



June 24, 2021

The Honorable Nancy Pelosi
Speaker of the House
U.S. House of Representatives
Washington, DC 20515

The Honorable Kevin McCarthy
Republican Leader
U.S. House of Representatives
Washington, DC 20515

The Honorable Charles E. Schumer
Majority Leader
U.S. Senate
Washington, DC 20510

The Honorable Mitch McConnell
Republican Leader
U.S. Senate
Washington, DC 20510

The Honorable Ron Wyden
Chairman, Committee on Finance
U.S. Senate
Washington, DC 20510

The Honorable Mike Crapo
Ranking Member, Committee on Finance
U.S. Senate
Washington, DC 20510

The Honorable Richard Neal
Chairman, Committee on Ways and Means
U.S. House of Representatives
Washington, DC 20515

The Honorable Kevin Brady
Ranking Member, Committee on Ways and Means
U.S. House of Representatives
Washington, DC 20515

Dear Congressional Leadership,

On behalf of our nationwide coalition of economic development agencies, bond issuers, cities, states, community development organizations, and non-profits, the Council of Development Finance Agencies (CDFA) writes to urge Congress to include several tax-exempt bond provisions in the infrastructure bill.

As the economy recovers and rebuilds from the impacts of the COVID-19 pandemic, the equitable expansion of America's infrastructure for the 21st century will largely depend on tax-exempt bond financing. Tax-exempt bonds are the most impactful public finance investment tool available, and have been at the heart of every recovery effort and infrastructure expansion in our nation's history. The measures outlined in this letter will improve tax-exempt bond tools so that state and local governments and development agencies can efficiently facilitate the expansion and modernization of essential infrastructure.

We strongly express our support for the **inclusion of a bond finance title in the infrastructure bill**. Through tax-exempt bonds, the federal government has provided necessary support for the development and maintenance of vital infrastructure that delivers critical services and stimulates local economic development. It is imperative that bonds be a primary financing mechanism for major infrastructure projects, as the comparatively low-cost capital offered by tax-exempt bonds cannot be replicated by other means of financing. Several common-sense bond provisions will grow issuers' borrowing capacity, reduce borrowing costs, increase demand for obligations, and expand capital markets access – all of which will further empower development agencies to leverage tax-exempt bonds to finance infrastructure projects. Tax-exempt bonds are the

foundation of public finance and must play a major role in financing the modernization and expansion of America's infrastructure.

The **Modernizing Agricultural and Manufacturing Bonds Act (MAMBA)** is a targeted, bipartisan reform package that will revitalize two small-issue bond tools: Industrial Development Bonds (IDBs) and First-Time Farmer Bonds (Aggie Bonds). Unfortunately, the regulations governing the issuance of IDBs and Aggie Bonds have not been modernized in over 35 years, making these particular bond tools outdated and ineffectual in today's economy. The six reforms contained in MAMBA will update the regulations for IDBs and Aggie Bonds to align with the needs of modern small manufacturers and agricultural producers. MAMBA will expand the capacity and usability of IDBs and Aggie bonds to help create American manufacturing and agricultural jobs immediately, both of which will contribute to the expansion of infrastructure. Additionally, this reform package will expand access to capital for small manufacturers and agricultural producers, thereby offering long-term support for these two important pillars of the American economy. MAMBA has been introduced in the 117th Congress as H.R. 2737.

The **creation of a new Exempt Facility bond category for electric vehicle (EV) charging stations** would complement existing federal programs by making tax-exempt bonds available for financing the rapid expansion of EV charging infrastructure. Thousands of state and local development agencies nationwide already issue Exempt Facility bonds for various types of projects, so the addition of an Exempt Facility bond category for EV charging stations would enable agencies to immediately begin issuing bonds to finance this type of infrastructure. Creating a bond category for EV charging stations would accelerate the nationwide rollout and expansion of this green infrastructure, resulting in job creation while furthering the Biden Administration's carbon emission reduction targets. Legislation creating an Exempt Facility bond category for zero-emission vehicle infrastructure has been introduced in the 117th Congress as H.R. 3633.

Reinstating tax-exempt advance refunding bonds would allow state and local governments to refinance or consolidate existing bond obligations, which will increase their debt capacity and make more capital available for infrastructure projects. Advance refunding bonds were a mechanism used by state and local governments to refinance existing debt at lower interest rates, ultimately saving money over the life of the bond issue. Regrettably, advance refunding bonds were removed by the Tax Cuts and Jobs Act of 2017. State and local governments need advance refundings to serve as a low-cost option for refinancing their debt and allow for increased availability of capital for infrastructure projects. Bipartisan legislation reinstating advance refunding bonds has been introduced in the 117th Congress as S. 479.

Our coalition of partners, including development agencies, bond issuers, non-profits, cities, and states throughout the country join us in supporting these efforts to improve tax-exempt bonds. Including these necessary tax-exempt bond provisions in the infrastructure bill will expand development agencies' access to low-cost financing for infrastructure projects, which will result in a faster economic recovery from the COVID-19 pandemic by creating jobs.

We thank you for your leadership on these issues and we look forward to working with you on a long-term **infrastructure package that includes a bond financing title with the aforementioned provisions**. We stand ready to answer any questions you may have, and we thank you for your consideration.

Sincerely,



Toby Rittner, DFCP
President and CEO

Enclosures: Appendix A: Signatory Organizations
cc: Members of the U.S. Senate
Members of the U.S. House of Representatives

APPENDIX A
Signatory Organizations

National

Council of Development Finance Agencies
Bond Dealers of America
National Council of State Agricultural Finance Programs
National Development Council
National Brownfields Coalition
Smart Growth America
Coalition to Save & Create Jobs
Invest in the USA (IIUSA)
Community Reinvestment Fund, USA
Association of University Research Parks
I-49 International Coalition

Alabama

Lake Martin Area Economic Development Alliance

Arizona

Maricopa County Industrial Development Authority
Tucson Industrial Development Authority
Gust Rosenfeld PLC

California

California State Treasurer Fiona Ma
Destination Crenshaw
Melvin Securities, LLC
Sierra Management Group, LLC
Caldwell-Sutter Capital, Inc.
Evergreen Real Estate Investments
Common Future

Colorado

Colorado Housing and Finance Authority
Castle Rock Economic Development Corporation
Prairie Rose Development Corporation
City of Fountain
City of Rocky Ford
Dakin Capital LLC
Colorado Creative Industries

Connecticut

Connecticut Green Bank
Herbert J. Sims & Co., Inc.

District of Columbia

DcTaxHub LLC
Broadband Breakfast

Florida

Martin County Industrial Development Authority
Hillsborough County Economic Development Dept.
Business Development Board of Martin County
Norman E. Taylor & Associates LLC
Fairy Farm LLC
Cardno Inc.

Georgia

Albany Community Together, Inc.
Cedar Ventures, LLC

Idaho

Idaho Housing and Finance Association

Illinois

Illinois Finance Authority
First American Bank

Indiana

Grassroots Neighborhood Coalition

Iowa

PFM Financial Advisors LLC

Kansas

Marshall County Partnership for Growth, Inc.

Kentucky

Community Ventures
Dinsmore & Shohl LLP
Blue & Co., LLC

Louisiana

Louisiana Public Facilities Authority
Northeast Louisiana Economic Alliance
New Orleans BioInnovation Center Inc.

Maine

Finance Authority of Maine
Northern Maine Development Commission

Maryland

Maryland Department of Commerce
CohnReznick
Wye River Group

Massachusetts

MassDevelopment
Boston Industrial Development Financing
Authority

Michigan

Northland Securities, Inc.

Minnesota

Minnesota Rural Finance Authority
Scott County Community Development Agency
Mower County Government
Tapestry Companies

Mississippi

Mississippi Business Finance Corporation

Missouri

Missouri Agricultural and Small Business
Development Authority
St. Louis Development Corporation
PGAV Planners, LLC
Torus Solutions LLC
Backstrom McCarley Berry & Co., LLC
Stifel Nicolaus
Midland States Bank

Nebraska

Nebraska Investment Finance Authority

New Jersey

GASY Investment
Possible Planet

New Mexico

New Mexico Finance Authority
Clovis Industrial Development Corporation

New York

County of Oswego Industrial Development Agency
CTF Capital
Stern Brothers & Co.
Hinman, Howard & Kattell, LLP

North Carolina

CleanSource Capital
SfL+a Architects

Ohio

Ohio Treasurer of State
Tuscarawas County Economic Development
Corporation
Port of Greater Cincinnati Development Authority
Delaware County Finance Authority
Development Finance Authority of Summit County
Bellefontaine-Logan County Finance and
Development Authority
Mid-Ohio Regional Planning Commission
Summit County
Union County
City of Logan
City of Oberlin
City of Wadsworth
Economic and Community Development Institute
Sierra Club of Ohio
MKSK, Inc.
Bradley Payne Advisors

Oklahoma

Tulsa Authority for Economic Opportunity
Atoka City Industrial Development Authority
City of Tulsa

Oregon

Oregon Business Development Department
Oregon Economic Development Association
Michael W Graine Consulting LLC

Pennsylvania

Philadelphia Industrial Development Corporation
Chester County Industrial Development Authority
Altoona Blair County Development Corporation
Erie Regional Chamber and Growth Partnership
Pittsburgh Community Reinvestment Group

Pennsylvania (cont.)

Duane Morris Government Strategies
Clark Hill PLC
Esperanza

Puerto Rico

Puerto Rico Housing and Human Development
Trust Fund

Rhode Island

Rhode Island Infrastructure Bank
Rhode Island Commerce Corporation

South Carolina

South Carolina Jobs-Economic Development
Authority
Beaufort County Black Chamber of Commerce

South Dakota

South Dakota Housing Development Authority

Texas

Gulf Coast Authority
Settegast Heights Redevelopment Corporation
Ingleside Development Corporation
Raza Development Fund
Capital Plus Financial
Community Development Associates, LLC
The Reyna Network, LLC
Hawes Hill & Associates
Lone Star PACE
Cameron Industrial Foundation

Utah

Sevier County Economic Development Department
Uintah Basin Association of Governments
Central Utah Water Conservancy District
Foundry Food Hub

Virginia

Virginia Small Business Financing Authority
Blue Grass Resource Center
Abacus Property Solutions

Virgin Islands

Virgin Islands Public Finance Authority

Washington

Washington Economic Development Finance
Authority
Key Peninsula Community Council

West Virginia

Frost Brown Todd LLC

Wisconsin

Wisconsin Health & Educational Facilities
Authority
City of Milwaukee
Northwest Wisconsin Regional Planning
Commission