

Community Preservation Corporation

FY 2025 Federal Legislative Agenda



Community
Preservation
Corporation

CPC IMPACT GOALS

The Community Preservation Corporation's (CPC) affordable housing mission drives our focus on three goals that elevate urgent community needs and shape our investments. In FY23, 99% of CPC's dollars were deployed to address one or more impact areas:



Expand housing access and seek new ways to lower the cost of producing affordable housing



Invest in closing the racial wealth gap, and increase diversity and equity in the affordable housing development industry



Increase investment in the green economy and lessen the impact of climate change by financing affordable, energy-efficient housing

FEDERAL LEGISLATIVE AGENDA

TAX PRIORITIES

Affordable Housing Credit Improvement Act ([S.1557/HR 2725](#)): The Low-Income Housing Tax Credit (or 'Housing Credit') is the nation's most successful financing incentive for the development and preservation of affordable and workforce housing. For nearly 40 years, the Housing Credit has been a model public-private partnership program, bringing to bear private sector resources, market forces, and state-level administration. Every year the Housing Credit supports 6.33 million jobs, \$257 billion in tax revenue generated, and \$716 billion in wages and business income generated. Sponsored by Representative LaHood (R-IL-16) in the House and Senators Young (R-IN) and Blackburn (R-TN) in the Senate, this bipartisan bill would restore the 12.5% increase to 9% LIHTC allocations and decrease the private activity bond financing threshold for 4% LIHTC from 50% to 25%, among other provisions.

Neighborhood Homes Investment Act ([S.657/H.R.3940](#)): The Neighborhood Homes Investment Act (NHIA) is a bipartisan federal tax credit that will produce financial equity investment dollars for the development and renovation of 1-4 family housing in distressed urban, suburban, and rural neighborhoods. Sponsored by Representative Mike Kelly (R-PA-16) in the House and Senator Cardin (D-MD) in the Senate, Neighborhood Homes could potentially build or rehabilitate 500,000 homes, spur \$100 billion in total development activity and create nearly 800 thousand jobs in the construction and related industries.

Community Development Investment Tax Credit Act ([S.2963/H.R.6650](#)): Senators Warner (D-VA), Hyde-Smith (R-MS), Moran (R-KS), Wicker (R-MS), Peters (D-MI), and Van Hollen (D-MD) introduced a bipartisan proposal to provide tax credits to private sector investors that provide long-term patient capital to, or invest financial equity in community development finance institutions (CDFIs). The bill would benefit CDFIs of all types and provide the maximum flexibility and financial support CDFIs need to increase wealth in low- and moderate-income communities.

LEGISLATIVE PRIORITIES

Temporarily Exempt Housing Bonds from the Private Activity Bond Volume Cap: Tax-exempt Private Activity Bonds (PABs) are an essential tool to build and preserve affordable housing as they generate as-of-right Low-Income Housing Tax Credits, providing financial equity to development projects at no expense to the developer. The federal volume cap on PABs limits a state's ability to issue these bonds, creating a financing barrier to new development and contributing to housing shortages. Congress has already exempted 17 infrastructure activities from this volume cap due to their role in achieving the public good, ranging from transportation infrastructure, school improvements, and green building projects. Temporarily exempting Housing Bonds from the PAB cap would significantly boost housing supply, enabling states and local governments to assist more low-income homebuyers in alleviating the housing crisis until inflation stabilizes and mortgage interest rates become more affordable.

BUDGET PRIORITIES

Maintain level funding for critical housing programs: The following programs are critical to meeting the supply and demand challenges of the affordable housing crisis:

- **Tenant-Based and Project-Based Rental Assistance (TBRA, PBRA, Section 8) and Public Housing (Section 9):** Through these rental assistance programs, the U.S. Department of Housing and Urban Development (HUD) promotes housing stability by leveraging public-private partnerships and providing critical support to families facing immediate affordability challenges.
- **HOME:** Since 1992, the flexible HOME program has helped create 1.39 million affordable homes, often providing essential gap financing for lower-income households, including seniors.
- **Community Development Block Grants (CDBG) and CDBG Disaster Recovery:** CDBG and CDBG-DR programs provide local governments with flexible funding to develop and rehabilitate housing in underserved and disaster-impacted communities.

CPC urges Congress to fully fund these programs at the levels required to renew all contracts and account for inflationary increases. As a partner to government for over 50 years, CPC appreciates current efforts to modernize and streamline these programs. Significant personnel reductions at HUD, FDIC, EPA and FHFA could slow down processes and hinder efficiency. Ensuring an appropriate and adequate level of staffing at these agencies will enable them to operate efficiently, implement innovations, and deliver critical services in a timely manner.

As a multifamily housing lender, we know the impact Section 8 tenant-based and project-based assistance has on the affordability and supply of rental housing for American families. Section 8 tenant vouchers address the immediate affordability crisis for families struggling to afford an apartment. They also serve as a crucial operating subsidy for new housing construction, complementing other financing tools like the Housing Credit to increase supply. To maximize Section 8 funding, administrative burdens must be reduced for tenants and landlords by streamlining applications, improving inspections and payment timelines, and making it simpler to set and recertify rents.

Section 8 also plays a vital role in rehabilitating aging public housing by enabling Public Housing Authorities (PHAs) to leverage new public and private funding sources under the Rental Assistance Demonstration (RAD). The PACT Renaissance Collaborative, a CPC-supported RAD project located in Upper Manhattan, is a testament to the impact of the RAD program. Through the Collaborative, the New York City Housing Authority revitalized over 1,700 homes across 16 public housing buildings, making essential repairs, enhancing outdoor spaces, and improving living conditions. CPC is committed to crafting effective public-private partnerships that maximize the efficiency and reach of public dollars and help American families secure safe and stable housing.

ADMINISTRATIVE AND PROGRAMMATIC PRIORITIES

Community Stabilization Partners (CSP): As of February 2024, Community Stabilization Partners took over servicing and asset management for a portion of the rent stabilized multifamily commercial real estate portfolio formerly held by Signature Bank. The CSP portfolio contains approximately 35,000 units across approximately 1,100 buildings in New York City, the majority of which are rent stabilized. As a partner with the Federal Deposit Insurance Corporation (FDIC), CSP is committed to maximizing returns while preserving the long-term affordability as well as the physical quality and financial stability of these properties.

Financing energy efficient and high-performance housing: A certified carbon neutral company, CPC is committed to creating capital products, advising on best practices, and promoting solutions for high-performance, energy efficient, affordable housing. Energy efficiency savings are vital to the long-term affordability and stability of multifamily properties and their communities. Since 2015, CPC has invested \$2.2 billion to finance more than 13,000 energy efficient units of housing. In addition to supporting high-performance through our lending and investing platforms, CPC also administers funding on behalf of our government partners. This includes New York State's Climate Friendly Homes Fund, a program to electrify small multifamily buildings throughout the state, and CPC Climate Capital, a subsidiary of CPC and subgrantee of Climate United, selected to lead Climate United's multifamily strategy for financing high-performance multifamily housing across the country. Though CPC Climate Capital's federal grant was frozen in February and is the subject of ongoing litigation seeking to restore access to the funding, CPC remains committed to creating more affordable, energy efficient housing, and a stronger economy for all Americans.

Addressing the rising premiums in property insurance: Across CPC's portfolio, we have seen per unit insurance premiums increase over 50% since pre-pandemic levels, negatively impacting the financial stability of affordable buildings. While there are a multitude of drivers contributing to the rising cost of insurance, key factors include the limited markets created by insurance providers withdrawing from markets they deem too risky, increases in large pay-out events, and natural disaster risks. Our experience financing energy efficient and resilient systems in affordable housing shows that disaster risk can be mitigated at the building level. CPC urges Congress and Federal agencies to act on these rising premiums in subsidized multifamily housing, incentivize discounted premiums for buildings making resiliency improvements, and strengthen FEMA's National Flood Insurance Program (NFIP) as a critical tool for property insurance in flood-prone areas.

Supporting the Federal Housing Finance Agency's efforts to increase affordability and better serve small lenders: CPC Mortgage Company is a first-of-its-kind partnership of impact-driven, nonprofit mortgage lenders with multiple licenses from Freddie Mac, Fannie Mae, HUD, and the Federal Housing Administration (FHA). This innovative model leverages the unique expertise of its owners, with the shared goal of bringing flexible capital to communities to expand and preserve affordable and workforce housing. CPC continues to provide public input on ways the FHFA and Federal Home Loan Bank (FHLB) System can enhance its core mission activities to strengthen affordable housing and better serve small lenders. CPC recommends expanding eligible liquidity and collateral requirements to meet the needs of small lenders and aggregating and guaranteeing loans from multiple small lenders to help meet financing thresholds. These enhancements will extend vital liquidity to small financing institutions and advance our shared mission of expanding access to affordable housing.

ABOUT THE COMMUNITY PRESERVATION CORPORATION:

The Community Preservation Corporation (CPC) is a nonprofit affordable housing and community revitalization finance company focused specifically on funding affordable housing development and rehabilitation. We provide flexible capital solutions, fresh thinking and a collaborative approach to the complex issues facing communities. Founded in New York City in 1974, CPC is the largest Community Development Financial Institution (CDFI) solely committed to investing in multifamily housing, having invested more than \$15 billion to finance the creation and preservation of more than 230,000 units of quality housing in neighborhoods across New York State and beyond. CPC believes housing is central to transforming underserved neighborhoods into thriving and vibrant communities. At CPC, we work as a partner to provide technical expertise and hands-on support to help meet the capital needs and broader community revitalization goals of our customers, local stakeholders and the communities we serve. Learn more at www.communitycp.com