BCDG Presents....

Key Housing Policy Developments Impacting Our Communities

August 6, 2026

Presented by the Black Community Developers Group

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Today's Moderator

Anthony Simpkins

President and CEO of Neighborhood Housing Services of Chicago

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ABOUT BCDG

Who we are - A national coalition of Black-led community development organizations advancing equity, sustainability, and prosperity in historically marginalized communities.

What we do - Strengthen member organizations through capacity building, mentorship, and networking.

What do we focus on – Generational wealth building, economic equity and empowerment, sustainable community development.

Why it matters - We envision a vibrant national network of BCDG members, partners, and allies working together to uplift Black families, close the racial wealth gap, build thriving, culturally rich neighborhoods and ensure long-term community prosperity.

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BCDG PRESENTS...

Conversations That Shape the Future of Our Communities

A curated speaker series designed to elevate ideas, leadership, and strategies shaping Black-led community development across the country. Through moderated conversations, keynote talks, and interactive sessions, we spotlight voices of national leaders, practitioners, and innovators who are driving impact, innovation, and systemic change in the field.

Today's Presenters

Ryan Gremillion

Senior Vice President of Policy & Research,
African American Alliance of CDFI CEOs

Sarah Edelman

Executive Vice President for Programs and Policy,
National Community Stabilization Trust

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HOUSING POLICY UPDATES

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21st Century Road to Housing Act

Makes Federal Grant Programs Easier to Use to Develop for-sale Housing

- Broader NEPA exemptions
- CDBG allowable for new construction.
- HOME changes

Big Wins for Factory-Built Housing

- Removes requirement for chassis, reducing cost and opening design options.

Encourages Stability of Homeownership

- Whole Home Repair Act
- FHA Property Improvement Loans
- CDBG-DR authorization for 3 years

Preferences for HUD Grantmaking

- Opportunity Zones
- Jurisdictions adding supply
- New HUD best practices

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THE BASIC PROBLEM

Housing policy is moving. Affordability is getting worse. CDFIs are sitting right in the middle.

CDFIs and community developers are being asked to help families buy, keep, and afford homes in a market that no longer pencils out for a lot of working households.

The pressure is coming from the whole stack

- Price
- Rates
- Insurance
- Down payment
- Construction costs
- Appraisals
- Patient capital

WHY CDFIS MATTER HERE

CDFIs often work in the space between what a household or project needs and what conventional financing will provide.

Reach borrowers conventional lenders miss

Credit history, cash flow, trust, and outreach often matter as much as product availability.

Pair credit with counseling and support

The financing is stronger when borrowers and developers are not left to navigate the system alone.

Layer subsidy, guarantees, and bank capital

CDFIs often help translate disconnected funding sources into a workable transaction.

Finance smaller, more complex projects

Many community-rooted projects take more time and creativity than conventional lenders can absorb.

Keep ownership and wealth building local

The goal is not just units. It is stability, control, and long-term community wealth.

THE CDFI FUND: CERTIFICATION AND DOCUMENTATION

The certification environment is becoming more demanding because more of the mission has to be documented in a very specific way.

Key requirements

- At least 60% of both the number and dollar volume of qualifying financial products must reach eligible Target Markets.
- Target Market activity is confirmed through annual transaction-level reporting.
- The revised framework also puts weight on primary mission, accountability, development services, and ongoing reporting.

Housing implications

- A CDFI may be serving the right borrowers but still have a problem if its systems cannot prove that work clearly.
- Small dollar mortgages, repair lending, and development services are critical, but expensive to operate and document.
- Staff, data systems, governance, and borrower documentation now affect housing capacity.

So what? This affects eligibility, credibility with banks and funders, and the ability to keep serving hard-to-reach markets.

Sources: CDFI Fund Certification Application FAQs; June 2026 Annual Compliance and Certification Reminder.

THE CDFI FUND: AWARD TERMS AND TREASURY REVIEW

The conditions attached to federal assistance after an award is made has also taken on greater importance.

01	**New anti-discrimination provision**	Relevant CDFI Fund agreements will require compliance policies, annual certification that those policies are being administered, and production for CDFI Fund review upon request.
02	**Potential remedies**	Treasury identified possible termination of unused funds, recapture of prior awards, and possible decertification.
03	**Beneficiary-eligibility issue**	A forthcoming PRWORA-related rule could raise questions about screening, records, and which CDFI Fund-supported products are covered.
04	**Treasury review**	Treasury announced a review of certified CDFIs for compliance with applicable law and assistance agreements.

Housing implication: more post-award compliance responsibility, possible borrower screening questions, higher documentation burdens, and higher stakes if award compliance affects future funding or certification.

Source: U.S. Treasury announcements, April 2026.

NMTC and CMF: still critical, but watch the terms

These programs remain important housing and community development tools. The practical question is what each tool is best suited to do.

Capital Magnet Fund

Closer to the housing deal itself

- FY 2024: $246.4M to 48 organizations.
- Can support reserves, revolving funds, guarantees, preservation, rehab, development, and purchase.
- Useful when a housing capital stack needs flexible gap capital or risk absorption.

Plain English: CMF can help make the housing deal work.

New Markets Tax Credit

Often supports the neighborhood around the housing

- Permanent $5B annual authority under 2025 tax legislation.
- Latest awards covered the combined 2024–2025 round.
- Allocation agreement reforms focus on permitted uses and anti-discrimination compliance.

Plain English: NMTC can help finance mixed use projects, facilities, clinics, grocery, childcare, and small-business space.

Sources: CDFI Fund CMF and NMTC materials; CDFI Fund NMTC award announcement.

HOME program enhancements to support homeownership

- Clarifies that acquisition/rehabilitation and CLTs are covered
- Adjusts home sale price limits
- Raises AMI for homebuyer eligibility
- Streamlined NEPA reviews & CHDO eligibility requirements

FHLBANKS: LIQUIDITY, SUBSIDY, AND UNFINISHED REFORM

The Federal Home Loan Bank system should matter more to CDFIs and community developers than it often does.

FHLBank system	→	Member bank or CDFI	→	Housing project or borrower
Liquidity, AHP, CIP, CICA, and voluntary programs		Membership, capital stock, collateral, underwriting, relationships		Timing, documentation, subsidy, closing certainty

Key points

- FHFA's FHLBank System at 100 process put mission, membership, collateral, affordable housing, and community development access on the table.
- The CDFI Fund–FHFA Working Group was formed to help more CDFIs access affordable FHLBank capital for distressed communities.
- As of December 31, 2023, FHFA reported 71 non-depository CDFIs were FHLBank members.
- The practical question is whether policy attention produces more usable liquidity and subsidy for CDFIs and community developers.

Sources: FHFA FHLBank System at 100 materials; FHFA CDFI membership page; CDFI Fund–FHFA Working Group announcement.

Neighborhood Homes Investment Act

Bipartisan legislation to bring historic investment into affordable single-family housing

Closes the value gap – covers up to 40% of development cost up to development gap.

Bridges affordability gap – allowing for below-market sales or homebuyer subsidy

Funds critical home repairs

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KEY FIGURES

$3,100

Monthly cost on the median-priced home in late 2025.

>$120K

Income needed to afford that payment.

16%

Share of renter households with income high enough to afford it.

CDFIs can work the stack

Downpayment assistance • soft seconds • small-dollar mortgages • repair lending • shared equity • land trusts • preservation strategies • counseling

But the larger gap still needs public policy

Housing supply • construction costs • insurance • taxes • interest rates • acquisition costs • deeper subsidy where income and price do not meet

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Proposed Duty to Serve Rule

Opportunities

- Preserves core strategic planning process
- Considers allowing Enterprises to earn DTS credit for NMTC investments

Challenges

- Lack of minimum requirements
- Lack of transparency about evaluation of Enterprise results

WHAT PRACTITIONERS CAN DO NOW

Alliance priority: keep federal community development tools usable for Black-led CDFIs and housing practitioners.

Practical calls to action

- Track CDFI certification readiness now, not at the deadline.
- Document community impact in plain English and compliance-ready language.
- Build bank, FHLB, philanthropic, and public sector capital stacks before projects need them.
- Push for flexible housing capital that supports acquisition, rehab, preservation, and homeownership.
- Tell the story of Black-led community development as economic infrastructure, not charity.

Examples that would help the policy case

- A borrower blocked by one cost: insurance, taxes, down payment, repairs, or rate.
- A project where the capital stack failed because of acquisition, rehab, appraisal, or subsidy timing.
- A certification rule, data field, award term, or reporting requirement creating real operating strain.
- A federal opportunity (e.g., AHP, CMF, NMTC, bank, or FHLBank, etc.) that nearly worked but did not close in time.

Audience Questions

BCDG Presents...
Conversations That Shape the Future of Our Communities
(upcoming events)

Estate Planning, Asset Protection & Intergenerational Wealth Transfer

Resilience in Action: Responding to Disaster, Restoring Community

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For More Information on BCDG, please visit

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