The COVID-19 outbreak has spurred dramatic and unprecedented Congressional action. In March alone, Congress passed three bills with escalating responses to the crisis, culminating in the largest price tag for a single bill in American history. We’re dedicating this special edition of Policy Pulse to getting you up to speed on the fast-moving and evolving changes we’re seeing from Washington and how our industry fits into these conversations.

**This email contains the latest information on the new Paycheck Protection Program, designed to aid small businesses and nonprofits affected by the COVID-19 crisis.**

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**COVID-19 Policy Response Podcast**

In the **latest episode** of Cinnaire’s **Advancing Communities Special Podcast Series**, Chief Strategy Officer Jim Peffley sat down with leading policy experts from national organizations to discuss these topics. Jim was joined by **Jennifer Vasiloff**, Chief External Affairs Officer at the Opportunity Finance Network; **Shannon Ross**, Vice President for Government Relations at the Housing Partnership Network; and **Chris Neary**, Cinnaire’s Vice President for Policy and Advocacy.

Listen here as our panel of advocates and policy experts weigh in on these key subjects and more:

- How Congress has responded to the crisis to date -- and what that means for affordable housing
- The latest on the new small business and nonprofit lending program
- Potential future policy responses for CDFIs and affordable housing
- How the initial federal response and economic stimulus package differs from programs initiated in 2008/2009
- Strategies for advocating for additional community development and affordable housing relief in the next bills

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**What's in the $2 trillion relief package?**

The recent $2 trillion relief packaged passed by Congress, known as the CARES Act, largely focuses on immediate needs, including checks to individuals, unemployment insurance, emergency small business loans, relief for large employers, and funding for hospitals.
Two sections of the bill are most relevant to Cinnaire's work and our partners.

**Paycheck Protection Program**

A cornerstone of the recent package is a $350 billion program administered by the U.S. Small Business Administration (SBA) to provide forgivable loans to small businesses and nonprofits affected by the COVID-19 outbreak. The Paycheck Protection Program, designed to help small employers stay afloat by essentially covering their payroll and rent, will be critical for businesses and nonprofits in the coming weeks.

The Treasury Department released information today on how this program will work.

**How will it work and how can it be accessed?**

- Borrowers can apply through existing delegated lenders under the SBA’s 7(a) lending program, as well as other lenders authorized by the Treasury Department. A list of participating lenders can be found at [www.sba.gov](http://www.sba.gov).
- For more information, we recommend reading the Treasury Departments Q&A, as well as the Senate Small Business Committee Democratic Staff’s useful summary of the program and FAQs.

**Can CDFIs participate as lenders?**

- The program uses the 7(a) infrastructure at the Small Business Administration (SBA) but the Treasury Secretary has the discretion to expand eligibility to other lenders not currently participating in the 7(a) program. The Opportunity Finance Network is working to ensure that CDFIs can participate.
- CDFIs wishing to participate should be prepared to submit an application as quickly as possible when the program opens at SBA (April 3).

**Affordable Housing and Community Development**

The package also includes $12 billion for community development and affordable housing programs. Highlights include:

- **Community Development Block Grant (CDBG) – $5 billion.** CDBG is a flexible program that provides communities and states with funding to provide a wide range of resources to address COVID-19, such as services for senior citizens, the homeless, and public health services.
- **Homeless Assistance Grants – $4 billion.** These funds will enable state and local governments to address COVID-19 among the homeless population.
- **Tenant-Based Rental Assistance – $1.25 billion.** These funds will preserve Section 8 voucher rental assistance for seniors, the disabled, and low-income working families, who will experience loss of income from COVID-19.
- **Public Housing Operating Fund – $685 million.** These funds will provide Public Housing Agencies with additional operating assistance to make up for reduced tenant rent payments, as well as to help contain the spread of COVID-19 in public housing properties.
- **Project-Based Rental Assistance – $1 billion.** This additional funding will make up for reduced tenant payments as a result of COVID-19.
- **Section 202 Housing for the Elderly – $50 million.** These funds will maintain housing stability and services for low-income seniors.
- The CARES Act also included eviction and foreclosure relief measures for government-backed properties.

While not directly provided for housing, the CARES Act also provide $150 billion relief fund for states that will see revenues decline sharply and costs rise due to the need for COVID-19 response. The Center on Budget and Policy Priorities has put out estimates of how much each state can anticipate receiving.

**Useful links**

- The National Council of Nonprofits discusses the small business provisions that apply to nonprofits, as well as others that nonprofits will care about.
- The Committee for a Responsible Federal Budget examines where the money will go from the CARES Act.
- Click here for a section-by-section of what else is included in the CARES Act.
- The National Home Builders Association is tracking which states have exemptions...
What's next?

The policy response from Washington to date has been unprecedented, but it is unlikely to end there. Going forward, Congress is likely to address unmet needs and kick-start the economy. Speaker of the House Nancy Pelosi has already indicated she intends to move another phase of COVID-19 response, and President Trump has called for a $2 trillion investment in infrastructure to revive the economy. As discussed in the podcast, it is more likely that affordable housing and community development policies will fit into that picture.

Discussions are already underway to encourage Congress and the Administration to prioritize these critical needs:

- The **Affordable Housing Tax Credit Coalition and the ACTION Campaign** are working to organize industry requests to Congress, including provisions from the Affordable Housing Credit Improvement Act, to strengthen the housing credit. Read more on Housing Credit proposals [here](#).
- A recent proposal authored by the Housing Partnership Network, Stewards of Affordable Housing, and others asked Congress to appropriate $10 billion to the HOME Investment Partnerships Program as soon as possible and $2.5 billion to the Capital Magnet Fund program as part of any stimulus package.
- The **Opportunity Finance Network** has called for an emergency $1 billion appropriation for the CDFI Fund.
- The **New Markets Tax Credit (NMTC) Coalition** has called for an additional $1.5 billion in NMTC allocation.
- The **National Council of State Housing Agencies (NCSHA)** sent a letter to the Internal Revenue Service and the Treasury Department requesting deadline extensions and flexibility for Low-Income Housing Tax Credit (LIHTC) properties as a result of delays and other issues related to the COVID-19 crisis. These requests were echoed by the ACTION Campaign.
- NCSHA has also called for emergency flexibility for HOME, Housing Trust Fund, and Emergency Solutions grants.

If there are issues that you believe should be addressed to help weather this storm, please contact Chris Neary (cneary@cinnaire.com).

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