Simple Strategies for Public Policy Advocacy

Dafina Williams, OFN
October 27, 2016

Public Policy at OFN

- What We Do
- How We Do It
- Who Does It
- Key Accomplishments
- Key Objectives
- What’s Next
What We Do

- **Develop public policies** grounded in the direct market experience of CDFIs
  - 2016 Policy Agenda
  - Based on OFN Member feedback

- **Advance government policies** that help CDFIs better serve underserved communities
  - Work with state and federal legislators
  - Work with executive branch officials

How We Do It

- **Mobilize our Members, Board, and Allies** to influence policy-makers
  - 2017 Advocacy Day (February 28-March 1, 2017)
  - Convene discussions on timely industry issues
  - Sign on letters and calls to action

- **Engage coalitions, strategic partners, and organizations serving diverse communities** to further OFN’s mission

- **Cultivate and promote opportunities to provide consulting services** to the public sector
Key Accomplishments
Significant Legislative, Regulatory, and Engagement Successes

- $233.5 million in appropriations for the CDFI Fund in FY 2016—an increase of $3 million over FY 2015
- Continuation of the Bond Guarantee Program through FY 2016 at $750 million
- Capital Magnet Fund awarded $92 million in grants available
- A five-year extension of the New Markets Tax Credit Program with $3.5 billion in annual credit authority provided through 2019
- SBA’s Community Advantage Pilot Program extended through 2020
- USDA Community Facilities Relending Program awarded $401 million to CDFIs

Key Objectives 2016
Advance our 2016 Policy Priorities

- Improve CDFI Access to Federal Resources
  - Increase FY 2017 CDFI Fund appropriations level above FY 2016.
  - Continue the CDFI Bond Guarantee Program through FY 2017, increase the number of CDFIs using the program in 2016 and beyond, and make the program easier for CDFIs to use.
  - Seek permanent authorization of the New Markets Tax Credit and expand access to the program for CDFIs.
  - Create and expand CDFI access to other federal programs.
2016 OPPORTUNITY FINANCE NETWORK CONFERENCE

Key Objectives 2016

- **Increase State Resources for CDFIs**
  - Strengthen Member CDFI capacity to advocate for access to state-level resources
  - Help CDFIs leverage the federal State Small Business Credit Initiative (SSBCI) and other similar programs
  - Support Member CDFI advocacy at the state, as well as federal, level

- **Engage OFN Members in Advocacy Efforts**
  - OFN Advocacy Day
  - Webinars on public policy developments and opportunities to take action on OFN’s Opportunity Agenda
  - Coalitions and workgroups involving OFN Members to help shape policy and advocacy

Who Does It

- Public Policy Staff
- OFN Staff
- OFN Members and Allies
- Industry Partners
2016 OPPORTUNITY FINANCE NETWORK CONFERENCE

Who Does It

- Public Policy Staff
  - Work from Philadelphia and Washington, DC offices
  - Lobbying
  - Build relationships with legislators & Executive Branch staff
  - Policy development & research
  - Member engagement
  - Regulatory advocacy
  - State public policy and advocacy
  - Publications, resources, & information-sharing

- OFN Staff
  - Data and quantitative information
  - Information about Members
  - Communications and marketing support
  - Financing expertise

- OFN Members and Allies
  - Spokespeople and Advocates
  - Sources of data and stories
  - Information about programs & resources
  - Market experience

- Industry Partners
  - Research
  - Coalition Building
What’s Next

- Continuing Resolution
  - Funds federal agencies until 12/9 at FY16 funding levels.
- 2016 Elections on 11/8
- Congress back in DC the week of 11/14
- Once Congress is back after the elections, it must finalize the FY17 budget
  - House passed FSGG FY17 budget—$250 million in funding for the CDFI Fund
  - Senate has not passed FSGG FY17—proposed funding level for the CDFI Fund was $233.5 million (same level as FY16)

What’s Next

- Upcoming Staying Connected Calls
  - Post-election Update: November 10 @1 pm EST
  - Federal Program Survey Results Series
    - November 14: CDFI Fund FA/TA/NACA Program
    - November 16: New Markets Tax Credit Program
    - November 28: Small Business: SBA and Other Lending Programs
    - November 30: Housing: HUD, FHLBs, and the CMF
    - December 2: Capital Access for Rural/Native CDFIs
Contact Information

- Katie Havlovic, Associate, Public Policy
  - khavlovic@ofn.org
  - 202.618.6103

- Liz Lopez, Executive Vice President, Public Policy
  - llopez@ofn.org
  - 202.618.6102

- Dafina Williams, Vice President, Public Policy
  - dwilliams@ofn.org
  - 215.320.4318

Simple Strategies for Public Policy Advocacy

Dionna J. Sargent, Cinnaire Corporation
Cinnaire Corporation

- Who we are
- What we do

States Served

- CORE FOOTPRINT
  - Michigan
  - Indiana
  - Illinois
  - Wisconsin
  - Minnesota
  - Delaware
  - Eastern Pennsylvania
  - New Jersey
  - Maryland

- EXTENDED FOOTPRINT
  - Louisiana
  - Mississippi
  - Upstate New York

Benefits of Relationship Building

- Create awareness of your organization, mission, and goals
- Create awareness around our industry
- Highlight impact and the need for access to capital
- Advocate for policies that support your initiatives
Strategies for Building Relationships with Legislators & Staff

- Be visible
- Regular meetings with federal and state legislative bodies
  - Meet with key leaders on both sides of the aisle
- Offer to help with needs in their district
- Find networking opportunities

Success Stories

- Story 1
  - Silver Star Veterans Housing (Battlecreek, MI)

- Story 2
  - Secured support for federal housing legislation favorable to the affordable housing development industry
Remember...

- Building relationships takes time
- Build relationships on both sides of the aisle
- Don’t automatically assume support or opposition
- It is important to focus on building relationships not just when you need something done

Engaging Legislative Stakeholders

- Coordinate Roundtable Discussions
- Arrange Site Visits/Tours
Other Strategies for Advocacy

- Participate in Advocacy Events
  - In person or via letters of support
- Join Local and National Advocacy Groups
  - National: OFN
  - Local: DHC, MAHC, PHA
- Attend Public Policy Advocacy related meetings
- Building Relationships with Housing Finance Agencies and Redevelopment Authorities

Communicating Impact

- Project Narratives
- Press Releases
- Share Closing Announcement
- Newsletters (Cinnaire Avenues to Affordability)
Dionna J. Sargent, Cinnaire Corporation
dsargent@cinnaire.com
302.298.3866

Strategies for State-level Advocacy

Sadaf Knight, Carolina Small Business Development Fund
Carolina Small Business Development Fund

Statewide small business CDFI serving North Carolina
- Small business lending, business services, and policy research

Policy and research capacity starting in 2010
- Develop metrics to enable analysis of programs
- Evaluate capital markets and provide recommendations
- Elevate CSBDF as a thought leader
- Provide recommendations on policy & legislation

Carolina Small Business State Appropriation

State appropriation since 1991
- Stimulate community economic development
- Support our work with CDCUs
- Operational support

NC State budget included funding for community economic development nonprofits

Shift in state economic development approach starting in 2012
Relationship Building with State Legislators

Who?
- State leadership
  - Governor and staff
  - House Speaker and staff
  - Senate Pro Tempore and staff
- Key legislators:
  - Budget writers
  - Relevant committee chairs and members
- Committee staff
- Research and Analysis staff

Relationship Building Other State Officials

Who?
- Department of Commerce
  - Secretary of Commerce
  - Economic Development & Rural Development staff
- State Economic Development Agency
- Secretary of State’s Office
- Municipal Economic Development Agencies
Simple Outreach Strategies

Educate
- Repeat yourself
- Elected and appointed officials don’t know and/or don’t remember who we are

Be a presence
- Attend committee meetings
- Invite officials to events
- Send materials
- Request meetings with legislators and staff
- Briefing sessions on your work, impact, and issues

Know your audience
- Select key targets
- Highlight impact within their district or region
- Track the committees they serve on
- Pay attention to issues important to them and their constituents

Personalize your message
- Send follow-up and thank you letters
- Send personalized invitations
- Write notes on form letters
Simple Outreach Strategies

Highlight borrower stories
- Stories make the impact personal
- Invite borrowers to tell their own story
- Collect borrower stories and photos to use in materials and marketing

---

2016 OPPORTUNITY FINANCE NETWORK CONFERENCE

Senator Harry Brown
461 N. Senate Blvd.
Raleigh, NC 27602-1925
(919) 567-3593

Relevant Committee:
- Appropriations/Sub-Committee [Ex-Officio]
- Legislative Economic Development and Global Engagement Oversight (Chair)
- Conference Committee on Small Business Access to Credit and Capital (Member)

CDBG Loans in Senate District 6

<table>
<thead>
<tr>
<th>Business Name</th>
<th>Number of Loans</th>
<th>JBS Created/Quantified</th>
</tr>
</thead>
<tbody>
<tr>
<td>BBMN Enterprises (12)</td>
<td>2</td>
<td>($150,000)</td>
</tr>
<tr>
<td>Cal-Aqua, Inc. (25)</td>
<td>2</td>
<td>($125,000)</td>
</tr>
<tr>
<td>Cal-Crest, Inc. (9)</td>
<td>2</td>
<td>($90,000)</td>
</tr>
<tr>
<td>Health Sciences, Inc.</td>
<td>1</td>
<td>($120,000)</td>
</tr>
<tr>
<td>Total</td>
<td>8</td>
<td>($430,000)</td>
</tr>
</tbody>
</table>

CDBG Loans in Jones B-Online Counties

<table>
<thead>
<tr>
<th>County</th>
<th>Loan Volume</th>
<th>Number of Loans</th>
<th>JBS Created/Quantified</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jones</td>
<td>$1051,000</td>
<td>10</td>
<td>13</td>
</tr>
</tbody>
</table>

Selected Borrower Profiles in District 6
- Building Development, NC
  - living area that allows games and tournaments
  - Versatile space
- BBMN Community Advantage loan totaling $150,000
- BBMN Community Advantage loan totaling $150,000
- Cal-Aqua, Inc.
  - Minority and women-owned
  - JBS loaned
  - loan totaling $100,000

---
Advocacy For Credit Unions

Sarah Hope Marshall, MBA, CCUE
North Side Community Federal Credit Union
Advocacy for Credit Unions

It’s in our character – credit unions are democratic organizations

• 1 member, 1 vote
• Board of Directors is Elected by the Membership and is accountable to the Membership
• Board Members must be credit union members and are volunteers (this varies by state)
• Supervisory Committee oversees board and has authority to suspend a Board Member or Executive
• For significant structural changes, such as removal of an officer or conversion of charter (ie – federal to state), a special meeting of membership must be called.

Credit Union Structure, Cont

• A Credit Union is a Cooperative made up of Member-Owners who have a say in how the organization is managed
• The Board of Directors is required to have an Annual Meeting to notify members of financial condition, elect officers, and deliver committee reports, in addition to any other relevant business
• Therefore, advocacy should be in our nature!
Why and How to Advocate

• Why? To ensure the operating environment for credit unions is as favorable as possible. Public Policy decisions affect our ability to lend.
• CDFIs are not the ‘bad actors’ that need to the increased regulatory scrutiny.
• Policy affects your membership – complicated systems and structures effect our member’s ability to build financial stability.
• More credit unions are needed to serve underserved communities.

Why and How to Advocate, Cont

• State Credit Union Leagues
• National Trade Associations – CUNA, NAFCU, have advocacy arms
• Local Policy Groups – particularly consumer policy groups
• In partnership with Opportunity Finance Network
• Through Relationship Building with Local Officials (State & City Treasury Programs)
• Commenting and signing on to advocacy letters.
Top 3 Areas of Advocacy for Credit Unions

1) NCUA – Credit Union Regulation
   - Field of Membership
   - Capital (risk based rule)
   - Member Business Loans
   - Investment Authority
   - Governance

Top 3 areas of Advocacy for Credit Unions

2) Consumer Protection
   - Payday Lending
   - Home Mortgage Disclosure Act
   - Arbitration
   - Debt Collection
   - Overdraft Protection
Top 3 Areas of Advocacy for Credit Unions

3) Tax & Budget Policy

- Credit Union Tax Status (currently tax exempt as cooperative institutions)
- Tax Issues Effecting Operations
- Appropriations -- ** CDFI Fund

Advocating w/o a Policy Staff

- Stay aware of Regulation, Policy, Etc
- Build Relationships with External Organizations engaged in Policy
- Participate – even if it seems small
- Engage your membership
- Your Voice Matters!
Questions?