

Q2 24

NCN CEO
Pete Upton



**TO OUR MEMBERS, SUPPORTERS,
AND COLLABORATORS,**

AUGUST 12, 2024

The second quarter was a whirlwind of productivity for Native CDFI Network.

As you know, this has been a pivotal time for our organization as we prepare to deploy the historic \$400 million in funding we were awarded in April under the EPA's Clean Communities Investment Accelerator (CCIA) program.

A major focus for us this quarter has been developing the infrastructure and resources to support our 63 Native CDFIs and community lenders through this new program. We have been working closely with the EPA to fully understand the terms, conditions, and requirements of the GGRF funding. It has been a significant undertaking, requiring us to build out our team and create new tools such as a comprehensive handbook to guide our community lenders step-by-step through the process.

The CCIA program has numerous terms and conditions that require evidence of compliance prior to the transfer of funds to our members, which will make it a more cumbersome process than previous funding opportunities. To ensure our community lenders are prepared, we are planning to hold a 2-3 day regional meeting this fall to walk them through the program in detail. We know patience will be critical, as the full

\$400 million in funding will not be available until later this year, with the program rolling out over the next six years.

Beyond the CCIA work, our team has been heavily engaged in policy advocacy efforts on behalf of Native CDFIs. Kristen Wagner and I spent a lot of time on the road in the second quarter, gathering clean energy lending ideas, sharing best practices, and developing partnerships to advance the Clean Communities Investment Accelerator program.

We also convened Native CDFIs and Native-serving organizations to address policymakers on key legislation like Senator Warren's Tribal Rural Housing Access Act bill and the New Markets Tax Credits (NMTC) program. Candidly, we remain frustrated that NMTC funding dedicated to Indian Country still allows funds to flow to non-Native organizations, rather than directly benefiting Native communities.

Internally, we have also been focused on building our team with new hires and consultants who will help us roll out the CCIA program and support our community lender partners to

ensure they are properly positioned to deploy these critical funds.

Looking ahead, we know there are still many challenges and uncertainties, especially with the potential for changes in federal leadership and priorities. However, we remain steadfast in our commitment to supporting and advocating for our Native CDFIs. We will continue to be the voice for authentic representation of Native communities in policy discussions and funding decisions.

As we navigate the complexities of the CCIA program and champion the needs of Native CDFIs, your continued partnership will be instrumental. We look forward to sharing our progress and the positive impact of our collective efforts.

WEBLAHO (thank you to all of you),



Pete Upton
Chief Executive Officer

NCN POLICY & ADVOCACY UPDATE - Q2 2024

The second quarter of 2024 was a busy and productive time for the Native CDFI Network. We continued our core mission of supporting Native CDFIs through a variety of initiatives, including advocacy efforts, training programs, and member resource development. Pete Upton, NCN CEO, and Kristen Wagner, NCN National Program Director, spent considerable time on the road sharing our story, gathering clean energy lending ideas and best practices from around the country, and developing partnerships to move the Clean Communities Investment Accelerator (CCIA) program forward. Here's a closer look at some of our key activities during this period:

APRIL 2024

- Selected for a historic \$400M grant under the EPA's Clean Communities Investment Accelerator (CCIA) program through the Biden administration's Greenhouse Gas Reduction Fund (GGRF).
- Submitted a joint comment letter on the New Market Tax Credits (NMTC) program, advocating for a 10% set-aside for Native community development entities (CDEs) to enhance economic development on tribal lands and lower barriers.
- Launched the [Difference Makers 2.0](#) story-and-podcast series, highlighting Native CDFIs and their role in the success of small-business clients.
- Introduced the 'Find a Native CDFI' map, an interactive tool that connects users with Native CDFIs by location and service type.
- Launched 2024 NCN Leadership Institute Training for members, with Jack Northrup leading a session on "How to Build Your Balance Sheet: Capitalization and Cash Flow."
- Joined other GGRF awardees at The National Press Club in Washington, D.C. on April 26 to emphasize the unique climate needs of Native and BIPOC communities. The event was hosted by the Center for Impact Finance, a program within the University of New Hampshire's Carsey School of Public Policy.

MAY 2024

- Sent a joint letter to Senate leaders, advocating for the Tribal Rural Housing Access Act (S. 3906) and highlighting the need for a 5% set-aside for Native housing programs due to the challenges Native communities face in accessing housing and homeownership opportunities.

POLICY PROGRESS & HIGHLIGHTS

NEW MARKETS TAX CREDIT

The New Markets Tax Credits (NMTC) program is a federal initiative designed to stimulate investment in low-income and economically distressed communities by offering tax incentives to investors. Administered by the U.S. Department of the Treasury's Community Development Financial Institutions (CDFI) Fund, the NMTC program provides tax credits to investors who make equity investments in designated Community Development Entities (CDEs). These CDEs then use the capital to fund projects that spur economic growth, create jobs, and enhance services in underserved areas.

In Indian Country, the NMTC program could be especially valuable. Native communities often face significant economic challenges, including high poverty rates and limited access to capital. By leveraging NMTCs, tribes and Native-owned businesses can attract private investment for projects such as healthcare facilities, renewable energy initiatives, and small business development. These investments promote economic self-sufficiency and community development, addressing critical needs while honoring cultural and environmental values.

Why it matters: On April 3, 2024, the Native CDFI Network joined the Native American Finance Officers Association (NAFOA) and 43 other Native CDFIs and Native-serving organizations to advocate for Indian Country through a formal comment letter to the CDFI Fund regarding the NMTC Program Allocation Application for 2024-2026.

In the joint letter, we pressed for a 10% set-aside of NMTCs for Native community development entities (CDEs) to increase investment in Native communities. The letter also highlighted challenges faced by Native CDEs, such as limited participation and track record obstacles, proposing solutions like prioritizing Native CDEs in the application process, aligning federal funding programs with NMTCs, and providing technical assistance.

We emphasized the need to incorporate the unique circumstances of Native communities in NMTC selection criteria, expand the definition of "Targeted Population" to include Native populations, and offer training programs to enhance stakeholders' understanding of project development in Indian Country.

- Attended Climate Resilience Solutions for Financial Health & Empowerment hosted by Inclusiv. The convening focused on the impacts of climate change on the economies of low-income/disadvantaged communities (LIDAC) and explored incorporating climate resilience into financial health efforts.
- Completed onboarding of the first NCN member Initiate Prosperity cohort and launched the second cohort. The free program for NCN members provides online tools and materials designed to support independent business owners.
- Continued NCN Leadership Institute trainings with Jack Northrup leading a session for NCN members on "Portfolio Analysis for Loan Sales and the Secondary Market."
- Participated in Powering the Energy Transition event hosted by the Alliance for Saving Energy. A key takeaway was "Demand is the new supply." CEO Pete Upton emphasized the importance of engaging with Native households and communities to understand their clean energy needs and raise awareness about the benefits of energy efficiency upgrades.
- Provided CDFI Fund Certification Assessment webinar for NCN members led by Lisa Wagner. Native CDFIs were provided with a checklist to help them prepare for certification and recertification.
- Joined GGRF selectees and private capital investors at a GGRF Private Capital Leverage convening hosted by RMI. Participants discussed clean energy investment priorities, shared objectives, and opportunities for private markets to contribute to climate equity.

JUNE 2024

- Announced NCN's 2024 Eastern Regional Event in partnership with NeighborWorks America and Four Directions Development Corporation. The event will take place in Maine, September 9-11.
- Initiated recruitment efforts to build out the NCN team for CCIA implementation, including a CCIA Program Manager and a team of Regional Coordinators.
- Participated in the Financial Innovations Roundtable (FIR) hosted by the Federal Reserve Bank of New York and the University of New Hampshire – Center for Impact Finance in New York City, June 3-4. The FIR is a cross-sector partnership among conventional and non-traditional lenders, investors, and other market actors to provide low-income communities with increased access to capital and financial services.
- Participated in the 9th Annual Native CDFI Capital Access Convening hosted by Oweesta. CEO Pete Upton discussed the pivotal role of the Native CDFI Network's CCIA program will play in creating a clean energy finance ecosystem that will support clean energy projects in Native communities.
- Launched a year-long initiative with Wells Fargo to enhance economic opportunities for Native American communities in California and Nevada. This program aims to strengthen existing Native CDFIs and support the development of new Native CDFIs, addressing the significant financial resource gap across these states. Key components of the initiative include a regional needs assessment, leader empowerment, capacity building, collaboration, technical assistance, funding support, and knowledge dissemination.

WHY NATIVE CDFIs MATTER



PATRICE KUNESH

"Native CDFIs make the most important investments and achieve the most impressive impacts in Native communities. They are directly responsible for enhancing financial fluency, for creating access to capital, or building homes, entrepreneurs and business. So it's just phenomenal, the work Native CDFIs do and quite simply, I think Native CDFIs are the best champions of Indian Country investments."

– Patrice Kunesh, Commissioner of the Administration for Native Americans, at the 2023 Native CDFI Network Summit in Washington, D.C.

UPCOMING EVENTS

SCAN THE QR CODE TO VIEW A LISTING OF EVENTS.

