include the development of an implementation strategy—a written plan that either describes how the hospital plans to use a portion of its surplus to address the community health need, or explains why it does not intend to address an identified health need. While the implementation strategies can influence hospital community benefit agreements, there is no requirement that hospitals expressly draw a link between community-benefit spending policy and their CHNAs. Nor are hospitals required to allocate benefit spending in a way that includes community-building activities, such as physical improvements in housing, assisting small business development in neighborhoods with vulnerable populations, child care and mentoring programs for vulnerable populations or neighborhoods, neighborhood support groups, violence prevention programs, disaster readiness, and alleviation of water or air pollution. A recently published report revealed that community-building activities accounted for only .1 percent of the $64.3 billion in total benefits that the surveyed nonprofit hospitals provided their communities.

Investments in community-building activities are frontline investments that directly address SDoH. We encourage the federal government to revisit the CHNA implementation guidelines and adopt policies that: A) encourage hospitals to engage community development organizations in the development of their CHNA implementation plans, and B) positively incentivize nonprofit hospitals to increase the percentage of hospital expenditures allocated to community-building activities.

Incentivizing Community Development Activities Among Health Insurers

In recent years, the insurance industry has started developing strategies to address the social determinants of health. A 2018 survey found that 80% of health insurance providers have adopted social determinants initiatives in order to address the needs of their members. This approach is not only good for reducing costs and utilization of acute health care services to treat chronic conditions that arise from poverty, structural racism, and other inequities, but is also essential to reducing health disparities and creating healthier communities. HHS initiatives like Healthy People 2020, and CMS regulatory actions (including their work with states seeking to integrate SDOH into their contracts with Medicaid managed care organizations and 2020 rules that allow insurers to offer supplemental SDoH-related benefits for Medicare Advantage and Part D plans) have greatly influenced the insurance industry focus on SDoH.

LISC welcomes this focus and urges the federal government to build upon the existing momentum. Innovative approaches that incentivize insurers to build partnerships with community-based organizations, social service agencies, and community development financial institutions have the potential to radically improve community health outcomes. LISC supports federal approaches that will encourage insurers to direct additional resources to building the aforementioned partnerships and invest in community development activities.



Provision of Health Care

In too many American communities, lack of affordable primary health care is part of the landscape of deficit that eats away at the health and longevity of low-income residents and people of color. LISC has a strong programmatic focus on improving community health outcomes that are tightly linked to the physical, social, and economic conditions of a neighborhood, and a policy focus on advocating for federal policies that bridge the gap between the community development and health care sectors.

LISC supports:

Investing Substantially in Community Health Center Operations and Facilities

Community Health Centers (CHCs), also known as Federally Qualified Health Centers (FQHCs), provide primary medical services to close to 30 million people at over 14,000 sites in urban and rural communities across the country. CHCs deliver a broad array of primary and preventive care services to patients, including dental, vision, mental health, and drug treatment services. CHCs primarily serve low-income residents—many of whom lack access to health insurance—and they provide these services regardless of the patient's ability to pay. By helping to reduce instances where patients have to seek initial treatments and services in hospital settings, CHCs produce an estimated $28 billion in annual health savings.

In order to carry out their vital missions, CHCs rely on support from the Community Health Center Program of the U.S. Department of Health and Human Services (HHS). This program provides, among other vital resources, operating grants (known as Section 330 grants) to CHCs, and loan guarantees to private-sector lenders to support the development and rehabilitation of CHC facilities.

LISC's policy priorities for CHCs include:

1. **Full funding for Section 330 grants**. Congress provides close to $5.6 billion annually to support CHC operating grants, through a mix of annual appropriations and mandatory spending accounts created by the Affordable Care Act. We support long-term authorization of the mandatory expense accounts, and continued supplemental funding as necessary through annual appropriations.

2. **More education and outreach to raise awareness about the Loan Guarantee Program.** In 2017, Congress provided an additional $20 million of credit subsidy for the Health Center Facility Loan Guarantee Program, which is anticipated to support over $900 million in loans to CHCs. And in 2020, HHS debuted streamlined and improved application and underwriting protocols. HHS needs to:
   - market the "new" program to both lenders and CHCs, including through partnerships with trade associations and other governmental agencies such as the CDFI Fund; and
   - provide program guidance documents to indicate how the funds can be twinned with other federal subsidy sources, including New Markets Tax Credits.

Strengthening Support of Telehealth Initiatives

The COVID-19 pandemic has dramatically altered federal telehealth policy across multiple agencies. The Centers for Medicare & Medicaid Services (CMS) issued temporary measures to make it easier for people to receive medical care through telehealth services during the pandemic public health emergency. These changes include adjustments to remote-care guidelines, broader billing options (both video and audio-only), and allowing FQHCs and Rural Health Clinics (RHCs) to serve as distant telehealth sites and provide telehealth services to patients in their homes. The U.S. Department of Agriculture, Federal Communications Commission, and Health Resources and Services Administration all received additional resources to provide grants to telemedicine providers, nonprofit and for-profit health care providers, rural health care providers, and eligible nonprofits, all in an effort to ensure continuity of care.

Because the majority of non-urgent care needs were transitioned to virtual and telehealth platforms, telehealth has become a much more critical social determinant of health, directly impacting patient access to care. We anticipate that the federal government will soon review existing policies to determine whether particular measures will sunset or become permanent. As these determinations are made, LISC will prioritize approaches that:

- make provisions in the Connect for Health Act and recent COVID-19 emergency measures permanent (e.g., easing restrictive fee-for-service coverage of telehealth services, and lifting limitations for rural locations, originating sites, eligible practitioners and services, and qualifying technology);

- facilitate access to medical care in underserved and remote (especially rural) areas by supporting digital connectivity of providers and patients; and
- fully leverage telehealth capabilities to address social determinants of health.

Investing in Community Health Workers

Community health workers (CHWs) are local residents who help others in the neighborhood access good health care. CHWs have been an effective part of medical care in low-income communities around the world for more than 50 years. Because they often are local people with demographic characteristics similar to those of other community residents, they often share language and life experiences with the individuals and communities they serve, and can build a different trust relationship than do other medical personnel. There is robust evidence that CHWs can undertake actions that lead to improved health outcomes, especially, but not exclusively, in the field of child health.

The COVID-19 pandemic has made CHWs even more important to strategies aimed at improving health outcomes in local communities—especially communities of color and immigrant communities where there may be a mistrust of medicine and medical providers. CHWs could serve as contact tracers and (when a vaccine becomes available) vaccination educators, helping to curb the spread of the coronavirus.

LISC supports the adoption of federal policies that support and dedicate funding for the CHW model, including the Health Force and Resilience Force Act of 2020, which directs the U.S. Centers for Disease Control and Prevention (CDC) to help recruit, train, and employ Americans to respond to the COVID–19 pandemic in their communities—thereby providing capacity for ongoing and future public health care needs and building skills that enable new workers to enter the public-health and health care workforce. This federally funded and locally managed effort would provide a dedicated workforce to, among other things, administer COVID-19 tests, isolate those who have tested positive, and trace and test the contacts of every carrier.

Healthy Food

Accessing affordable and healthy food can be challenging for many low-income families across the United States. The U.S. Department of Agriculture (USDA) estimates that 12.7 percent of U.S. census tracts fit the category of being low-income and having low access to a grocery store or supermarket. Living in poor communities with limited access to healthy food negatively impacts the health and quality of life of residents. We need solutions that increase the availability of healthy food for all Americans.

LISC supports:

Increasing Funding for the Healthy Food Financing Initiative at USDA

In the 2014 Farm Bill, Congress established a Healthy Food Financing Initiative (HFFI) program at the USDA and authorized up to $125 million for the program. The 2018 Farm Bill reauthorized the program and made important changes, including expanding support to include food enterprises. The USDA HFFI program is a public-private partnership that provides financial and technical assistance to local food-access projects. These funds have supported healthy food retail development costs and technical assistance such as feasibility studies. In 2019, the HFFI program provided $1.4 million in financial assistance to 10 projects and $400,000 in technical assistance awards to 13 projects.

LISC supports efforts to increase the HFFI program's appropriation so more food-access projects are able to secure financial and technical assistance resources, which will lessen food-access inequality.

Continuing Funding for the Healthy Food Financing Initiative at the CDFI Fund

Since 2011, the Community Development Financial Institution Fund (CDFI Fund), an agency of the U.S. Department of the Treasury, has been appropriated funding to provide targeted financial support in the form of grants and loans to CDFIs specifically for the purpose of financing healthy food investments. Unlike the USDA HFFI program, which mainly supports development costs, the CDFI Fund HFFI program provides awards through CDFIs, which leverage the resources to support the full continuum of healthy food projects in low-income, low-food-access communities. LISC supports continued appropriations for the CDFI Fund's HFFI program.

Community Recreation

Safe, well-maintained places to gather, exercise, and play are fundamental to the development and well-being of the members of any community—especially children. In distressed neighborhoods, where positive recreational outlets may be scarce, a playing field or park can serve as a welcome refuge from unsafe streets and as a deterrent to gang activity and other negative influences. Federal funding for open space and recreation projects is crucial for states, cities, and localities.

One of the most important federal programs for supporting states and localities in developing recreational space is the Land and Water Conservation Fund (LWCF), administered by the U.S. Department of the Interior's National Park Service. The LWCF was created in 1965 to help preserve, develop, and ensure access to outdoor recreation facilities, primarily by funding:

- federal acquisition of land and waters;
- grants to states, under the States Assistance Program, for recreational planning, acquiring lands, and developing outdoor recreational facilities; and
- other related activities.

Within the States Assistance Program is the Outdoor Recreation Legacy Partnership (ORLP), a competitive grant program targeted to help urban communities address outdoor recreation deficiencies through innovative partnerships.

LISC urges a strong federal commitment to supporting community recreation spaces through:

Substantially Funding the Land and Water Conservation Fund

The LWCF has a dedicated source of funding through various revenue streams—most notably oil and gas leases—and Congress has authorized that up to $900 million may be set aside to fund the LWCF. However, Congress has routinely diverted these funds to cover other uses, leaving the LWCF consistently underfunded.

Congress must fully fund the LWCF.

Setting Aside at Least 40 Percent of LWCF Funds for the States Assistance Program

Current law mandates that at least 40 percent of the total LWCF annual appropriations be provided to the federal land acquisition program but does not specify an amount for the state program. Historically, the fund split has been approximately 62 percent for federal, 25 percent for States Assistance, and 13 percent for “other.”

The state program should be funded at no less than the 40 percent that is minimally set aside for the federal program.

Providing a Permanent, Set Funding Stream for the Outdoor Recreation Legacy Partnership

We support the Outdoors For All Act, bipartisan legislation that would set aside 20 percent of the funds in the States Assistance Program for the ORLP. We also endorse the House’s FY 2021 appropriations bill for the Department of the Interior, which included $100 million for the ORLP, the highest level in decades.

Housing

Access to safe, decent, and affordable rental and homeownership housing is essential for the health and economic well-being of families. We need strategies to fight homelessness and housing instability, which threaten family health, safety, employment, and educational outcomes. We need to invest in affordable rental housing, so that high rent burdens don't impede a family's ability to pay for essential expenses or establish savings to support longer-term goals like education and retirement. And we must open up homeownership opportunities for families living on low- and moderate-incomes, so that they can build wealth for themselves and their children.

Affordable Rental Housing

All people need safe, decent, and affordable housing, yet there is not a single state, county, or metropolitan area in the U.S. where a minimum-wage worker can afford a modest two-bedroom rental without spending more than 30 percent of their income in rent. High housing costs burden families and strain their ability to afford other essentials such as food, health care, child care, and transportation; and housing instability increases their risk of eviction and homelessness. Investments in federal housing programs, including rental assistance and programs that support the production and preservation of affordable rental housing, are needed in order to solve our nation's affordable housing crisis.

To this end, LISC supports:

Enhancing and Expanding the Affordable Housing Tax Credit

The Affordable Housing Tax Credit, also called the Low-Income Housing Tax Credit (LIHTC), stimulates private investment in affordable rental housing in communities across the nation. Since its inception, it has spurred the development of approximately three million quality homes, financing about 100,000 units of affordable housing per year. Units funded by LIHTC are affordable to people generally earning no more than 60 percent of area median income (AMI), and rents may not exceed 30 percent of the qualifying income. LIHTC units tend to be occupied by families living on extremely low-incomes, with 48 percent of the units occupied by families making less than 30 percent of AMI. All properties constructed using the credit must remain affordable for a minimum of 30 years.

LISC calls for passage of the Affordable Housing Credit Improvement Act of 2019 (S. 1703/H.R. 3077), legislation introduced in the 116th Congress that would improve the LIHTC program by, among other things:

- increasing the housing credit allocations by 50 percent,
- enhancing the 4 percent credit and multifamily housing bond portion of the program,
- providing states with additional flexibility to serve very low-income populations,
- facilitating housing credit development in rural and Native communities, and
- supporting the long-term preservation of affordable housing.

LISC also supports the Save Affordable Housing Act of 2019 (S. 1956/ H.R. 3479), which would fix a loophole that otherwise allows certain LIHTC properties to opt out of affordability restrictions after just 15 years, as opposed to 30 years.

More information about the Affordable Housing Tax Credit, including advocacy resources, is available from the ACTION Campaign.

Strengthening the HOME Program

The HOME Investment Partnerships Program (HOME) is the largest federal block grant to state and local governments (known as participating jurisdictions, or PJs) designed exclusively to create and preserve affordable housing for low-income households. HOME funds are flexible and may be used for a variety of housing activities that other sources may not cover, including preservation of rental housing, homebuyer assistance, rehabilitation of owner-occupied homes, and rental assistance. HOME Program funds often provide either the early support necessary to initiate new development or the critical gap financing needed to complete developments. The PJs must provide at least a 25 percent match of their HOME funds from local funds.

Despite the critical need for these resources, in fiscal year 2012 HOME funding fell to $1 billion after fluctuating for many years between $1.5 billion and $2 billion. In fiscal year 2020, HOME was funded at only $1.35 billion. LISC calls on Congress to restore HOME funding to sufficient levels, and we support legislative proposals to reauthorize and streamline the program.

Enhancing and Improving the Rental Assistance Demonstration Program

There are almost one million units of public housing, providing critically needed housing to households with a median household income of just $10,800. Years of underfunding have created an enormous backlog in capital spending for these units. As of 2019 projected capital needs stood at $56.6 billion, with an expected annual growth rate of $3.4 billion. This backlog is difficult to remedy with private resources under the existing public housing rules. These and other assisted housing units face physical obsolescence. Given the scarcity of safe and affordable housing for low-income families, these resources must be preserved.

The Rental Assistance Demonstration (RAD) program of the U.S. Department of Housing and Urban Development (HUD) has provided a path to preservation for select units. Expanding the program would help attract private capital to preserve thousands more units. To address the critical backlog of capital needs in public housing and federally assisted housing properties, we propose the following improvements to the RAD program:

1. **Lift the RAD unit cap.** RAD is a voluntary program and is currently authorized for 455,000 units. Eliminating the cap will ensure public housing authorities have the choice to utilize the program to leverage private capital for the rehabilitation or development of thousands of units.
2. **Expand RAD eligibility to include Section 811 Project Rental Assistance Contract (PRAC) properties.** Properties assisted with Section 811 capital advances were first funded in the early 1990s. Because the properties had no mortgage debt, the PRAC covers only operating expenses. As these properties age and need repair or new ownership, financing has been challenging. Allowing them to convert to Section 8 under RAD would provide a subsidy form that could better attract private investment.
3. **Provide a limited appropriation to assist the most complex preservation transactions.** Because of low rent levels or significant physical needs, some properties cannot support the needed recapitalization with the RAD conversion alone. A small pool of additional funds to be administered as grant support or soft debt would facilitate preservation of these affordable housing resources. Funding could be awarded to the transactions demonstrating the greatest need and to community-supported redevelopment plans.

Protecting the Capital Magnet Fund

The Capital Magnet Fund (CMF) provides flexible funds to attract private investment into affordable single-family and rental housing properties. Capital Magnet Fund award recipients must leverage their award with other sources of capital, and the leveraged amount must be at least 10 times the CMF award amount, although in practice it has been 20 times or greater. The program is a critical source of funding for community development financial institutions (CDFIs) and nonprofit housing developers financing affordable housing and related economic activities. The CMF program has supported the creation of almost 100,000 homes, with over half of all CMF-funded rental housing affordable to very low-income and extremely low-income families.

The CMF program is funded through a very small, annual assessment on new business revenues generated by Fannie Mae and Freddie Mac. This funding source must be protected, and any subsequent reforms of the housing finance system should ensure a continued source of funding for this program.

Supporting Rural Multifamily Rental Housing

The U.S. Department of Agriculture (USDA) supports affordable rental housing in rural communities through the Section 515 Rural Rental Housing program, Section 514/516 Farm Labor Housing program, and Section 521 Rental Assistance program. The Section 515 and 514/516 programs provide direct mortgage loans and grants to purchase buildings or land for affordable multifamily and farm labor rental housing in rural communities. The Section 521 Rental Assistance program provides project-based rental assistance to some properties financed by the Section 514/516 and 515 programs.

The Section 515 and 514/516 programs provide an important source of affordable rental housing in rural areas, with over 13,000 properties providing almost 422,000 affordable homes to very poor households. The average income of a Section 515 resident is only $13,600 and the majority of tenants are older adults or persons with disabilities. No new USDA Section 515 housing has been produced in the last few years and there are challenges to preserving these units and ones produced through the Farm Labor housing program.

LISC supports full funding for these programs and legislation (H.R. 3620) introduced in the 116th Congress that provides USDA additional authorities and resources to preserve Section 515 and 514/516 housing.

Expanding the Housing Choice Voucher Program

The Section 8 Housing Choice Voucher (HCV) program is our nation's largest housing assistance program, providing over 2.3 million families access to affordable and safe housing through tenant-based rental assistance. The program is administered by public housing authorities, which contract with private landlords to provide housing to low-income families. Families participating in the program typically pay 30 percent of their income towards rent, with the federal government paying the difference to a private landlord.

The HCV program serves some of our nation's most at-risk populations, with over half either elderly or having a disabled head of household, and 75 percent are extremely low-income with incomes at or below 30 percent of the area median income. Currently, only one in four households eligible for rental assistance receives it. Vouchers have proven to be effective not only at reducing homelessness and providing housing stability to low-income families, but also at offering access to higher-opportunity neighborhoods and improving other life outcomes.

We propose these improvements in the HCV program:

1. **Expand the HCV program so that all qualifying households receive assistance.** This will greatly decrease housing instability for vulnerable populations and provide low-income families great opportunities.
2. **Expand the Housing Voucher Mobility Demonstration.** The purpose of this demonstration program is to provide voucher assistance and mobility services to families with children to encourage such families to move to lower-poverty areas, expand their access to opportunity areas, and evaluate the effectiveness of the strategies pursued under the demonstration. This program has bipartisan support in Congress and legislators must continue to support efforts to couple HCVs with supportive services to allow families the opportunity to live in any neighborhood.
3. **Expand the Small Area Fair Market Rent (SAFMR) program.** Housing Choice Voucher payment standards are based on Fair Market Rents (FMR), which are typically set at a regional level for metropolitan areas or at a county level in rural communities. The SAFMR program is designed to set rents at a zip code level, reflecting local rents more accurately. Payment standards based on metropolitan-level FMRs are often too low to allow renters access to higher-opportunity areas. Research has shown that SAFMR can be effective in helping families using HCVs access higher-opportunity neighborhoods. The SAFMR program should be expanded to allow any family with an HCV to access the neighborhood of their choosing.
4. **Authorize a national ban on source-of-income discrimination.** States and localities across the United States are increasingly passing laws that ban housing discrimination based on source of income. These efforts expand the ability of families to use HCVs and other federal rental assistance programs by treating federal rental assistance as a lawful source of income subject to fair housing protections. Congress should pass a national source-of-income anti-discrimination law to strengthen these efforts.

Supporting GSE Investments in Multifamily Rental Housing

It has been 12 years since the financial crisis caused the federal government to assume control of Fannie Mae and Freddie Mac. Fannie and Freddie are referred to as government-sponsored entities (GSEs) and they play an important role in supporting affordable single-family and multifamily housing by securitizing mortgages and selling them with a guarantee to private investors. This provides liquidity for the housing finance sector and enables lenders to make longer-term and cheaper loans. Numerous legislative proposals for GSE reform have been introduced since the last financial crisis, and we believe that any reform efforts impacting GSEs' multifamily activities should:

1. **Continue the GSEs' multifamily activity and focus on affordable rental housing.** While Fannie and Freddie experienced losses on their single-family business during the financial crisis, their multifamily business remained profitable. Fannie and Freddie provide vital liquidity for multifamily housing and provide support for affordable rental housing. Both GSEs must adhere to annual housing goals that set unit targets for low-income and very low-income households, as well as for small multifamily properties. These goals have ensured their multifamily financing activity has primarily benefitted low-income households. Any future reforms must include similar goals.

2. **Maintain or increase the annual assessment on the GSEs to fund affordable housing through the Capital Magnet Fund and Housing Trust Fund.** The Housing and Economic Recovery Act (HERA) of 2008 established two affordable housing programs—the National Housing Trust Fund and the Capital Magnet Fund (discussed above)—to further production and preservation of affordable housing for low-income families. We believe that any housing finance reform proposal should sustain or increase the level of funding for these programs in light of the nation's growing affordable housing needs.

3. **Continue supporting underserved areas of the market through the GSEs' Duty to Serve obligations.** The Housing and Economic Recovery Act required the GSEs to help fill gaps in the housing finance market. The GSEs adhere to Duty to Serve regulatory plans established through their regulator, the Federal Housing Finance Agency. These plans ensure that the GSEs are serving all markets, including rural communities, manufactured housing, affordable housing preservation deals, and others. Any future GSE reform must ensure that government-backed securities serve all segments of the market.

4. **Strengthen the Federal Housing Administration (FHA).** The FHA insures mortgages for all housing types, including multifamily housing. It also plays a counter-cyclical role during times of economic crisis. Despite this, FHA receives limited resources from Congress to modernize its operational functions, threatening its mission. Any GSE reform proposal must preserve FHA's counter-cyclical multifamily housing function while shoring up its financial health.

Re-establishing the FHA Risk-Sharing Program

HUD's Risk-Sharing programs, Section 542(b) and Section 542(c), allow qualifying participating entities and housing finance agencies to enter into risk-sharing agreements with FHA to provide insurance for affordable multifamily housing loans. Both programs allow entities to participate only if they meet stringent financial health standards for sharing in the risk of FHA-insured multifamily affordable housing loans. These programs are strictly for affordable rental housing and in 2019, Section 542(c) accounted for 13 percent of FHA's total commitments and 26 percent of all LIHTC units financed with FHA multifamily insurance programs.

Unlike other FHA multifamily programs, Risk-Sharing loans are not eligible for Ginnie Mae securitization, which increases pricing. Due to this, HUD and the U.S. Department of the Treasury established an initiative in 2014 to provide a Ginnie Mae-like execution through the Federal Financing Bank (FFB). The FFB support reduced the cost of affordable housing financing through the Section 542(c) program and helped increase FHA's affordable housing insurance volume. This initiative was ended by the Administration at the end of 2018.

To advance support for affordable rental housing, LISC recommends the following:

1. **FHA should restart the FFB Risk-Sharing initiative until Congress provides Ginnie Mae securitization authority.** FHA risk-sharing loans perform well and account for a significant part of FHA's affordable housing volume.
2. **CDFIs should be permitted to participate in the Section 542(b) Risk-Sharing program.** In 2015, HUD published a Federal Register Notice implementing a Small Buildings Risk Sharing (SBRS) initiative and invited CDFIs and other lenders to participate as Qualified Participating Entities. Under this initiative, CDFIs would have received a 50 percent risk-sharing agreement for originating affordable housing loans for small affordable multifamily housing, and FFB would have purchased the loans. In 2017, the SBRS was indefinitely deferred. HUD should reinstitute this initiative.

Providing More Protections From Evictions

Due to a lack of federal rental assistance for all households that qualify, many low-income families experience multiple evictions in the private housing market. In 2016, there were 2.3 million eviction filings, a rate of four every minute. The consequences of these evictions are serious, including increased risks of homelessness, challenges to renting future housing, and decreases in educational attainment for at-risk children.

LISC supports the Eviction Crisis Act (S. 3030), bipartisan legislation introduced in the 116th Congress that would tackle this problem by creating a national dataset to better understand evictions, providing legal assistance for families at risk of eviction, establishing an Emergency Assistance Fund to provide financial assistance to prevent evictions, and through other needed supports.

Supporting Service Coordinators for Assisted Housing Residents

Affordable rental housing provides housing stability and a platform for residents to pursue their goals. Service coordination is a key tool at these properties to link families with employment services and job opportunities and to help seniors and persons with disabilities receive the services they need to stay housed. Unfortunately, it's difficult for many affordable housing providers to fund this work due to a lack of resources and tight operating budgets.

LISC supports efforts to increase resources for service coordination at all affordable rental housing properties and to better understand the impacts of service coordination on furthering housing stability for older adults and special needs populations. We also believe Congress should create new resources to support service coordination at affordable rental housing properties serving families. Lastly, FHA should provide lower cost multifamily financing for owners that provide robust service coordination, similar to Fannie Mae, and apply those savings to help pay for the service coordination cost.

Fair Housing

The Fair Housing Act, which was born out of our nation's civil rights movement, requires our country to ensure that all Americans have equal access to housing. The law prohibits housing discrimination based on race, color, religion, sex, familial status, national origin, or disability. Our nation's fair housing regulations have been weakened in recent years, making it more difficult for the country to increase the minority homeownership rate and tackle longstanding racial equity issues in housing, such as segregation. For these protections to work, the U.S. Department of Housing and Urban Development (HUD) and the federal government as a whole must enact and enforce strong fair housing regulations.

Specifically, we suggest that the Administration **strengthen the Affirmatively Furthering Fair Housing (AFFH) and Disparate Impact regulations**, while also beefing up enforcement against direct housing discrimination.

The requirement to AFFH reflects the Fair Housing Act's (Act) intent to require covered participants to proactively address practices and policies that lead to discriminatory housing patterns such as segregation. The Act's disparate impact standards provide important protections for policies and practices which have a discriminatory impact, regardless if there was intent to discriminate. In 2020, HUD replaced a strong AFFH rule with a much weaker regulation and made changes to the Disparate Impact rule that make it harder for plaintiffs to claim discriminatory effect.

In advancing effective AFFH regulation, HUD will need to create tools and resources to help local communities respond better to the regulations, facilitate engagement among covered participants, and support technical assistance to ensure that localities are furthering fair housing opportunity and reducing housing discrimination. We recommend that HUD restore the previous Disparate Impact regulation and Congress provide sufficient resources for fair housing programs of HUD's Office of Fair Housing and Equal Opportunity.

Homelessness

Local communities need the full array of affordable housing options and services to prevent people from experiencing homelessness and to provide housing options when homelessness occurs. Federal homeless assistance programs ensure that community practitioners are working together to address homelessness under a coordinated approach. These programs provide vital resources for this work and incentivize communities to prioritize Housing First approaches, which reduce local barriers to accessing housing and other services. We know this approach works because it has helped lead to a 26 percent decrease in homelessness nationally since 2007, and we must continue it.

LISC supports:

Increasing Funding for HUD's Homeless Assistance Programs

The U.S. Department of Housing and Urban Development (HUD) Continuum of Care (CoC) and Emergency Solutions Grant (ESG) programs are the two main federal programs structured to provide assistance to persons experiencing homelessness. The CoC program ensures communities have coordinated entry systems and supports rapid re-housing, permanent supportive housing, and transitional housing. The ESG program is a block grant program through states and local governments and funds emergency shelters and homelessness prevention activities.

LISC supports legislation introduced in the 116th Congress that would significantly increase resources for HUD's homeless assistance programs. Increases to these programs, along with additional rental assistance and affordable housing development subsidies, will help our nation make more progress in reducing homelessness.

Increasing Resources and Innovations in Supportive Housing for Veterans

Veterans returning home often face significant challenges, including finding employment, accessing affordable housing, and coping with mental health issues as a result of their service. These hardships can increase the risk of homelessness for veterans. Fortunately, our nation has made progress in reducing veteran homelessness through the HUD-Veterans Affairs Supportive Housing (HUD-VASH) program and other permanent supportive housing (PSH) efforts.

The HUD-VASH program combines Housing Choice Vouchers through HUD with case management and clinical services from the U.S. Department of Veterans Affairs (VA). The program began in 2008 and has been an essential resource for reducing veteran homelessness. In fact, the rate of veteran homelessness has declined by 50 percent since 2010, showing how targeted rental assistance with dedicated supportive services can solve our nation's homelessness crisis. LISC supports legislative efforts to expand the HUD-VASH program so that all veterans have the ability to be stably housed.

LISC also supports innovative ideas that further HUD's partnership with the VA to reduce veteran homelessness. Specifically, we support a pilot program that would allow underutilized and vacant space at VA health campuses to be leased at no cost for veterans' PSH developments. These properties would be next to VA health departments, facilitating health and case-management services. Under this model, HUD-VASH vouchers should be project-based to support the financing and affordability of this housing for homeless veterans.

Continuing the Interagency Council on Homelessness

The U.S. Interagency Council on Homelessness (USICH) is an independent agency that coordinates federal efforts to combat homelessness, working across 19 federal agencies and departments and with partners in both the public and private sectors to find ways to streamline and improve service delivery to people experiencing homelessness. The USICH develops long-term plans to end homelessness and is the only federal agency specifically focused on solving homelessness.

LISC supports legislation introduced in the 116th Congress that would eliminate the USICH's sunset date so it can continue to lead and coordinate efforts to end homelessness.

Converting Vacant Properties to Support Homelessness Response Efforts

COVID-19 has threatened the housing stability of millions of families and left many at the precipice of homelessness. At the same time, it has also impacted the business viability of many hotels and motels as business and personal travel has decreased due to stay-at-home orders and public health concerns. Some states have come up with innovative solutions that recognize that many hotels and motels can be purchased and rehabilitated to increase the supply of PSH and affordable rental housing to meet growing needs and ensure families are not forced into homelessness.

LISC supports efforts such as Project Homekey, which combines federal fiscal aid with state and local resources to acquire hotels, motels, and vacant apartment buildings and convert them into affordable housing. These efforts are cost effective and can be completed quickly, which is essential as we work to increase our nation's affordable housing supply in response to the impacts of the pandemic.

Homeownership

Our nation needs to enact policies that increase opportunities for all Americans to achieve affordable and sustainable homeownership. Homeownership is one of the primary ways that low- and moderate-income families are able to build wealth and achieve financial stability. Increasing affordable homeownership is a key component in combatting historical policies that have precluded minorities and others from purchasing a home and widened the racial wealth gap.

LISC's policy priorities for increasing homeownership opportunities include:

Enacting the Neighborhood Homes Investment Act

The Neighborhood Homes Investment Act (NHIA) would provide federal tax credits to support the development and rehabilitation of single-family homes in distressed urban and rural communities, where the cost of developing or rehabilitating a home is often higher than the value of the completed home. The NHIA tax credits would cover the gap between the cost of building or renovating homes and the price at which they are sold, mobilizing private investment to build and substantially rehabilitate 500,000 homes for moderate- and middle-income homeowners over the next decade, while also supporting construction jobs and the local economic tax base. The NHIA would also help existing homeowners in these neighborhoods to rehabilitate their homes.

LISC supports bipartisan legislation introduced in the 116th Congress in both the House and Senate that would establish the NHIA. More information on the NHIA, including maps of eligible communities, can be found here.

Expanding Down Payment Assistance

Homeownership rates for minority and lower-income families are at historic lows, exacerbating our nation's wealth inequality. One of the biggest barriers to affordable and sustainable homeownership for low-income and minority families is an inability to save enough for a down payment and closing costs. Small investments in down payment assistance support affordable homeownership opportunities for families that can afford a home mortgage but lack the wealth to get their foot in the door.

The federal government's primary tool for supporting first-time homebuyers and those with lower incomes is through the Federal Housing Administration (FHA). The FHA insures private home mortgages and, importantly, requires a down payment of only 3.5 percent and allows for lower credit scores. Even with a low down payment requirement, many families struggle to pay these costs. The Community Development Block Grant (CDBG) and HOME Investment Partnership programs can be used for down-payment assistance. These U.S. Department of Housing and Urban Development (HUD) block grant programs are insufficiently funded and LISC supports funding increases so more resources are available to support affordable homeownership for all creditworthy families.

Establishing the Housing Assistance Fund

The COVID-19 pandemic has caused one of our nation's worst economic crises, resulting in widespread job loss and making it difficult for families to pay for their monthly expenses. To assist homeowners, the Coronavirus Aid, Relief, and Economic Security (CARES) Act provided foreclosure and forbearance protection for borrowers with federally backed mortgages. However these protections are term-limited, and while forbearance policies are helpful, borrowers will have to pay back missed payments at a later date. This will be difficult for many low- to moderate-income families and put them at risk of foreclosure in the future. It's essential we enact policies that keep these households stably housed and able to continue receiving the benefits of homeownership.

LISC supports the Housing Assistance Fund legislation, which would provide flexible funding to support distressed homeowners through state housing finance agencies. The program is modeled after the Hardest Hit Fund, which was created after the Great Recession to prevent foreclosures in communities hit hard by that economic crisis. Resources through this program could be used for assistance with mortgage or utility payments and for other supports to prevent eviction, mortgage delinquency, default, or foreclosure. It's essential.

Enacting Federal Land Bank Legislation

Land banks are an important housing strategy for acquiring vacant and abandoned properties and bringing them back to productive use, usually as affordable housing. Land banks typically acquire property through foreclosure and manage the property until it's ready to be sold to meet local community needs. While often used as a response effort in communities with high rates of tax-delinquent housing, land banks are also helpful in stronger markets, where they can secure properties for future affordable housing development.

LISC supports legislation that will bring dedicated resources to scale the land bank sector. There is currently no federal program providing targeted assistance to land bank response efforts, limiting the field's ability to grow. This is even more of a problem as we face the risk of increased abandoned housing as a result of the pandemic. A higher-capacity land bank movement can help ensure that these properties are put back to productive use as affordable housing.

Expanding Housing Counseling Initiatives

Many would-be first-time homeowners, including low-income and minority families, need assistance when preparing to purchase a house. Housing counseling provides prospective buyers the financial education and counseling they need to purchase a home they can afford.

Housing counseling is also an essential tool for supporting current homeowners who are experiencing financial distress. Millions of families are struggling to pay their rent or mortgage as a result of the pandemic. Due to this, there will be increased demand for housing counseling services to help distressed renters and borrowers know their rights and to provide them assistance. Research has shown that housing counseling helps households avoid foreclosure and counseled clients were almost three times more likely to receive a loan modification and were 70 percent less likely to re-default on a modified loan than were similar borrowers who were not counseled.

To support both prospective and current homeowners, LISC supports full funding of HUD's Housing Counseling program. This program provides grants to HUD-approved housing counseling agencies and state housing finance agencies. LISC also supports legislative efforts in the House and Senate that increase the amount of housing counseling resources to support distressed renters and homeowners impacted by COVID-19. This assistance is crucial in ensuring distressed families know their options for how to keep their homes.

Expanding Homeownership Opportunities Through GSE Reform

It has been 12 years since the financial crisis caused the federal government to assume control of Fannie Mae and Freddie Mac. Fannie and Freddie are referred to as government-sponsored entities (GSEs) and they play an important role in supporting affordable single-family and multifamily housing by securitizing mortgages and selling them with a guarantee to private investors.

Legislative proposals for GSE reform have been introduced since the last financial crisis, and we believe that any reform efforts impacting GSEs' single-family activities should:

1. **Further the GSEs' support of affordable single-family mortgage credit for low-income families.** The GSEs support affordable homeownership by creating a market for long-term mortgages with low down payments. This allows low-income families an opportunity to achieve homeownership and build wealth over time. The GSEs currently must adhere to annual single-family-housing purchase and refinance goals, which set unit targets for low-income and very low-income households. Any future reforms must include robust goals.

2. **Strengthen the Federal Housing Administration.** The FHA provides homeownership opportunities for first-time homebuyers, many of whom have lower credit scores and are minority households. It also plays a counter-cyclical role during times of economic crisis. Any GSE reform proposal must preserve FHA's ability to pursue its mission while shoring up its financial health.

Expanding the Availability of Housing Bonds

Housing finance agencies utilize private activity bonds to support affordable homeownership for income-qualified families through Mortgage Revenue Bonds (MRBs) and Mortgage Credit Certificates (MCCs). MRBs are tax-exempt bonds that support mortgages with below-market interest rates while MCCs provide a federal tax credit on the interest paid on a home mortgage by eligible families. These programs are essential tools for creating and sustaining affordable homeownership although they are often limited by outdated statutory restrictions such as low loan limits for home improvements, restrictions on refinancing, and cumbersome rules that limit their impact.

LISC supports legislative efforts that modernize the MRB and MCC programs so that they can increase sustainable and affordable homeownership for more families.

Increasing Protections and Opportunities in Manufactured Housing

Manufactured housing is an important part of our nation's affordable housing stock, representing more than 17 million homes, over half of which are located in rural communities. This housing serves as a significant source of affordable housing for low-income households, with more than 22 percent of manufactured housing residents having incomes at or below the federal poverty line. This type of housing tends to be less expensive than site-built housing; the average sales price of a new single-section manufactured home was approximately $43,000 in the first six months of 2014. But there are challenges with how manufactured housing is financed and managed. For instance, the majority of manufactured homes are financed as "chattel," or personal property. Chattel loans tend to have shorter terms, higher interest rates, fewer borrower protections, and a more limited lender pool, due to the lack of a secondary mortgage market.

In addition, while many manufactured housing residents own their homes, they often do not own the land, which impacts their legal protections and ability to build wealth over time. Estimates suggest that approximately 40 percent of all manufactured homes are in an estimated 45,000 to 50,000 land-lease communities. Many manufactured housing residents are at risk of displacement when landowners raise pad rents or sell their properties.

LISC supports legislation that increases incentives for owners of manufactured housing communities to sell properties to residents and nonprofits so residents have increased legal protections and ability to build wealth. We also support strong GSE

Duty to Serve goals for manufactured housing to open up new financing opportunities for these residents.

Increasing Federal Support for Rural and Tribal Homeownership

In rural communities, homeownership is the most common form of housing tenure, with more than 71 percent of rural households owning their home. However homeownership rates diverge between racial and ethnic groups, with 75 percent of rural non-Hispanic whites owning their home, compared to 55 percent of minority households.

The U.S. Department of Agriculture (USDA) and HUD administer single-family programs, which support affordable homeownership for low-income families in rural communities. LISC supports full funding for these programs, including the USDA Section 502 Single Family Housing Direct Home Loan program and USDA Section 523 Mutual Self-Help Housing Technical Assistance program.

- The Section 502 Single Family Housing Direct Home Loan program is the only federal homeownership program targeted to low-income and very low-income rural families. Over 60 years, the program has helped more than 2.1 million families achieve homeownership and built over $40 billion in wealth.
- The Section 523 Self-Help Housing Technical Assistance program has helped more than 50,000 families achieve homeownership over the last 50 years. Under the program, families work together in groups to build their homes and equity. Section 523 grants support the nonprofit developers providing training, supervision, and technical assistance to families. The program is targeted to low-income and very low-income families and over 50 percent of participants are minority households. The sweat equity gained by constructing a home coupled with affordable mortgages through the Section 502 Direct Home Loan program allow low-income rural families to achieve homeownership and build wealth.
- LISC also supports full funding for HUD's Office of Native Assistance programs, which provide housing resources for Tribal communities. Programs such as the Indian Housing Block Grant, Indian Community Development Block Grant, and Section 184 Home Loan Guarantee program are essential housing tools and should receive robust funding.

Expanding the Rural Home Repair Program

The Section 533 Housing Preservation Grant (HPG) program provides grants to sponsoring organizations for the repair or rehabilitation of low-income and very low-income housing. The sponsors are local governments and nonprofits that provide grants and loans to homeowners to make repairs. Funds are competitively awarded to sponsors, and preference is given to sponsors that will target very low-income homeowners and leverage grant funds. Although the HPG program provides valuable assistance that could be helpful to homeowners wishing to age in place, it has been funded at relatively low levels of just $15 million in the past two years. This level of funding is insufficient to have a meaningful effect, particularly in persistently poor areas that have difficulty competitively accessing funds.

We encourage the development of an enhanced home repair program administered through the Section 533 HPG program to address the needs of rural homeowners targeted to persistent poverty communities.

Safety and Justice

Safety and justice are fundamental to the health and vitality of communities. For 25 years, LISC has been the only community development financial institution (CDFI) with a dedicated safety and justice program—investing in equity-driven programs run by community-based organizations, working to keep young people, particularly people of color, from getting ensnared in the criminal justice system, and engaging community residents in developing partnerships with law enforcement to address crime. We spearhead initiatives to support individuals as they return from incarceration, helping them to better connect to the larger society and economy. Our ability to show results in local communities and neighborhoods has relied heavily on leveraging federal resources to scale, replicate, and evaluate promising approaches. Federal investments are an essential component of any intersection of places, people, and systems, and are the cornerstone of safety and justice agendas.

Community Safety

Safety is a critical component of a vibrant community, as important as quality affordable housing, good jobs, and high-performing schools. And the *perception* of safety is just as important to residents' quality of life as the incidence of crime. In neighborhoods that experience higher rates of crime, poverty, and police violence, concerns about police legitimacy erode safety and perceptions of safety. When police officers and residents view each other with suspicion, there is little room for meaningful collaboration, and interactions can escalate and end in tragedy. Successful safety approaches must seek to improve community policing and must be predicated upon consistent and sustained interactions with entire communities for the purpose of establishing a foundation of partnership, trust, and empowerment, a practice known as authentic community engagement.

Safety and perceptions of safety are also critical to attracting new homeowners and businesses to neighborhoods where such investments can be catalysts for revitalization. Improving the welfare and security of community residents in a way that lasts requires a focus on the physical condition of places, the quality of the connections between people in a community, and the strength and tone of relations between local law enforcement and the people they serve. Smart public policies seeking to improve community safety should be data driven, place based, and community centered. With this approach, the adoption of policies and practices rooted in equity reshapes systems, and residents are empowered to transform neighborhoods.

LISC supports:

Sustaining the Innovations in Community-Based Crime Reduction Program

In neighborhoods with persistent crime problems, the Innovations in Community-Based Crime Reduction (CBCR) program, administered by the U.S. Department of Justice Bureau of Justice Assistance, supports data-driven, comprehensive, and community-oriented strategies to reduce crime and spur revitalization. CBCR is a competitive grant program that seeks to make some of the country's highest-crime communities safer by mobilizing residents, law enforcement, and other organizational partners to pursue coordinated strategies in "hot spot" locations. Often these locations are streets or intersections where crime has remained high for years, damaging the broader community's chances for stability and revitalization. The CBCR model is:

- **Place based.** Its interventions target crimes hot spots.
- **Data driven.** Researchers work with partners using data to analyze problems and identify evidence-informed solutions.
- **Community oriented.** Residents select strategies in partnership with law enforcement.
- **Cost effective.** It maximizes local resources and produces lasting solutions.

LISC calls on Congress to adopt legislation that authorizes the CBCR program, and to provide robust funding so that additional communities can benefit from its effectiveness.

Providing Funding for Community Safety Coordinators

Cross-sector partnership teams are essential to the success of comprehensive efforts that address the interconnected challenges of high-crime, high-poverty neighborhoods. Oftentimes, these collaborations fumble due to a lack of dedicated staffing. Community safety coordinators fill this void by leading collaborative efforts to improve safety and quality of life in the neighborhoods and acting as liaisons among residents, community-based organizations, developers, and law enforcement. They integrate the resources of people and institutions that influence crime and perceptions in the neighborhood to uncover more strategic and effective remedies for safety problems.

Federal investments provide critical support for comprehensive locally-led efforts to address crime in communities across the country. For maximum impact these investments should include resources for community-based organizations and law enforcement to fund community safety coordinators. This approach promotes crime reduction while building public trust to strengthen communities.

Supporting Comprehensive Law Enforcement Training

Training on how to build and sustain partnerships across sectors and with community leaders is essential for local law enforcement, particularly mid-level commanders and executives. There are numerous training resources related to implicit bias, procedural justice, and reconciliation. *Principles of Procedurally Just Policing*, a guide produced by The Justice Collaboratory at Yale Law School, includes numerous examples of training programs and policies that support equitable engagement with local communities, including de-escalation training. LISC has compiled many resources offering a community-development perspective on policing, including

LISC's "Developer + Police = Results" materials; *Building Our Way Out of Crime: The Transformative Power of Police-Community Developer Partnerships*, a book co-authored by the LISC Safety program's founding director; and a LISC curriculum on developer-police partnerships.

Additionally, community policing principles can build resiliency and preparedness in a community, while also building relationships between the community and law enforcement based on the shared goal of recovery. Major incidents, including natural disasters, incidents of mass violence, mass demonstrations, officer-involved shootings, or even long-term exposure to community violence have serious implications for local communities. Healing and recovery require the participation of a full range of community resources and are slowed significantly when appropriate roles and partnerships are not established.

LISC urges the Department of Justice to take the following steps:

1. **Support the development of law-enforcement training that includes a focus on equitable engagement with local communities.** This should include de-escalation training and education on the value of police partnerships with community developers.
2. **Support the development of a framework and tools—using community policing principles—to create collaborative systems approaches to resiliency and recovery following major incidents.** Engaging in planning and preparedness exercises, and coming together as a community to problem-solve and recover—particularly in the wake of major incidents— are processes that embody the primary elements of community policing. These capabilities are necessary for building strong communities.

Justice

The rate of imprisonment for Black Americans is over five times the rate of imprisonment for white Americans, and the rate of imprisonment for Hispanic Americans is almost three times that of white Americans. Justice reform and reinvestment constitute a social, moral, and economic issue at the heart of forging an agenda that promotes racial equity.

Every year, 636,000 Americans are released from prisons, and 11 million cycle through local jails. Any successful approach to justice reform and reinvestment must include pre-entry (diversion from incarceration) and re-entry (exiting incarceration) strategies focused on both people and the places where they live, work, and raise families. The strength of community-based organizations and access to economic opportunity influence the conditions that lead to incarceration and the ability of the formerly incarcerated to be successful. Federal policies that support education, youth development, career pathways, income and wealth building, and access to health and mental-health services are needed in order to improve outcomes for people living in low-income urban and rural communities.

LISC supports:

Funding Pre-entry and Re-entry Programming

People are much more likely to avoid or overcome involvement with the justice system when they have decent housing they can afford, employment that pays a living wage, and access to strong community-based treatment and service options. Federal support related to pre-entry and re-entry should include substantial funding for:

- violence prevention and trauma-informed programs and initiatives operated by the U.S. Centers for Disease Control and Prevention (CDC);
- the Juvenile Justice and Delinquency Prevention Act, Title V—Incentive Grants for Local Delinquency Prevention Programs, the only federal program designed to engage law enforcement and community boards in delinquency prevention at the local level in coordination with a statewide plan;
- the Second Chance Act Grant Program (reauthorized at $100 million per year as part of the First Step Act) that aims to reduce recidivism and provide support to people who are involved in the criminal justice system; and
- the Reentry Employment Opportunities (REO) program authorized under Section 169 ("Evaluations and Research") of the Workforce Innovation and Opportunity Act (WIOA).

As noted under our Health policy priorities, LISC also supports passage of the Medicaid Reentry Act, which seeks to increase coordinated care for incarcerated people who are re-entering society.

Addressing School-Based Violence and Victimization

Nearly 60 percent of youth in the United States have been exposed to crime, abuse, and violence in their own homes, neighborhoods, schools, and/or broader communities. Trauma and adverse childhood experiences, whether in young childhood or adolescence, are linked to increased risk for violent and aggressive behavior and criminality in adulthood, activities that may lead to incarceration. Federal initiatives that support innovative community-based programs can help place youth on productive pathways to education and employment and reduce the chance of arrest or incarceration.

The Comprehensive School-Based Approach to Youth Violence and Victimization competitive grant program holistically addresses youth violence and victimization by implementing evidence-based prevention, intervention, and accountability efforts in school-based settings. This is an initiative of the Office of Juvenile Justice and Delinquency Prevention (OJJDP), with statutory authority provided by the Juvenile Justice and Delinquency Prevention Act (JJDPA), Title V—Incentive Grants for Local Delinquency Prevention Programs. As noted above, it is the only federal program that engages law enforcement and community boards in delinquency prevention at the local level, in coordination with a statewide plan.

We encourage the Department of Justice to continue to allocate resources for this important, targeted initiative, and urge Congress to robustly fund Title V of JJDPA.

APPENDIX A

Our Policy Lens on Racial Equity

APPENDIX B

Our Policy Lens on Rural America

APPENDIX C

Programs/Proposals by Federal Agency

Our Policy Lens on

Racial Equity

LISC

Our Policy Lens on

Racial Equity

Structural racism, cultural racism and individual-level discrimination generate racial wealth health, and opportunity disparities that systematically undermine the success of Black, Indigenous, and people of color (BIPOC) households. Barriers to economic mobility and opportunity negatively impact wealth building among BIPOC families. White family wealth is nearly ten 10 times greater than Black family wealth and eight times greater than Hispanic family wealth—a divide that's wider than it was in 1963 and that is *still* growing. The gap in net worth between Black and white families is particularly pervasive—it persists at nearly every income level, meaning that even when Black and white households have similar income, the latter are likely to enjoy more overall wealth.

Racial health disparities caused by inequity are ubiquitous. BIPOC face higher rates of chronic disease and premature death compared to the rates among whites. Nationally, life expectancy at birth for Black people is 3.4 years shorter than that of white people, and that gap can be even more pronounced depending on where a person lives. Everything from real estate and banking to education and the tax code is predicated upon structural norms that impose barriers to opportunity among BIPOC families.

LISC is committed to advancing racial equity in local communities and eliminating the racial wealth, health and opportunity gap across all of our work streams. We are supporting BIPOC entrepreneurship by creating access to capital for BIPOC business owners; we are working to increase wages and help people build twenty-first century job skills with our investments in Financial Opportunity Centers; we are promoting housing affordability and homeownership opportunities; and we are investing in quality child care centers, primary schools and health care centers serving communities of color. These are just some of the concerted ways that LISC is hoping to address the racial equity gap.

Creating communities of opportunity for all is a multi-sector, shared responsibility. We believe that the federal government—which in many instances established policies that have exacerbated the wealth gap—can join us in facilitating the dismantling of inequitable systems by adopting policies and approaches that intentionally address racial wealth inequality.

LISC released a comprehensive set of policy priorities and proposals that we intend to promote with members of Congress and the Administration in the coming months and years. While in some respects all of these proposals will positively impact BIPOC households and communities, we highlight below a subset of the proposals that we believe can be particularly impactful with respect to closing the health, wealth, and opportunity gap for BIPOC families and communities.

Economic Development

Ensuring opportunity for all necessitates federal policies that adequately address the root causes of the racial wealth gap while fostering broader economic inclusion of Black and Brown communities in regional economic growth. Inclusive economic development programs that support all communities have transformational impacts on individuals, families, businesses, and neighborhoods, and are a critical component of closing the racial wealth gap. LISC has identified the following economic development policy proposals as particularly meaningful given their abilities to address the racial wealth gap:

- **Increasing community development funding streams for disinvested communities.** To help reverse years of disinvestment or deleterious investment in communities of color, we are supporting larger investments in programs like the Community Development Block Grants provided through the U.S. Department of Housing and Urban Development (HUD) and the brownfield remediation initiatives of the U.S. Environmental Protection Agency (EPA).
- **Supporting investments in community-based arts and cultural activities**, to help integrate culturally appropriate arts and design activities into economic development planning.
- **Encouraging the Economic Development Administration to advance equitable economic development** through an explicit focus on promoting racial and geographic inclusion in the development of Comprehensive Economic Development Strategy (CEDS) plans across the nation.
- **Supporting structural changes to New Markets Tax Credits, Opportunity Zones, and the Community Reinvestment Act** to help ensure that private capital generated through these initiatives inures to the benefit of BIPOC-owned enterprises and the residents of BIPOC communities.
- **Increasing investments in community development financial institutions (CDFIs),** which are increasingly being called upon to fill the gap left by traditional financial institutions in serving BIPOC populations.
- **Strengthening the Small Business Administration's Capital and Technical Assistance programs** to address the gap in the provision of their services to entrepreneurs of color.
- **Permanent authorization of the Minority Business Development Agency (MBDA).** LISC supports calls to strengthen the agency through codification, and robust allocation of federal resources to enable the MBDA to meet its mission.
- **Expand equitable transit-oriented development** to counteract longstanding transportation policies that have directly and indirectly led to pervasive patterns of neighborhood segregation and economic isolation.

Education

Education access, quality, affordability, and availability are important components of any strategy to address inequities faced by BIPOC populations, especially those in low-income communities. While educational attainment does not solely determine economic mobility or wealth, it has been shown to be a key determinant of economic success. LISC believes all community members deserve equitable access to quality educational options. There are several education policy proposals that are essential to bridging the racial wealth gap. They include:

- **Providing equitable access to quality education in quality spaces.** The quality of buildings and indoor and outdoor spaces profoundly impacts child learning, and directly influences the health and well-being of children and staff. LISC advocates for policy solutions that promote equitable access to capital for facilities, including: providing a dedicated federal funding source for child care and early learning facilities; robustly funding the Credit Enhancement for Charter School Facilities Program (CEP), while incorporating racial equity incentives in CEP's application review process; and establishing dedicated technical-assistance and capacity-building supports for child care operators, including home-based providers.

- **Investing in community colleges and industry sector partnerships.** BIPOC families face multiple, unique barriers to postsecondary educational attainment. LISC advocates for the adoption of federal policies that support equitable access to postsecondary education opportunities. Expanding Pell Grant eligibility, investing in community colleges, and promoting partnerships between two-year colleges and businesses are among the LISC-supported federal policy actions to strengthen postsecondary supports and decrease the racial wealth gap.

- **Adequately resourcing Historically Black Colleges and Universities.** Historically Black Colleges and Universities (HBCUs) were established to serve the educational needs of Black Americans at a time when they were largely denied admission to traditionally white institutions. They currently enroll 10 percent of all Black students and produce almost 20 percent of all Black graduates. Nearly 50 percent of HBCUs are located in economically distressed communities. LISC's policy proposals would expand funding for HBCUs, and increase their capacity to support their local communities through investments in neighborhood revitalization, affordable housing, and economic development.

Family Income and Wealth Building

The racial wealth gap is rooted in longstanding discriminatory policies that actively prevented the accumulation of wealth, limited educational options, prevented families from building credit and owning a home, and broadly undermined opportunities for good-paying jobs in Black and Brown communities. Ensuring financial stability for all requires that we address these past practices by promoting policies and programs that actively increase the income and wealth within communities of color.

LISC has identified several policy proposals that will support income- and wealth-building opportunities for BIPOC families, including:

- **Promoting opportunities to build savings for low-wealth families.** LISC supports reauthorizing the Assets for Independence program at the U.S. Department of Health and Human Services (HHS) and providing more funding for HUD's Family Self-Sufficiency program—initiatives that help families save for education, homeownership, or starting a small business.

- **Strengthening protections against predatory lending.** The prevalence of predatory payday lending is particularly high in communities of color. Effectively closing the racial wealth gap requires that we address debt traps that disproportionally undermine Black borrowers' financial stability.

- **Expanding access to income supports,** which lift millions of families out of poverty and provide them with the financial stability needed to thrive.

- **Fostering digital inclusion.** The digital divide disproportionally impacts communities of color, as broadband availability is significantly lower in majority-African American and majority-Native American counties.

- **Investing in workforce development and financial coaching.** Workforce and financial coaching programming can address the racial wealth gap by providing individuals with the education, skills, and job-readiness preparation necessary to succeed in the twenty-first century economy, as well as with the skills needed to develop long-term strategies to build credit and savings.

Health

Significant and persistent racial disparities in health coverage, chronic health conditions, mental health, and mortality are the result of structural inequities across multiple sectors and health care systems. Poor health and wellness negatively affect the economic opportunity of people of color, which in turn contributes to the racial wealth gap. LISC's health policy proposals seek to advance health equity— the condition in which all community members have the opportunity to attain their full health potential— through its work to improve access to health care and positively influence social determinants of health.

LISC supports:

- **Providing incentives for the medical system to finance activities that address broader social determinants of health.** Social determinants of health are the conditions in which people are born, live, learn, work, play, and age that affect a wide range of health outcomes. LISC supports using the infrastructure of the medical system, including Medicaid funding streams and nonprofit hospitals' Community Health Needs Assessments (CHNA), to support investments that will lead to healthier communities and families.
- **Increasing investments in Community Health Centers (CHCs). CHCs** serve the most vulnerable populations: 91 percent of patients are low-income, 82 percent are uninsured or publicly insured, and 63 percent are minorities.
- **Increasing access to healthy food.** LISC calls for increased appropriations for the Healthy Food Financing Initiative (HFFI) at the U.S. Department of Agriculture (USDA) so more food-access projects can secure financial and technical-assistance resources, helping to reduce food-access inequality. We also endorse continued funding for the HFFI program at the CDFI Fund.

Housing

Our nation's history of housing discrimination and enforced segregation through government and private-sector practices has resulted in stark housing differences between racial and ethnic groups. For instance, there is an over 30 percent difference in homeownership rates between white families and families of color. This results in less wealth building and exacerbates racial wealth inequality. In addition, many minority families continue to be denied access to housing in the neighborhoods of their choice due to lax enforcement of fair housing laws. LISC has identified several housing policy proposals that we believe will help close the racial wealth gap:

- **Expanding affordable rental housing opportunities.** People of color are more likely than white people to be extremely low-income renters and homeless. LISC supports policies that increase the creation and preservation of affordable rental housing, including expanding the Low-Income Housing Tax Credit and HUD's HOME Investment Partnership program. We also know we need resources to keep families in their homes, including better eviction policies and additional housing counseling supports, and resources for COVID-19-impacted homeowners.

- **Expanding affordable homeownership.** The difference between the homeownership rates of white and Black populations is at its highest level since housing discrimination was made illegal in 1968. We need resources to support affordable and sustainable homeownership for all families and that allow minorities to access homeownership and build wealth. LISC supports additional down-payment assistance resources, expanding the use of housing bonds, and the passage of the Neighborhood Homes Investment Act to support the development and rehabilitation of single-family homes in distressed communities.
- **Restoring robust fair housing policies.** Our nation's fair housing regulations have been weakened in recent years, making it more difficult for families to live in the communities of their choice. LISC calls for strengthening, not weakening, the Affirmatively Furthering Fair Housing and Disparate Impact regulations, while also beefing up enforcement against direct housing discrimination. In addition, LISC supports a national ban on source-of-income discrimination to expand the ability of families to use federal rental assistance programs as a lawful source of income subject to fair housing protections.

Safety and Justice

Systemic racism influences every aspect of the justice system including policing, prosecutorial decisions, and re-entry following incarceration. BIPOC are over-policed and overrepresented in the justice system. The data are stark: Black males are six times more likely to be incarcerated than white males, and Indigenous youth are three times as likely as white youth to be held in a juvenile detention facility. Involvement with the justice system and incarceration have devastating effects on wealth building, and contribute to the racial wealth gap.

LISC's safety and justice policy priorities include:

- **Increasing federal resources for data-driven, place-based, and community-centered approaches to safety and justice concerns.** We advocate for authorization and robust funding for the Innovations in Community-Based Crime Reduction (CBCR) program—an initiative of the U.S. Department of Justice Bureau of Justice Assistance that supports comprehensive and community-oriented strategies to reduce crime and spur revitalization. We also urge funding for community safety coordinators, key personnel who lead collaborative efforts to improve safety and quality of life in the neighborhoods and act as liaisons among residents, community-based organizations, developers, and law enforcement.
- **Encouraging comprehensive law enforcement training.** Proper law enforcement training has numerous benefits, including improving relationships with community members in a way that reduces disproportionate BIPOC contact with the justice system. LISC urges the Department of Justice to:
  1. Support the development of law enforcement training that includes a focus on equitable engagement with local communities, including de-escalation training and education on the value of police partnerships with community developers; and
  2. Support the development of a framework and tools that use community policing principles to create collaborative systems approaches to resiliency and recovery following major incidents.
- **Funding pre-entry and re-entry programming.** Justice reform and reinvestment in underserved communities

are social, moral, and economic issues at the heart of forging a national agenda that promotes racial equity. Federal support related to pre-entry and re-entry should include adoption of the Medicaid Reentry Act, and substantial funding for the Reentry Employment Opportunities (REO) program, the Second Chance Act Grant Program, violence prevention and trauma-informed programs and initiatives operated by the U.S. Centers for Disease Control and Prevention (CDC), and the Juvenile Justice and Delinquency Prevention Act, Title V—Incentive Grants for Local Delinquency Prevention Programs.

Our Policy Lens on

Rural America

LISC

Our Policy Lens on

Rural America

Rural communities contain almost 20 percent of the country's population, and many are struggling now due to job loss, limited access to financial services, substandard housing stock, and a lack of infrastructure investment, including investments needed to expand rural access to broadband. These factors hinder the growth of rural places and contribute to population loss, higher poverty rates, and basic capacity needs. The challenges are greatest in our nation's most rural and isolated areas, many of which are persistent poverty counties.

We need a national commitment to support rural America's people and communities. Rural places are increasingly diverse and differ from one community to the next, although all offer a wealth of opportunities. These include less expensive land, high rates of homeownership, and a strong sense of community. LISC, through our Rural LISC program, has made a Rural Promise to achieve 20 percent of our community development impact in rural communities. This impact will be achieved through Rural LISC's focus pillars, which include access to capital, broadband and infrastructure, workforce development, disaster recovery and resilience, and placemaking.

We cannot fulfill this goal without strong alignment with federal policies and programs that support our investments in housing, economic development, family income and wealth building, health, and the capacity building needs of nonprofit organizations. LISC released a comprehensive set of policy priorities that we intend to promote with members of Congress and the Administration in the coming months and years. We highlight below several of those policies and programs that we believe will be critical to supporting our work in rural America.

Persistent Poverty

Communities suffering from persistent poverty face some of our nation's steepest challenges, yet they find it difficult to apply for and receive federal resources due to capacity constraints. The U.S. Department of Agriculture (USDA) defines persistent poverty at the county level as counties where at least 20 percent of the population has been living in poverty for the past 30 years. There are approximately 353 persistently poor counties, more than 300 of which are in nonmetropolitan areas.

Various legislative proposals have been introduced in Congress to establish "10-20-30" policies, which would direct that a minimum of 10 percent of federal funds for specific affordable housing, community development, and infrastructure programs go to communities in which the poverty level has been at least 20 percent for the last 30 years. LISC supports efforts to increase the ability of persistent poverty communities to receive federal resources, and we believe these efforts work best when the programs also receive commensurate increases in funding.

Capacity Building

Nonprofit housing organizations and community development coprorations (CDCs) play an essential role in supporting low-income families in rural communities. These groups develop and own affordable housing, and provide services that further housing stability and opportunity for residents. CDCs in rural areas face unique constraints—most notably limited public and private resources to support their work and much larger service areas—which can limit their capacity to meet needs.

LISC supports increased investments in capacity-building and technical-assistance programs, including:

- **The U.S. Department of Housing and Urban Development (HUD) Section 4 Capacity Building Program**, which provides grants to intermediary organizations to provide training, education, financial support, and development assistance to nonprofit CDCs and housing organizations in rural and urban communities.
- **USDA's Rural Community Development Initiative**, which provides grants to help nonprofit housing and community development organizations, low-income rural communities, and federally recognized tribes support housing, community facilities, and community and economic development projects in rural areas.
- **HUD's Distressed Cities Technical Assistance program**, which provides small local governments facing challenges caused by natural disasters with the assistance they need to recover.

Economic Development

Investments in inclusive economic development and infrastructure are critical to the growth of rural communities. Rural communities offer extraordinary talent, businesses, and assets to our local and national economies. Yet rural areas are often shortchanged of the private and federal investments needed to broaden pathways to opportunity meaningfully. The distinctive challenges of rural communities require robust federal investments that better support economic development, innovation, and infrastructure improvements.

LISC encourages the following federal actions:

- **Increase funding for HUD's Community Development Block Grant (CDBG) Program**, streamline the CDBG Disaster Recovery program, and create a new Community Development Financial Institution (CDFI) Crisis Fund program—so that dollars can flow quickly to communities that have been impacted by natural disasters.
- **Increase funding for the CDFI Fund's CDFI Program and make the New Markets Tax Credit permanent.** Both of these programs carve out significant resources for persistently poor and nonmetropolitan communities.
- **Extend the USDA Community Facilities Relending Program**—which provides capital to CDFIs and other lenders to make loans to develop community facilities in rural communities—beyond its current sunset date of September 2021.
- **Increase funding for the Economic Development Agency's Disaster Recovery and Revolving Loan Fund programs**, and streamline the Revolving Loan Fund program, which principally serves micropolitan and rural communities.

- **Invest in high-quality broadband infrastructure throughout rural and Native American communities**, including passing the Rural Broadband Acceleration Act, a bipartisan proposal to immediately fund shovel-ready high-speed internet projects, as well as providing pre-development and technical-assistance funds to support broadband planning in rural communities.

Family Income and Wealth Building

Building resilient communities of opportunity throughout rural America requires meaningful investments that strengthen individual and household financial stability. Poverty occurs at higher rates in rural America generally, and in 2018 rural communities accounted for all of the extreme poverty counties across the nation. Rural communities also tend to be hardest hit during economic downturns; the COVID-19 pandemic has proven to be no different.

We must expand our investments in the people who live, work, and raise families in rural areas. In particular LISC urges these steps:

- **Increase protections against predatory lending practices**, which can trap households in debt and significantly impact credit scores.
- **Fund the Assets for Independence program at the U.S. Department of Health and Human Services (HHS)**, which provides matching funds for families saving for education, homeownership, or to start a business.
- **Expand access to income supports,** which lift millions of families out of poverty and provide them with the financial stability needed to thrive.
- **Foster digital inclusion** by subsidizing the costs of internet service and equipment for low-income households.
- **Invest in workforce development and financial coaching.** Rural residents need individualized pathways to better connect to workforce opportunities. This includes enhanced access to and knowledge of social services in addition to upskilling, job training opportunities, and financial literacy.

Health

Residents of rural communities face special health challenges, as well as difficulties accessing quality health care. The social determinants of health—the conditions in which people are born, live, learn, work, play, and age that heavily influence health—are often more negatively pronounced in rural communities. As a result, rural communities experience higher rates of chronic conditions and disability than urban communities. It can also be harder to access health care in rural communities, given a shortage of facilities, a lack of transportation options, and difficulties filling health care positions in rural communities.

LISC supports the following steps to support rural health:

- **Provide incentives for the medical system to finance activities that address broader social determinants of health**, including through Medicaid funding streams and nonprofit hospitals' Community Health Needs Assessments (CHNAs).
- **Fund Community Resource Network Infrastructures** to better facilitate service coordination and referral management among health care providers, community organizations, and federally funded programs for vulnerable and home-bound individuals.

- **Increase investments in Community Health Centers (CHCs). CHCs** serve the most vulnerable populations: 91 percent of patients are low-income, 82 percent are uninsured or publicly insured, and 63 percent are minorities. Forty-five percent of CHCs are located in rural communities.
- **Increase access to healthy food.** Gaining access to healthy and affordable food can be a challenge for rural residents. LISC calls for increased appropriations for the USDA Healthy Food Financing Initiative (HFFI) so more food-access projects can secure financial and technical-assistance resources, helping to reduce food-access inequality. We also endorse continued funding for the HFFI program at the CDFI Fund.

Housing

Rural communities exhibit a very particular set of single-family and rental housing characteristics, with higher rates of homeownership and more families owning their property free and clear. But rural areas also have higher rates of substandard housing, shortages of affordable rental housing, higher prevalence of manufactured housing, and lower household incomes. Low incomes make it challenging for homeowners to maintain their homes and for renters to afford those units, often limited in number, that may be available.

LISC supports the following actions advancing rural housing:

- **Increase federal funding for USDA's single-family and rental housing programs**, along with other federal housing assistance programs, which support the production and preservation of housing in rural communities.
- **Strengthen the Low-Income Housing Tax Credit** (LIHTC) through the Affordable Housing Credit Improvement Act, which has numerous provisions specifically focused on increasing LIHTC investments in rural and Native communities.
- **Protect Duty-to-Serve mandates for government-sponsored enterprises (GSEs)**, which require them to serve underserved markets, including rural communities.
- **Enact the Neighborhood Homes Investment Act**, which would create a tax credit to support the development and rehabilitation of single-family homes in distressed rural communities.
- **Increase protections and opportunities in manufactured housing.** Over half of the 17 million manufactured homes in the Unites States are located in rural communities.
- **Increase federal support for rural and tribal homeownership**, through robust funding for USDA's Section 502 Single Family Housing Direct Loan Program, Section 523 Mutual Self-Help Housing Program, and Section 533 Rural Housing Preservation Grants program, as well as for HUD's Office of Native American Programs, including the HUD Section 184 Indian Home Loan Guarantee Program.

Programs/Proposals by Federal Agency

Federal Agency	Federal Program/ Proposal	Policy Priority Area	Policy Sub-Topic
AmeriCorps (formerly the Corporation for National and Community Service)	AmeriCorps Program	Capacity Building, Leadership & Innovation	National Service
	Economic Mobility Corps	Capacity Building, Leadership & Innovation	National Service
Consumer Financial Protection Bureau	Civil Penalty Fund	Family Income & Wealth Building	Financial Coaching
Department of Agriculture	Community Facilities Relending Program	Economic Development	Community Development Programs
	Healthy Food Financing Initiative	Health	Healthy Food
	Rural Community Development Initiative Program	Capacity Building, Leadership & Innovation	Capacity Building & Technical Education
	Section 502 Single Family Housing Direct Home Loan Program	Housing	Homeownership
	Section 514/516 Farm Labor Loans and Grants Program	Housing	Affordable Rental Housing
	Section 515 Rural Rental Housing Program	Housing	Affordable Rental Housing
	Section 523 Mutual Self-Help Housing Technical Assistance Program	Housing	Homeownership
	Section 521 Rural Rental Assistance Program	Housing	Affordable Rental Housing
	Section 533 Housing Preservation Grant (HPG)	Housing	Homeownership

Programs/Proposals by Federal Agency

Federal Agency	Federal Program/ Proposal	Policy Priority Area	Policy Sub-Topic
Department of Agriculture (continued)	SNAP Employment and Training Program	Family Income & Wealth Building	Income Supports
	Supplemental Nutrition Assistance Program	Family Income & Wealth Building	Income Supports
	Telemedicine Grants	Health	Provision of Health Care
Department of Education	Adult Education and Family Literacy Act (AEFLA) Programs	Family Income & Wealth Building	Workforce Development
	Carl D. Perkins Career and Technical Education (CTE) Act Programs	Family Income & Wealth Building	Workforce Development
	Credit Enhancement for Charter Schools Facilities Program (CEP)	Education	Charter School Financing
	Pell Grants	Education	Post-Secondary Education
	Title III (SAFRA) Program	Education	Post-Secondary Education
Department of Health and Human Services	Assets for Independence (AFI)	Family Income & Wealth Building	Credit & Savings
	Community Economic Development Grant Program	Economic Development	Community Development Programs
	Community Health Centers Operating Grants (Section 330)	Health	Provision of Health Care
	Health Center Facility Loan Guarantees	Health	Provision of Health Care
Department of Health and Human Services (Centers for Disease Control and Prevention)	Violence Prevention Programs	Safety & Justice	Justice
	Medicaid	Health, Safety & Justice	Social Determinants of Health, Justice

Programs/Proposals by Federal Agency

Federal Agency	Federal Program/ Proposal	Policy Priority Area	Policy Sub-Topic
Department of Housing and Urban Development	Community Compass Technical Assistance & Capacity Building Program	Capacity Building, Leadership & Innovation	Capacity Building & Technical Education
	Community Development Block Grant Program	Economic Development	Community Development Programs
	Continuum of Care	Housing	Homelessness
	Distressed Cities Technical Assistance Program	Capacity Building, Leadership & Innovation	Capacity Building & Technical Education
	Emergency Solutions Grants	Housing	Homelessness
	Family Self-Sufficiency Program	Family Income & Wealth Building	Credit & Savings
	Historically Black Colleges and Universities (HBCU) Program	Education	Post-Secondary Education
	HOME Investment Partnerships Program	Housing	Affordable Rental Housing
	Housing Counseling Program	Housing	Homeownership
	Rental Assistance Demonstration Program	Housing	Affordable Rental Housing
	Section 542(b) & Section 542(c) Risk-Sharing Programs	Housing	Affordable Rental Housing
	Section 4 Capacity Building for Community Development & Affordable Housing Program	Capacity Building, Leadership & Innovation	Capacity Building & Technical Education
	Section 8 Housing Choice Voucher (HCV)	Housing	Affordable Rental Housing
Department of Housing and Urban Development and **Department of Veterans Affairs**	Veterans Affairs Supportive Housing (HUD-VASH)	Housing	Homelessness

Programs/Proposals by Federal Agency

Federal Agency	Federal Program/ Proposal	Policy Priority Area	Policy Sub-Topic
Department of the Interior	Land and Water Conservation Fund State Assistance Program	Health	Community Recreation
	Outdoor Recreation Legacy Partnership	Health	Community Recreation
Department of Justice	Funding for Community Safety Coordinators	Safety & Justice	Community Safety
	Innovations in Community-Based Crime Reduction (CBCR) Program	Safety & Justice	Community Safety
	Second Chance Act Grant Program	Safety & Justice	Justice
	Title V Incentive Grants for Local Delinquency Prevention Programs (includes Comprehensive School-based Approach to Youth Violence and Victimization Prevention, Intervention and Accountability)	Safety & Justice	Justice
Department of Labor	Reentry Employment Opportunities Program	Safety & Justice	Justice
	Trade Adjustment Assistance Community College and Career Training Grant Program (TAACCCT)	Education, Family Income & Wealth Building	Post-Secondary Education, Workforce Development
	Workforce Innovation and Opportunity Act Programs	Family Income & Wealth Building	Workforce Development
Department of Transportation	Transportation Infrastructure Finance & Innovation Act	Economic Development	Transit-Oriented Development
Department of Treasury	Capital Magnet Fund	Housing	Affordable Rental Housing
	CDFI Healthy Food Financing Initiative	Health	Healthy Food
	Community Development Financial Institutions Program	Economic Development	Public-Private Partnerships

Programs/Proposals by Federal Agency

Federal Agency	Federal Program/ Proposal	Policy Priority Area	Policy Sub-Topic
Department of Treasury (continued)	Pay for Success	Capacity Building, Leadership & Innovation	Fostering Innovation
	State Small Business Credit Initiative	Economic Development	Small Business Lending
Department of Treasury (Internal Revenue Service)	Child Tax Credit	Family Income & Wealth Building	Income Supports
	Earned Income Tax Credit (EITC)	Family Income & Wealth Building	Income Supports
	Low Income Housing Tax Credit (LIHTC)	Housing	Affordable Rental Housing
	Mortgage Credit Certificates	Housing	Homeownership
	Mortgage Revenue Bonds	Housing	Homeownership
	New Markets Tax Credit Program	Economic Development	Public-Private Partnerships
	Opportunity Zones	Economic Development	Public-Private Partnerships
	Volunteer Income Tax Assistance	Family Income & Wealth Building	Financial Coaching
Economic Development Administration	Economic Development Administration Revolving Loan Fund (RLF)	Economic Development	Community Development Programs
Environmental Protection Agency	Brownfields and Land Revitalization Program	Economic Development	Community Development Programs
Federal Communications Commission	Lifeline Program	Family Income & Wealth Building	Digital Inclusion
	Rural Health Care Program	Health	Provision of Health Care
	Universal Service Fund (USF)	Economic Development	Community Development Programs
National Endowment for the Arts	Our Town Program	Economic Development	Community Development Programs

Programs/Proposals by Federal Agency

Federal Agency	Federal Program/ Proposal	Policy Priority Area	Policy Sub-Topic
Small Business Administration	7(a) Loan Guarantee Program	Economic Development	Small Business Lending
	Community Advantage Program	Economic Development	Small Business Lending
	Paycheck Protection Program	Economic Development	Small Business Lending
	Program Investment for Micro-Entrepreneurs (PRIME)	Economic Development	Small Business Lending