

Healthy Communities: Opportunities for CRA Collaboration – Scenarios

Scenario 1 – Housing for the Chronically Ill

- A bank made a \$1MM donation for a housing initiative surrounding three of its local clinics
- The health system has partnered with a nonprofit that uses housing and other strategies to create opportunities for LMI people
- The nonprofit is a qualified CDFI and a long respected affordable housing developer. It intends to work with the bank to fill a pipeline with qualified renters or borrowers
- The goal will be to rehabilitate low-cost/affordable housing around the clinics so that chronically ill patients will have easier access to on-going care

Polling Question – Would this activity qualify as a:

- A. Community development loan
- B. Community development investment
- C. Community development service
- D. All of the above or
- E. Don't know, need more information

Scenario 2 – Urban Farming

- A bank made a \$1.5MM loan to fund a local food distributor's interests to teach the formerly incarcerated about urban farming, basic accounting, and other business skills needed to start farming operations
- The food distributor serves multiple MSAs – within the same state
- The region has a mix of urban and rural centers, but several of the largest cities were designated "food deserts" by the local mayor's caucus
- The region is 25% LMI by geography, but there are pockets where LMI residents comprise 85% of the population
- The warden of the regional correctional facility has committed to reducing recidivism and improving job access for non-violent offenders
- There are no income restrictions to participate, but participants commit to working at an urban farm for at least 12 months as a condition of parole
- This loan is the first of its kind in the state

Polling Question – Would this activity qualify as a:

- A. Community development loan
- B. Community development investment
- C. Community development service
- D. All of the above or
- E. Don't know, need more information

Scenario 3 – Community Clinic and Literacy Center

- A bank lent \$35MM to a children's hospital for a community clinic and literacy center. The center includes a library, a pediatric clinic, an arts and music room, and an indoor/outdoor recreation center
- The hospital will provide some of the construction funds through its charitable foundation. Construction and general operating funds will also come through a city grant program that encourages economic growth, and once built, the center will be operated through the Park District
- The proposed development would be located on the site of now vacant strip mall in a middle-income census tract, but adjacent to several moderate-income census tracts

Polling Question – Would this activity qualify as a:

- F. Community development loan
- G. Community development investment
- H. Community development service
- I. All of the above or
- J. Don't know, need more information

Scenario 4 – Tech Incubator and Hub

- A local community college has borrowed \$10MM for a new tech incubator and hub for entrepreneurship development
- The community college is in a suburban location but is looking to build a new facility on its expanding campus
- The loan will be repaid at market terms over 10 years
- The proposed 30,000 sq² building will include collaboration space, a mock data center, a design studio, a digital coding lab, a shared industrial kitchen for learners
- Applicants who are enrolled in the college will receive priority access to the incubator and hub
- It is anticipated that the incubator and hub can serve 50 students per semester, but it is unclear at what cost

Polling Question – Would this activity qualify as a:

- A. Community development loan
- B. Community development investment
- C. Community development service
- D. All of the above or
- E. Don't know, need more information