

Community Revitalization Fund Organization Sign-on Letter

August 2021

The Honorable Chuck Schumer
U.S. Senate
Washington, DC 20510

The Honorable Nancy Pelosi
U.S. House of Representatives
Washington, DC 20515

The Honorable Sherrod Brown
U.S. Senate
Washington, DC 20510

The Honorable Maxine Waters
U.S. House of Representatives
Washington, DC 20515

The undersigned organizations – representing Community Development Financial Institutions (CDFIs), affordable housing developers, community-based organizations, and more – write to share our support for the Biden-Harris Administration’s proposed Community Revitalization Fund (CRF). CRF represents a game-changing opportunity to dedicate large-scale resources specifically to Community Cornerstone Projects – like health care clinics, parks, grocery stores, workforce development or other essential community resources – which are often the lynchpin of creating and sustaining healthy communities. We urge you to prioritize CRF’s enactment in any legislative vehicle that arises this year.

CRF would be a new grant program administered by HUD to invest in community assets that build wealth for existing residents, increase community engagement, and strengthen civic infrastructure. We believe CRF can accelerate the impact of various affordable housing and community development funding streams by dedicating flexible capital to fund the connective tissue between people, places, and projects. These resources are particularly important as the Administration has proposed a historic \$213 billion in affordable housing funding and an additional \$100 billion in housing tax credits in the American Jobs Plan. Our organizations have collectively learned from decades of experience working with place-based investments that investing in affordable housing without a complementary focus on broader civic infrastructure and community amenities can limit our ability to truly dismantle inequitable systems and create opportunity for local residents. **CRF is a critical complement to the Administration’s proposed investments in underserved communities because it focuses on the broader assets and amenities that intentionally center racial and economic equity and prioritize local capacity building.**

Based on the collective experience of the undersigned organizations – which includes mission-based investors, developers, community leaders, and leading voices on racial equity – we recommend that CRF be structured with the following core program elements:

1. **HUD should competitively award CRF resources to CDFIs among eligible entities.** CDFIs are mission-based intermediaries that have proven to be strong partners to the federal government and bring a focus on intentional impact in communities, rather than just measuring outcomes. CDFIs can also present a business strategy to connect federal resources with a comprehensive plan and diverse local partners, and technical assistance and underwriting practices that ensure funds are structured to support the recipient’s ongoing financial feasibility. CDFIs most recently demonstrated their strength as [critical mission lenders in the Paycheck Protection Program \(PPP\)](#), outperforming other PPP lenders in reaching smaller and lower-income businesses. There are CDFIs of all sizes operating across the country that can offer an efficient, effective, and equitable distribution of CRF resources. The Biden-Harris Administration explicitly acknowledged

the importance of CDFIs in meeting the program's intended goals in both the June 1 [fact sheet](#) released on the centennial of the Tulsa Race Massacre and the recent [CRF program fact sheet](#).

2. **CRF resources should finance non-housing community assets that are in proximity to affordable housing.** Community Cornerstone Projects – like health care clinics, parks, grocery stores, workforce development or other essential community resources – are the amenities and connective tissue that communities need to thrive, but they are also the projects that tend to lack conventional financial products or markets. CRF is distinct from other federal programs in that it prioritizes fueling the planning and connective tissue between people, places, and projects without prescribing a one-size-fits-all approach. However, to ensure CRF resources are anchored in a local strategy that prioritizes the community's long-term affordability to families at all levels of the income scale – including extremely low-income households – awardees must demonstrate that the CRF resources will be distributed in connection with a local housing or revitalization strategy. For example, CDFIs may partner with a local public housing authority (PHA) or housing finance agency (HFA) to integrate CRF with local housing plans. Awardees must also work with communities to affirmatively mitigate forces of gentrification and displacement of existing residents that can result from increased investment.

3. **Funds should be flexible to account for the time and resources necessary to engage in truly equitable development efforts.** Low-income communities across the country face compounding discrimination and inequities that result in deep-seated barriers to opportunity. While the outcomes are most harmful to people of color, each community faces its own unique circumstances and history that must be addressed at a hyper-local level. Yet each community will have varying degrees of capacity and resources to take on this work. To be truly equitable, CRF resources must provide maximum flexibility to facilitate engagement with local residents and finance whatever it is that the community needs to build local power and wealth. CRF should provide both planning and implementation grants, as well as capital for investments in physical assets and amenities, that is deployed through CDFIs and leveraged with additional public and private dollars.

The nation is in urgent need of investments to build up an aging and limited stock of affordable housing, as has been proposed in Chair Waters' Housing Is Infrastructure Act. CRF is a necessary investment to ensure these housing resources are connected to broader civic infrastructure and are positioned to truly advance opportunity and build local wealth.

We thank you for your attention to this important program.

Sincerely,