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## 2010 CDFA Legislative Agenda

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### **Policy Area 1: Improving the Use of Bond Financing and Industrial Development Bonds (IDBs)**

To address these challenges, CDFA has outlined the following priorities:

- 1. Make the new IDB and tax-exempt bond changes authorized in the ARRA permanent, including the following provisions:**
  - Expansion of the manufacturing definition for IDBs to include tangible and intangible production
  - Allowing “functionally related and subordinate” components to be eligible for IDB financing
  - Exemption from AMT for tax-exempt bonds
  - Expansion of 2% de minimus rule to financial institutions
  - Changes that raise the small issuer limit for bank deductibility on 501(c)(3) bonds to \$30 million from \$10 million and allow the limit to be applied to the borrower instead of the conduit issuer.
- 2. Eliminate the restriction on the use of accelerated depreciation by companies using IDB financing**
- 3. Increase the maximum IDB bond size limitation from \$10 million to \$20 million**
- 4. Amend limitations on bank-qualification for IDBs**
- 5. Support general improvements to tax-exempt financing that benefit the development bond finance industry**

### **Policy Area 2: Advocate for Programs that Promote Sustainable Development**

To support this policy area, CDFA has established the **Sustainable Public Finance Coalition**. The coalition will advocate for increased emphasis on financing for sustainable projects in three key areas: **energy, green and infrastructure**. To achieve these goals, CDFA will do the following:

- 1. Advocate for the creation of a new exempt facilities category under the private activity bond volume cap for green and renewable energy projects**
- 2. Support reauthorization and increased funding for federal Brownfield programs**
- 3. Advocate for the creation of a new federal green building revolving loan fund**
- 4. Support legislation creating a \$30 billion revolving loan fund to assist small and medium-sized firms in retooling, expanding or establishing domestic clean energy manufacturing operations**



### **Policy Area 3: Advocate for Sound Practices in the Use of Tax Increment Financing (TIF)**

To support this effort, CDFA has established the **Tax Increment Finance Coalition** to become a leading advocate for the sound use of TIF. The TIFC will:

- 1. Provide a national forum for tax increment finance users, service providers and industry experts to share ideas, knowledge and best practices in the industry**
- 2. Continue to develop and enhance CDFA's National TIF Resource Center which provides one singular clearinghouse of resources, publications, research, documentation, state statutes, etc. on tax increment finance**
- 3. Continue to educate users, service providers and others on the application of tax increment finance in their community through training, best practices, technical assistance and mentoring**
- 4. Continue to provide the TIF with a national voice for representing and advocating for the sound use of this important economic development tool**

### **Policy Area 4: Supporting Federal Financing Programs**

To support this policy area **CDFA will advocate for the continued support of Congress for federal economic development finance programs and legislation that advances this industry.** This includes:

- 1. Support reauthorization of the Empowerment Zone Act**
- 2. Support reauthorization and expansion of the of the New Markets Tax Credit program**
- 3. Support increases in funding for DOE, HUD, EDA, USDA, SBA, DOL, EPA and other federal agencies**