The Interagency Community Investment Committee

ICIC 2023 Action Plan

TABLE OF CONTENTS

Executive Summary 1

SECTION 1. Introduction 4

SECTION 2. Seeking Community Input: Themes from Request for Information Submissions.. 6

SECTION 3. Agency Actions: New Federal Collaborations 12

SECTION 4. Looking Forward 16

Appendix A: Request for Information Questions 17

Appendix B: Request for Information Submissions 18

ICIC 2023 ACTION PLAN

EXECUTIVE SUMMARY

In early 2022, the Department of Agriculture (USDA), Department of Commerce (Commerce), Department of Housing and Urban Development (HUD), Department of the Treasury (Treasury), Department of Transportation (DOT), and the Small Business Administration (SBA) recognized the tremendous opportunity presented by American Rescue Plan Act of 2021 (ARP), Bipartisan Infrastructure Law (BIL), Consolidated Appropriations Act, 2021, the CHIPS and Science Act (CHIPS)—and eventually the Inflation Reduction Act (IRA)—to not only deliver capital and resources to underserved communities, but to also strengthen underlying capital delivery systems in the process. The suite of federal investments presents people, communities, businesses, and partners with unprecedented opportunities to build assets and sustainable, long-term economic growth. However, many partners and stakeholders also face challenges navigating complex systems, regulations, and policy rules. Absent intentional action, historically marginalized communities could miss consequential economic investment opportunities once again.

The Interagency Community Investment Committee (ICIC)[1] organized in July 2022 to facilitate the flow of strategic resources into underserved communities[2] across the country by better aligning federal community investment programs and attracting aligned private-sector investments. Our efforts are consistent with Executive Order (EO) 13985 on Advancing Racial Equity and Support for Underserved Communities Through the Federal Government and EO 14901 on Further Advancing Racial Equity and Support for Underserved Communities Through The Federal Government, which remind us that when people and places are denied opportunities to prosper, the entire nation is held back. The ICIC's efforts are also reflective of the policy actions outlined in the Domestic Policy Council's May 2023 memorandum, "Guidance for Federal Departments and Agencies on Advancing Equitable Community and Economic Development in American Cities and Urban Communities," issued to guide implementation of EO 14901's directive to strengthen equitable development.

The ICIC members implement dozens of investment programs that support various aspects of civic infrastructure[3] and promote economic prosperity. Specifically, the ICIC is responsible for complementary efforts that can strengthen community financial institutions, scale small business growth and entrepreneurship, improve financial health and inclusion, and build community facilities and infrastructure. By further aligning implementation tactics, we can collectively increase and

1 The ICIC members include the Department of Agriculture (USDA), Department of Commerce (Commerce), Department of Housing and Urban Development (HUD), Department of the Treasury (Treasury), Department of Transportation (DOT), and the Small Business Administration (SBA).

2 Underserved communities refer to those populations as well as geographic communities that have been systematically denied the opportunity to participate fully in aspects of economic, social, and civic life, as defined in Executive Orders 13985, 14020, and 14091.

3 Civic infrastructure refers to the assets, services, and amenities that support a community's social, economic, and civic well-being, including but not limited to: health centers, libraries, community and recreation centers, arts and cultural venues, retail space for small businesses, job training centers, business incubators, community marketplaces, parks, trails, urban agriculture and community gardens, main streets, and public squares.

improve our reach and effectiveness. In its first year, the ICIC is focused on federal community investment programs that:

1. support community financial institutions;
2. provide technical assistance and capacity building for emerging community development organizations, small businesses, consumers, and community stakeholders; and
3. crowd-in additional private-sector investment or leverage.

A central tenant of the ICIC is to keep community voices at the forefront of this work[4]. Shortly after its creation, the ICIC canvassed the American public for their perspectives on how to improve the delivery and impact of federal community investment programs. The ICIC received over 75 formal comments from individuals, organizations, and coalitions reflecting the voices of community stakeholders across the country. The ICIC studied this feedback and identified several consistent key themes (Section 2):

1. **Simplify and streamline program requirements to reduce barriers to participation across different federal community investment programs.**
2. **Allow greater flexibility to layer federal funds from multiple programs for high impact community development projects.**
3. **Make it easier to serve the hardest to reach market segments.**
4. **Embed equity[5]-centered design in new federal programs and encourage the adoption of equity measurement practices across federal community investment programs.**
5. **Better leverage federal data and reporting requirements to support secondary market development for community development finance.**
6. **Increase private and philanthropic sector support for federal efforts.**
7. **Leverage the convening power of the Federal Government to create a "Community of Practice" and support peer-to-peer learning, disseminate best practices, and support technical assistance to community organizations.**
8. **Consider expanding the reach of the ICIC to include other relevant federal agencies.**

Informed by this feedback from community stakeholders, the ICIC identified a set of initial actions to better align federal community investment programs with the needs of underserved communities. This initial set of activities is intended as an important first step to realizing the potential that ICIC agency coordination can unlock for community investment (Section 3):

1. **Strengthen our understanding of federal community investment flows.**
2. **Support community finance market development through access to secondary markets.**

4 Inclusive community engagement is a continuous process that seeks the representation of underserved populations in meaningful public engagement and is responsive to their feedback and needs.

5 Equity is the consistent and systematic treatment of all individuals in a fair, just, and impartial manner, including individuals who belong to communities that often have been denied such treatment, such as Black, Latino, Indigenous and Native American, Asian American, Native Hawaiian, and Pacific Islander persons and other persons of color; members of religious minorities; women and girls; lesbian, gay, bisexual, transgender, queer, and intersex (LGBTQI+) persons; persons with disabilities; persons who live in rural areas; persons who live in U.S. territories; persons otherwise adversely affected by persistent poverty or inequality; and individuals who belong to multiple such communities, as defined in Executive order 14091.

3. **Ensure 'no wrong doors' for small businesses trying to access capital.**
4. **Leverage the convening power of the Federal Government to connect rural communities to capital**
5. **Identify opportunities to improve the alignment of federal investments to maximize community impact.**

These actions demonstrate the Biden-Harris Administration's commitment to increasing efficiencies and reducing redundancies across federal community investment programs. The ICIC will continue to encourage better coordination and collaboration across public-sector programs, non- and for-profit organizations, and community partners to support equitable community development that helps federal and private resources reach all Americans, including the many communities that have been underserved, discriminated against, and adversely affected by persistent poverty and inequality. While there is more work to do, this Action Plan represents an important step forward in building a more equitable economy.

Commerce Secretary Gina Raimondo meeting with minority business owners in Cleveland, Ohio.

SECTION 1. INTRODUCTION

On his first day in office, President Biden signed [Executive Order 13985, Advancing Racial Equity and Support for Underserved Communities Through the Federal Government]. For far too long many communities across our nation have faced challenges accessing the capital necessary to build affordable homes, thriving small business ecosystems, accessible transportation infrastructure, and generational wealth and economic opportunities for residents.

> *"It is therefore the policy of my Administration that the Federal Government should pursue a comprehensive approach to advancing equity for all, including people of color and others who have been historically underserved, marginalized, and adversely affected by persistent poverty and inequality. Affirmatively advancing equity, civil rights, racial justice, and equal opportunity is the responsibility of the whole of our Government."*
> **Executive Order 13985**

In response to President Biden's call to action, the ICIC was announced by Vice President Harris in July 2022 to realize the Biden-Harris Administration's commitment to building an economy that unlocks the economic potential of the many communities that have been underserved,discriminated against, and adversely affected by persistent poverty and inequality, resulting in a stronger economy for everyone. This commitment was reinforced by Executive Order 14901 on Further Advancing Racial Equity and Support for Underserved Communities Through the Federal Government and the Domestic Policy Council's May 2023 memorandum, "Guidance for Federal Departments and Agencies on Advancing Equitable Community and Economic Development in American Cities and Urban Communities," issued pursuant to that order.

The ICIC members include USDA, Commerce, HUD, DOT, Treasury, and SBA. These agencies implement multiple community investment programs with the aim of investing in communities, businesses, neighborhoods, and households that are underserved with respect to access to affordable capital and financial services, and as a result experience economic disparities that limit their financial security and economic mobility.

In recent years, trillions of dollars in public sector investment were authorized through programs under the ARP, the BIL, the CHIPS, and the IRA.

These once-in-a-generation investments present an opportunity to transform delivery of federal services to support catalytic economic growth in historically underinvested communities and address racial and geographic economic disparities. For growth to be sustainable however, it must be done with the explicit design and intent of helping historically disinvested communities attract scalable private and philanthropic investment to fully participate in our economy. The Biden-Harris Administration is working to ensure that these resources are invested more equitably than in the past to achieve this goal.

Collectively, ICIC member agencies administer dozens of federal community investment programs that tackle different aspects of civic infrastructure, including programs aimed at strengthening community financial institutions, scaling small business growth and entrepreneurship, improving financial health and inclusion, supporting stable, quality, affordable housing, and expanding community infrastructure. In its first year, the ICIC has initially focused on improving federal community investment programs that support community financial institutions; providing technical assistance and capacity-building for community development organizations, small businesses, and consumers;

and attracting additional private sector investment or leverage. Within this scope, the ICIC has pursued three objectives since its inception: (1) aligning federal resources, (2) attracting private capital, and (3) engaging with community stakeholders.

In October 2022, the ICIC was joined by Vice President Harris, private sector participants, and community stakeholders at the Freedman's Bank Forum to launch new public- and private-sector efforts to advance racial equity. In the following weeks, the ICIC canvassed the American public for their perspectives on how to improve collaboration around federal community investment programs.

In January 2023, the ICIC convened private sector representatives to explore a series of new commitments that could attract more private capital to underserved communities. In February 2023, the ICIC developed concrete opportunities to improve several federal community investment programs that promote equitable development and are directly aligned to community needs.

And now, in May 2023, the ICIC releases this 2023 Action Plan, which summarizes insights learned from community stakeholders and puts those insights into action by laying out corresponding ways to enhance the delivery of federal community investment programs and deepen federal government collaboration with the private sector.

SBA Administrator Guzman with staff of Joe's Bakery and Coffee Shop in Austin, Texas.

SECTION 2. SEEKING COMMUNITY INPUT: THEMES FROM REQUEST FOR INFORMATION SUBMISSIONS FROM THE PUBLIC

In October 2022, the ICIC published the [Request for Information around Federal Community Investment Programs] (RFI) asking for stakeholder feedback on how to improve collaboration and alignment of federal community investment programs. The RFI closed on December 19, 2022, and over 75 formal comments were submitted by individuals, businesses, community development stakeholders, educational organizations, tribal entities, and trade associations. (See Appendix A for the key questions posed in the RFI and Appendix B for a list of organizations that responded to the RFI.)

Several overarching topics emerged across RFI responses and discussions. This section will summarize comments on how federal coordination can increase program impact and decrease burden on participants as well as encourage greater participation in federal community investment programs. A driving focus of these efforts is to ensure equity-centered design and implementation in community investment programs and to help community finance scale to attract capital flows to more communities across America.

1. **Simplify and streamline program requirements to reduce barriers to participation across different federal community investment programs.**

   A common theme across responses was the need to standardize and streamline definitions and requirements across federal agency programs, such as standard definitions for "small business," "rural," and "low income." Respondents noted the complexity of understanding and following multiple federal program rules and requirements. The complexities can serve as a barrier to entry for smaller, newer, or less-well-resourced entities, which can also correlate with being a minority- focused entity. In addition, compliance and reporting requirements add operational costs to participation, which can limit the number of federal programs that community financial institutions are able to implement, thereby also limiting the communities served by these programs.

   Aligning application, reporting, and compliance requirements to the extent allowable under federal statutes could increase the diversity of participants engaging in community investment programs as well as the diversity of communities being served. It would also reduce the operational burden of ongoing participation and compliance.

HUD Promotes Integrated Community Development through the Choice Neighborhoods Program

The Choice Neighborhoods program leverages significant public and private dollars to support locally driven strategies that address struggling neighborhoods with distressed public or HUD-assisted housing through a comprehensive approach to neighborhood transformation. Local leaders, residents, and stakeholders come together to create and implement a plan that revitalizes severely distressed public and/or assisted housing and catalyzes critical neighborhood improvements

This program has successfully facilitated a wide variety of interagency community investments, with neighborhood leaders and their partners utilizing Treasury's Low Income Housing Tax Credit (LIHTC) or New Markets Tax Credits (NMTC) funding, USDA funds, and SBA and DOT funds, among others to support broad-based community development.

2. **Allow greater flexibility to layer federal funds from multiple programs for high impact community development projects.**

   For high impact community investment projects such as affordable housing development, community facilities, and transportation infrastructure, it is often necessary for projects to combine or "layer" sources of funding from more than one federal program to meet financing needs. Respondents noted both the need to increase awareness of where there are opportunities to layer existing federal funds as well as new opportunities that could be identified through the ICIC's work.

   A recommended guiding principle for facilitating this layering was to align the timing and procedural steps to the largest source of federal funds where statute and regulation allow (e.g., if funding comes from three different federal programs, the timing for when a closing happens or documentation must be submitted for the largest federal program used by dollar amount apply to all three sources). Respondents also recommended publishing success stories on layering of federal funds to educate lenders and investors.

3. **Make it easier to serve the hardest to reach market segments.**

   A common theme from respondents related to increasing access to capital for low income and minority communities by expanding access to smaller sized loan products (e.g., small mortgage, small business, and/or consumer loans). Often the greatest need for these underserved markets are smaller sized loans across loan categories, which can cost a financial institution as much to underwrite as a larger size loan making the unit economics of small dollar lending unattractive for lenders. Federal credit programs are intended to close this gap by providing credit enhancement, risk reduction, or other incentives to lenders, however, the underwriting, reporting, documentation, and operational requirements associated with these programs can create barriers to lender participation.

   Therefore, federal agencies implementing these programs should consider allowing financial institutions to use their own standard internal risk assessments that align with similarly sized loans for small dollar lending to increase institutions' willingness to make these types of loans in these communities while safeguarding consumer protections. Respondents also advocated for the SBA to fill this gap as a direct lender to borrowers not currently being served by the private market and consider increasing the size of the loan guarantee of such loans to decrease their risk.

   Another theme that came up in this category of facilitating greater flexibility was to allow federal dollars to be used as first loss capital to increase lending capacity and leverage. Agencies could explore ways to coordinate across programs to provide additional guarantees, first-loss capital, and other structures to support private sector investment in underserved communities.

SBA Expands Community Advantage Pilot Program to Deploy More Capital

In March 2022, the SBA jointly announced with VP Harris a range of policy changes to Community Advantage, the SBA's loan guarantee program for mission lenders including CDFIs and Community Development Corporations.

This included lifting the moratorium on Community Advantage lenders to expand the number of SBA lenders participating in this mission lender program and therefore expand the number of SBA-backed loans in the country. It also included policy changes to expand access to capital by better aligning underwriting requirements with community realities such as eliminating the criminal background history question requirements and increasing the maximum unsecured amount from $25,000 to $50,000. and allowing for automatic approval of credit underwriting alternatives.

4. **Embed equity-centered design in new federal programs and encourage the adoption of equity measurement practices across federal community investment programs.**

   Respondents stressed the need for programming, lending products, and leadership to be culturally relevant to their respective communities. Examples given include collecting data on the demographics of the boards and executive leadership of lending institutions, including race, age, and gender, as well as transaction-level lending data disaggregated by similar demographic information to ensure accountability to equity goals.

   Treasury's SSBCI Interim Final Rule can serve as an example for what kind of disaggregated lending data can and should be collected. Another example of using data to ensure accountability to equity goals is Treasury's Emergency Capital Investment Program (ECIP). In the ECIP program, the dividend or interest rate that participating institutions pay Treasury under the terms of their investments will be reduced if they achieve specified benchmarks for increasing their qualified lending to minority, rural, and urban low-income and underserved communities, low- and moderate-income (LMI) borrowers, and other similar lending. Treasury will provide additional credit toward this rate reduction when ECIP participants engage in "deep impact lending," which includes loans to low-income borrowers and underserved small businesses, for deeply affordable housing, and in persistent-poverty communities. This approach is designed to help level the playing field for borrowers that face the greatest barriers to accessing capital and will provide greater transparency into the impact of the program.

   Finally, another theme across responses was the need to improve the cultural competency of federal employees involved in federal program design and implementation. Recommendations included mandatory training and increasing opportunities for peer learning among federal agencies and with local partners participating in these federal programs.

Treasury Announces Small Business Demographic Data Effort to Improve Equity

Treasury announced a historic demographic information collection effort to measure equity outcomes for small businesses supported by the State Small Business Credit Initiative (SSBCI) program. The information collected by Treasury will support the program's commitment to expanding access to capital for underserved small businesses. Jurisdictions participating in SSBCI will report demographic information collected from small businesses that receive capital through the program, including data on race, ethnicity, sexual orientation, and gender identity. The data is essential to measuring the impact of SSBCI capital and aligns with Treasury's commitment to promote economic growth by investing in the communities and businesses that are most in need of resources. The information collected will aid jurisdictions looking to attract additional investment by demonstrating strong performance in investment in underserved businesses.

5. **Better leverage federal data and reporting requirements to support secondary market development for community development finance.** The need to create a secondary market for community finance to pool and securitize assets to create liquidity for originators and investors, thereby enabling community finance to reach scale, was another cross-cutting theme. Investors in a pool of assets want to be able to understand the underlying loans within a pool of assets and to evaluate their performance. Currently, there are limited standard definitions or products within the community finance sector, which stifles the development of a secondary market. While many community finance entities will still provide specialized loan products to specific borrowers or communities not suitable for securitization, there is substantial opportunity to provide standard loan definitions and products to securitize for a secondary market sale and ultimately increase the number of loans made towards community investment.

   Suggested ways to generate the data necessary to achieve this included creating Federal definitions for transaction-level loan terms, using SSBCI's transaction-level data reporting requirements as a model, and creating data-sharing agreements across federal credit programs and data aggregators.

USDA Supports Rural Homeownership through Multiple Programs

USDA's Section 502 Loan Program and Mutual Self-HelpHousing Program successfully demonstrate the benefits of subsidy layering. The 502 Loan Program provides a direct loan or guarantee for homeownership while the Mutual Self-Help Housing Program provides grant funding to eligible organizations that support 502 homeowners in building their homes. These USDA programs were applauded in the RFI responses with one respondent saying, "When direct loans are combined with the Mutual Self-Help Housing program, there is an even more significant benefit to the family."

6. **Increase private and philanthropic sector support for federal efforts.**

   Respondents recognized the role for public-private partnerships in furthering community investment and supporting underserved entrepreneurs and communities. There is a role for private capital to "match" federal contributions in programming and a need for supporting activities not covered by federal funds. However, information on potential philanthropic partners is diffuse and hard to find. One suggestion was to create a national database connecting those seeking capital to philanthropic and private sector partners. Additionally, philanthropic partners should work with relevant federal agencies to share best practices throughout the industry on leveraging private funds and donations for fundraising and technical assistance.

   Another identified need was for broad and consistent marketing to raise awareness of technical assistance and lending programs in underserved communities. CDFIs and other community lenders often need more resources to find the small businesses that need them most. There is a need for all relevant stakeholders, including state governments in addition to the Federal Government, to actively publicize and market these programs. One RFI respondent provided a state example on the benefit of consistent CDFI marketing describing how California state agencies promoted the California Rebuilding Fund program which helped generate leads for CDFIs. Often marketing activities are not federal programs targeted to lending, creating an opportunity for private or philanthropic partners to fill this critical gap.

7. **Leverage the convening power of the Federal Government to create a "Community of Practice" and support peer-to-peer learning, disseminate best practices, and support technical assistance to community organizations.**
A recurring theme was the role federal agencies can play in sharing information to help various community organizations become aware of opportunities for federal funding and understand and comply with program requirements. One recommendation included federal agencies publishing lists of private, philanthropic, or nonprofit partners with experience working with community organizations.

DOT Helps Communities Access Funds and Make Infrastructure Improvements

DOT's Thriving Communities Network was lauded by RFI respondents as a model for delivering technical assistance, including to underserved communities. The Thriving Communities Network is designed to help Cabinet agencies coordinate strategy, collaborate across initiatives, and target deployment of a full range of federal place-based technical assistance and capacity-building resources to urban, rural, and Tribal communities experiencing a history of economic distress and systemic disinvestment. This effort includes resources to help disadvantaged communities with grant and financial management, pre-development assistance, community engagement, planning, and project delivery support. As part of the Thriving Communities Network, in February HUD opened an online portal for local governments to apply for Technical Assistance to ensure housing needs are considered as part of larger local infrastructure investments plans with a focus on disadvantaged communities.

Other suggestions included prioritizing consistent outreach efforts to those actors closer to the ground of this work, such as community resource centers, regional coalitions, state and local governments, Small Business Development Centers, and federal field offices. This kind of information-sharing and outreach was also called out as crucial to better serve low-income communities and communities of color, which often lack the networks and the resources to individually develop the connections to consistently learn about and prepare for federal opportunities.

Transportation Secretary Pete Buttigieg and Deputy Secretary Polly Trottenberg meeting with community members of the historic Greenwood district in Tulsa, Oklahoma.

There were also calls to increase transparency around federal loan and grant awards, including publishing the metrics or rationales for selecting award recipients to better educate future applicants on application strengths and weaknesses.

Finally, there was a recurring call for greater technical assistance and capacity-building to help community organizations in underserved communities understand and comply with program requirements, including by allocating project budget to be used for the capacity-building of entities involved in the project.

8. **Consider expanding the reach of the ICIC to include other relevant federal agencies.**

   Finally, another cross-cutting theme in response to the RFI was the request to add other agencies to the ICIC. The agency most frequently cited was the Environmental Protection Agency (EPA), as it leads implementation of the Green House Gas Reduction Fund (Sec. 60103 of the Inflation Reduction Act), which is a $27 billion fund with $8 billion set aside for investment in low-income and disadvantaged communities. There were also calls to add the Department of Energy to ensure that new federal investments to support the climate transition reach disadvantaged communities and are aligned with other federal community development programs.

HUD Secretary Marcia L. Fudge in Jackson, Kentucky with community members and advocates leading a discussion on climate change, resiliency, and economic justice.

SECTION 3. AGENCY ACTIONS: NEW FEDERAL COLLABORATIONS

Drawing on the input of community stakeholders, the ICIC identified opportunities for federal partnerships to support access to capital and align federal investments. These new federal collaborations are small steps that will yield large windfalls for making federal community investment programs more accessible to underserved communities.

1. **Strengthen our understanding of federal community investment flows**

   Treasury's Office of Community and Economic Development (OCED) will work with Commerce's Regional Economic Research Initiative (Regional Initiative) to lead a pilot to gather and utilize data from multiple ICIC agencies to analyze how federal community and economic development investments flow into and interact in specific urban neighborhoods and rural counties. Treasury's OCED and Commerce's Regional Initiative will engage with ICIC agency partners as well as local communities to gain insight into how federal community and economic development investments are being utilized, their impacts, and the extent to which investments under different programs interact and identify opportunities for coordination or alignment among programs that could strengthen communities.

   Treasury's OCED and Commerce's Regional Initiative will identify key institutions through which significant federal community and economic development flows, such as units of state or local government, CDFIs, or other community-based institutions. This pilot has the potential to benefit communities by providing information on federal investments in their communities that could assist in local alignment or collaboration and a streamlined approach to community and economic development.

   The findings of this analysis could inform local community and economic development planning and future collaborations among ICIC agencies. It could also inform the potential value of developing a national database of community and economic development investments in the future. The power of this type of geographically-mapped data may be seen in USDA's Rural Gateway tool, which tracks and displays USDA's investments across programs and time and HUD CART, a reference tool which displays HUD's investments in communities across the United States.

2. **Support community finance market development through access to secondary markets**

   The CDFI sector has grown substantially in recent years as CDFIs responded to financing needs in their community throughout the pandemic and the sector has absorbed significant federal investment. There is increasing interest, from a wide range of public agencies and private sector investors, in partnering with CDFIs to responsibly deploy capital in financially underserved communities.

   HUD, through Ginnie Mae (GNMA), and the Federal Home Loan Bank of Chicago (FHLBC) have a joint initiative which provides smaller mortgage lenders with access to the secondary mortgage market by pooling government-backed mortgages and securitizing them into GNMA-backed securities. In 2022, the scale of this HUD-FHLBC program reached $3 billion. Looking at this joint initiative as a way to help smaller financial institutions expand the origination of government-backed mortgages in underserved communities, HUD, USDA, and Treasury's CDFI Fund will work together to encourage more CDFIs to participate in the program. USDA will focus on the most underserved rural areas, especially tribal communities. This collaboration would enable more borrowers to realize the benefits of affordable homeownership while expanding community lenders' access to global financial markets through HUD's GNMA guaranty.

The CDFI Fund and Treasury will also engage private sector investors and CDFIs to better understand the metrics that could best support market development, secondary market access, and the value of CDFIs to the communities they serve. Informed by this engagement, an RFI on financial data collection from CDFIs will be released in 2023.

3. **Ensure 'no wrong doors' for small businesses trying to access capital**

   Collectively, the ICIC agencies support a nationwide network of more than 1,000 field offices and external resource partners[6] focused on providing small and minority-owned businesses with technical assistance, including guidance on accessing capital. When entrepreneurs walk through the door of a specific agency field office they are currently only able to receive information about the capital products and technical assistance programs of that respective agency. The ICIC envisions a 'no wrong door' policy through information sharing and referrals between agency field offices to ensure entrepreneurs get the information and assistance most relevant to them.

   To fulfill this vision, agency field offices will develop knowledge of the capital products and technical assistance of other agencies and create the ability to refer entrepreneurs to other agency field offices. The ICIC will work across agencies to provide information guides and train field and resource partner staff on the full suite of federal capital products and technical assistance programs. The ICIC will work with agencies to develop a repository of recorded trainings and other materials for staff to refer to as they work with entrepreneurs and small business owners. Additionally, the ICIC will consider the technology services needed to assist staff in referring entrepreneurs to the agency or resource partner most impactful for their business needs.

   These efforts will promote a better, more cohesive customer service experience for business owners and increase the likelihood they are able to find the best financial product or education for their unique needs.

4. **Leverage the convening power of the Federal Government to connect rural communities to capital**

   In April 2022, USDA established the Rural Partners Network (RPN), an initiative that transforms how the Federal Government partners with and delivers economic opportunity for rural communities. RPN executes on this vision by placing new federal staff in select communities; providing intensive whole-of-government, place-based technical assistance; deploying multiple capacity-building tools and federal resources to help rural communities access federal, state, and private sources of investment. As part of the ICIC's commitment to deliver capital to rural communities, agencies have identified opportunities to leverage RPN to provide information guides and train field and RPN staff on federal support for affordable housing, small business development, and workforce development. Further, RPN has leveraged relationships with private sector stakeholders designed to facilitate technical and capacity building assistance. The initial focus of these activities will be:

   Rural Housing. Chronic underinvestment in new housing means many communities across America, including rural communities, lack access to sufficient affordable housing for their residents. Through ARP, Treasury's State and Local Fiscal Recovery Funds (SLFRF) program provided $350 billion to over 30,000 state, local, Tribal, and territorial governments across the country to support their response to the COVID-19 pandemic and their longer-term efforts to build a strong recovery. As part of their work on the RPN, HUD has established a Rural Prosperity Coordinating Council to improve

6 Field offices and external resources partners include USDA's State Rural Development Offices and Rural Partners Network Staff; Minority Business Development Agency Business Centers; DOT's Small Business Transportation Resource Centers; SBA's Field Offices; and Treasury's CDFI Fund and State Small Business Credit Initiative.

the agency's efforts to build local capacity to advance rural housing, alongside the housing and homeownership programs that HUD administers for rural America. Expanding access to affordable housing is a top priority for RPN and the Administration, and the use of SLFRF funds for affordable housing is part of the Administration's broader Housing Supply Action Plan to increase the supply of affordable housing over time. In July 2022, Treasury announced guidance designed to increase the affordable housing supply by expanding the list of presumptively eligible uses of funds for affordable housing and permitting recipients to use SLFRF to make long-term loans to finance certain affordable housing projects, includeing LIHTC projects. Since then, SLFRF recipients have increased their investments in affordable housing projects by 20%. Through the ICIC, Treasury, HUD, and USDA Rural Housing Service will work to share information on how more rural communities can leverage SLFRF for affordable housing development..

Small Business. USDA and Commerce will coordinate on developing minority businesses through the Minority Business Development Agency (MBDA) and RPN communities. The Infrastructure Investment and Jobs Act authorized MBDA to establish a Rural Business Center Program (RBCP). MBDA is putting together a rural supplement initiative to provide resources to several existing MBDA Business Centers that have existing relationships to rural communities to expand their footprint in FY 2023. This initiative will expand rural services and provide MBDA important information as it prepares to launch the RBCP once it is fully funded in FY 2024. There is an opportunity through RPN to catalyze this funding in nearby RPN community networks to expand business opportunities in these communities. For example, workforce development is a critical issue in the Mississippi RPN networks, so the Mississippi MBDA Business Center can partner with the RPN community networks to address workforce development.

Workforce Development. The BIL made amendments to Section 504(e) that expand eligible activities to include developing a robust surface transportation workforce with new skills resulting from emerging transportation technologies and activities to attract new sources of job-creating investment. An Administration priority for this work is to provide electric vehicle charging infrastructure in rural communities to enable EV use outside of major metropolitan centers. Leveraging RPN, DOT and USDA will improve technical assistance and educate local communities on eligible workforce development activities that can be funded with 504e funds and connect communities with USDA's Rural Workforce Innovation Network. Furthermore, as DOT implements infrastructure project contracts, including those related to BIL, MBDA will work with its technical assistance programs to provide support to minority-owned enterprises to encourage participation in these federal projects.

5. **Identify opportunities to improve the alignment of federal investments to maximize community impact**

The ICIC agencies are committed to working together to identify and, where feasible, take action to streamline or clarify the requirements of certain programs to facilitate their positive community impact. Given the numerous statutes and regulations across federal programs, this work is also more complex and challenging than other actions identified in this plan to develop best practices, share information, and leverage data to improve policy outcomes. It is also in many cases easier to achieve during the design phase of implementing new programs or new amendments to existing programs, than it is when implementing existing and long-standing federal programs. Recognizing both these challenges and the critical need to identify impactful first steps, the ICIC agencies identified preliminary opportunities to coordinate or clarify funds as 'proof of concept', to build from actions identified in the White House Housing Supply Action Plan, and to demonstrate the impact of this work on community development.

In December 2022, Congress expanded SLFRF to include eligible activities under HUD's Community Development Block Grant Program (CDBG) which may enable local jurisdictions to make additional significant housing, community development, and infrastructure investments in their communities once these eligible uses are available. Treasury and HUD are working together to ensure that SLFRF and CDBG, as much as possible, complement each other and to limit the burden on recipient communities, consistent with the theme across RFI respondents of the need to align and minimize duplication of compliance requirements across federal programs. By allowing greater flexibility for SLFRF funds, more communities across the country will have the flexibility to make community development investments..

HUD, Treasury, and USDA will work together to ensure clarity as HUD develops implementation guidance for the Department's recent "income and asset" rule under the Housing Opportunity Through Modernization Act of 2016 (HOTMA). Among other things, once this rule is fully implemented, it will streamline the process for determining household income and rent payments, including by making it easier for Public Housing Authorities and HUD-assisted property owners to use income determinations made under other federal benefit programs such as LIHTC and the Supplemental Nutrition Assistance Program (SNAP), where applicable.

HUD is working with Treasury and other agencies to ensure that as the new programs funded in the Bipartisan Infrastructure Law and the Inflation Reduction Act are developed, their program design and definitions are created in a way that is consistent with and supports the White House Housing Supply Action Plan.

Agriculture Secretary Thomas Vilsack in conversation with farmers in England, Arkansas.

SECTION 4. LOOKING FORWARD

In less than a year, the ICIC has identified an initial set of actions described in this 2023 Action Plan to advance in support of the Biden-Harris Administration's commitment to equity and equitable development that uplifts all Americans. While these actions are meaningful first steps, they are only the start of this journey. Over the coming year, as this work continues to deepen through implementation of the first set of actions, the ICIC will look forward to scaling impact through two channels:

- **Continue to foster collaboration through the ICIC by expanding its membership.** A bright spot from the RFI responses was the extraordinary support for the ICIC's mission and interest to see its membership expanded to include the Environmental Protection Agency (EPA) and the Department of Energy (DOE). A key goal of this interest is helping historically disinvested communities participate in historic federal investments to mitigate climate change. The Biden-Harris Administration, through its Justice 40 Initiative, has made it a goal that 40 percent of the overall benefits of certain federal investments flow to disadvantaged communities that are marginalized, underserved, and overburdened by pollution. Fostering greater collaboration among federal agencies historically charged with community development and federal agencies at the forefront of climate and environmental policy will help further this goal.
- **Identify opportunities where private investment can scale impact.** The public and private sector work better when they work together. There is a need for coordinated action to create virtuous cycles of investment and to achieve sustainable community development. As RFI responses noted, there are often community needs that are not covered by federal funds where parallel investment is needed to unlock the full potential of these dollars. In July 2022, Vice President Harris announced with the ICIC the formation of the Economic Opportunity Coalition (EOC), a private coalition of 20+ corporations and foundations committed to investing in underserved communities and entrepreneurs alongside the ICIC's work. In October 2022, the EOC announced several commitments aligned with the RFI findings and agency actions discussed in this plan -- to invest $1 billion in deposits to Minority Depository Institutions (MDIs); enhance access to technology, data, and professional expertise for CDFIs and MDIs; and create more pathways for students and small business owners to access the education and technical assistance necessary to grow their businesses. The ICIC will continue to identify opportunities where private investment can scale impact working with the EOC and others to support transformative change in historically underinvested communities.

While there is more work to do, this Action Plan represents an important step forward in building a more equitable economy.

APPENDIX A: REQUEST FOR INFORMATION QUESTIONS

1. Please describe examples of best practices and lessons learned from community investment projects that have layered a mix of public, private, and/or philanthropic capital. How could these projects have been more impactful or more cost effective to implement? In responding to this question, examples may address any of the four substantive areas of focus described in this RFI: (1) strengthening the capacity of community financial institutions; (2) supporting small businesses and entrepreneurship; (3) improving financial health and inclusion; and (4) investing in community facilities and infrastructure. In addition, a non-exhaustive list of example programs is provided in the appendix of this RFI as a reference.
2. From the examples provided in response to question 1, what specific changes could agencies consider to facilitate the layering of federal funds to attract greater private follow-on funding, as they implement new community investment programs and contemplate modifications to others?
3. As agencies are implementing new programs under recent CHIPS and IRA legislation, how can they best incorporate these lessons to streamline design and delivery, as well as ensure historically underserved communities benefit from federal funds?
4. Community financial institutions play a critical role in providing safe, affordable capital and financial services to historically underserved communities. How can federal agency coordination help build the capacity of these organizations to serve their communities?
5. What specific changes to federal credit or securitization programs could facilitate additional private investment in community financial institutions, and what are the most important existing limitations of these programs that may prohibit additional scale that could be achieved?
6. How can the Agencies incentivize or structure data collection and reporting to promote increased private sector and philanthropic investment in community financial institutions?
7. How can further alignment of and coordination between federal agencies in the four areas of substantive focus result in stronger outcomes with regards to reducing racial economic disparities, improving financial security and economic mobility, and generating broadly shared economic opportunity?
8. What data should the Agencies consider collecting to better understand and report the impact of community investments in reducing racial, gender, and geographic, or other economic disparities?
9. How can the Agencies collaborate on providing technical assistance, opportunities for peer-to-peer learning, and other non-financial resources to support the deployment of capital or implementation of community-serving projects in historically underserved communities?
10. Please describe best-in-class examples of how federal technical assistance has been best implemented through public-private partnerships.

APPENDIX B: REQUEST FOR INFORMATION SUBMISSIONS

- Accion Opportunity Fund
- African American Alliance of CDFI CEOs
- American Bankers Association
- Anonymous (4)
- Arkview Capital
- Association for Enterprise Opportunity
- Avenida Guadalupe Association
- Calvert Impact
- CDFI Coalition
- Center for Impact Finance
- Community Development Bankers Association
- Community Education Group
- Community Investment Corporation
- Credit Union National Association
- Dream.org Green for All
- Ewing Marion Kauffman Foundation
- Fahe
- Federation of American Scientists
- Financial Services Innovation Coalition
- Fincher's Texas Best, LLC
- Gordon Long
- Guider Property Management Inc.
- Gusto
- Hope Credit Union/Hope Enterprise Corporation/Hope Policy Institute
- Housing Assistance Council
- Inclusiv
- Independent Community Bankers of America
- JD Quinitchette
- Joebed Carpena-Bermudez
- Judith Williams
- Larry Ephfrom
- Latino Community Foundation
- Lendistry
- LiftFund
- Local Initiative Support Corporation
- Maeve McNamee Danielson
- Napoleon Hardy
- National Association for Latino Community Asset Builders
- National Association of Affordable Housing Lenders
- National Community Reinvestment Coalition
- National Disability Institute
- National Fair Housing Alliance
- National Rural Housing Coalition
- Nationally Association of Federally-Insured Credit Unions
- Native CDFI Network
- New Markets Tax Credit Coalition
- Northeast Community Federal Credit Union
- Opportunity Finance Network
- Pacific Community Ventures
- Partners for Rural Transformation
- Pioneer Green Farms, Inc.
- Poverty & Race Research Action Council
- Prospera
- Prosperity Now
- Reform the SBA: BIGGER Mission, Authority, and Resources
- Reimagine Main Street
- Reimagining Rural Assistance Network
- Resilient Veterans
- Sachs Management, Inc.
- Southern Economic Advancement Project
- Student Borrower Protection Center
- Test-Taking Solution, LLC
- The National Asian/ Pacific Islander American Chamber of Commerce and Entrepreneurship
- The National Bankers Association
- Tony Hamer
- TrackerSled
- U.S. Black Chambers, Inc.
- U.S. Impact Investing Alliance
- Unique Adult Day Healthcare Inc.
- United South and Eastern Tribes Sovereignty Protection Fund
- United States Hispanic Chamber of Commerce

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