

BUDGET PRIORITIES

Fund critical housing programs: The following programs are critical to meeting the supply and demand challenges of the affordable housing crisis:

- *Tenant-Based (TBRA), Project-Based Rental Assistance (PBRA), and Section 8:* Through these rental assistance programs, the U.S. Department of Housing and Urban Development (HUD) promotes housing stability by leveraging public-private partnerships to build and sustain affordable housing units for American families.
- *HOME:* HOME is the largest Federal block grant program to state and local governments to fund a range of activities to create affordable housing for low-income individuals. 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-DR):* CDBG and CDBG-DR programs provide local governments with flexible funding to develop and rehabilitate housing in underserved and disaster-impacted communities.

It is important that Congress fully fund these programs at the levels required to renew all existing contracts and account for inflationary increases. 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. In addition to addressing the immediate affordability crisis for families struggling to afford an apartment, vouchers also serve as a crucial operating subsidy for new housing construction, complementing other financing tools like LIHTC 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.

LEGISLATIVE PRIORITIES

21st Century ROAD to Housing Act: This bipartisan package of bills aims to expand housing supply and address the affordable housing crisis. Sponsored in the Senate by Senators Scott (R-SC) and Warren (D-MA), the legislation includes proposals to raise the cap on banks' public welfare investments (like affordable housing) from 15% to 20%, remove the cap on the number of units allowed to be converted under the Rental Assistance Demonstration (RAD) program statute, and simplify voucher inspection requirements to promote landlord participation.

Neighborhood Homes Investment Act (S.1686/H.R.2854): 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 Young (R-IN) in the Senate, Neighborhood Homes could potentially build or rehabilitate 500,000 homes, spur \$100 billion in total development activity and create nearly 800,000 jobs in the construction and related industries.

ADMINISTRATIVE AND PROGRAMMATIC PRIORITIES

It is essential to the preservation of the Nation's affordable housing that Congress and the Administration fund HUD to ensure appropriate staffing levels. 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.

Community Stabilization Partners (CSP): Following the collapse of Signature Bank, Community Stabilization Partners, a joint venture of managing member and equity investor CPC and equity investor Related Fund Management (RFM) with Neighborhood Restore as a strategic consultant to the joint venture, took over servicing and asset management for a portion of the rent stabilized multifamily commercial real estate portfolio. 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 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 created to provide financing for new construction and retrofits that support high-performance multifamily housing nationwide. Through targeted investments, CPC will help make our nation's housing more energy efficient, more resilient to extreme weather events and rising insurance costs, and healthier for residents.

Supporting the Federal Housing Finance Agency (FHFA) and HUD 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/FHA (Federal Housing Administration). 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 follow the status of the conservatorship of Freddie Mac and Fannie Mae and will provide input on any proposed changes to that status, as appropriate. CPC also continues to provide public input on ways the FHFA 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.

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