

# Healthy Communities: Opportunities for CRA Collaboration

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- **Acronyms/Abbreviations**
  - For your reference, an acronyms and abbreviations slide has been added to the end of the presentation
- **CPE Credits**
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# Purpose Statement and Agenda

After this session, you will be able to:

- I. Understand the Federal Reserve's Community Development function;
- II. Define healthy communities;
- III. Link healthy communities to the CRA; and
- IV. Identify strategies to use in your institution's CRA program

# Federal Reserve Community Development Function

- Mission:
  - To support the Federal Reserve’s economic growth objectives by promoting community and economic development and fair and impartial access to credit
- Areas of focus includes:
  - Affordable housing; community development finance; CRA; fair lending; personal financial education; small business/microenterprise development; workforce development

# Community Development Defined

- Affordable housing for low- and moderate-income (LMI) individuals
- Community services targeted to LMI individuals
- Activities that promote economic development by financing small businesses or small farms
- Activities that revitalize or stabilize LMI areas, designated disaster areas, or underserved or distressed nonmetropolitan middle-income areas

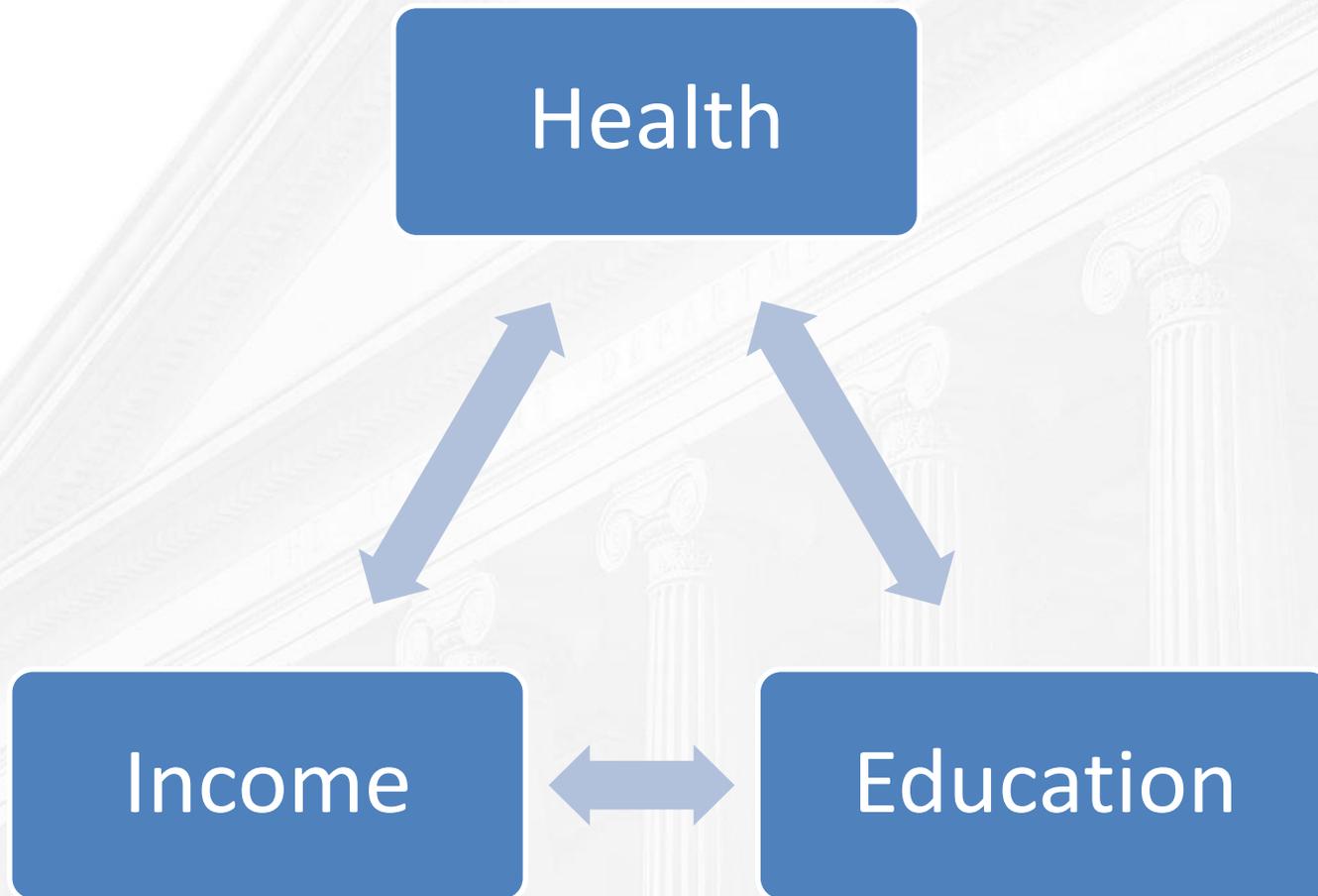
# Healthy Communities Defined

“In the places where we live, many of us are surrounded by essential ingredients in a healthy life, such as adequate housing and public transportation, quality health care, and safe places to exercise and play.

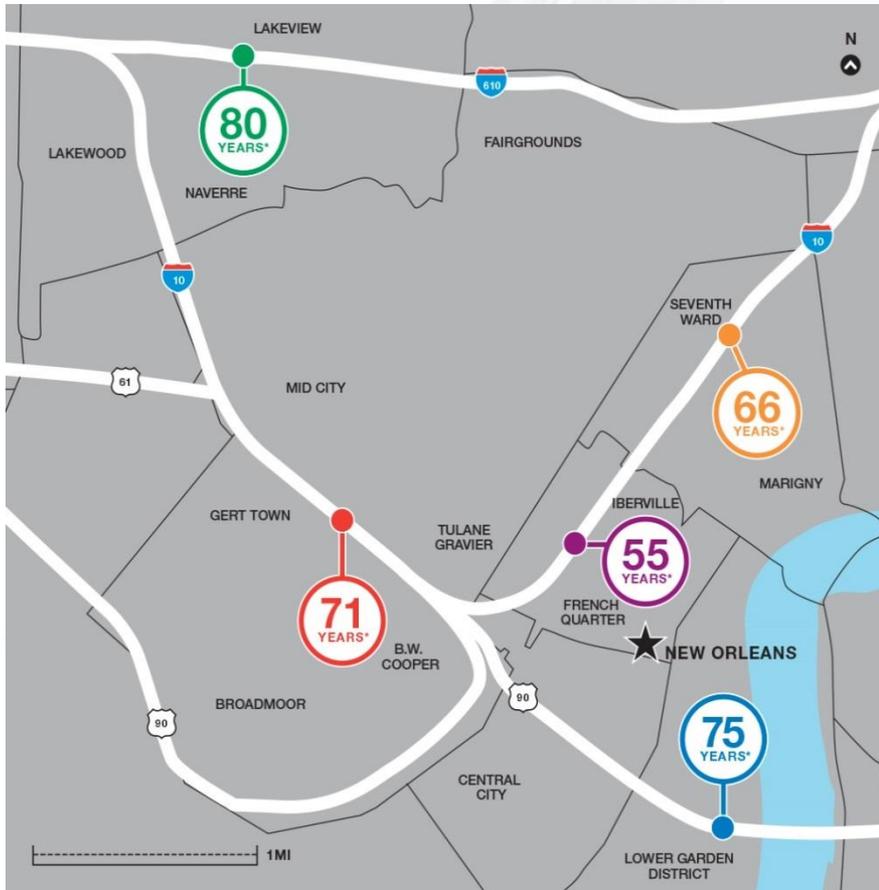
Unfortunately, for many others, these options are either too far away or economically out of reach, creating major obstacles in the pursuit of better health and quality of life.”

SOURCE: Robert Wood Johnson Foundation, August 2017

# Health is an Asset



# Zip Code Matters



“Across America, babies born just a few miles apart have dramatic differences in life expectancy.

To improve health we need to improve people’s opportunities to make healthy choices—in the places where they live, learn, work and play.”

Source:

[Robert Wood Johnson Foundation](https://www.rwjf.org/en/about-us/our-work/health-equity/zip-code-matters.html)

# Healthy Communities Framework

## HEALTHY COMMUNITIES: *A Framework for Meeting CRA Obligations*



# Identifying Opportunities

## Become Familiar with Healthy Communities

### Checklist and Experts

- The components integral to healthy communities are listed in the **Healthy Communities Checklist**, and
- The **Appendix** includes a list of the leading experts, programs, initiatives, organizations and communities that are working in this space

# Healthy Communities Checklist

- Access to Healthy Food
- Access to Medical Care
- Aesthetics: Landscaping, Art, Culture
- Air, Soil and Water Quality
- Building Financial Capacity
- Built Environment
- Early Childhood Development
- Education
- Employment
- Entrepreneurship
- Personal/Public Safety
- Physical Activity
- Public Transportation
- Senior Needs: Accommodation, Care, Services
- Social Networks/Social Environment
- Social Services

# Healthy Community Experts

- Example: Low Income Investment Fund (LIIF)
  - Community Capital
    - Homes, schools, other community services
  - New Markets Tax Credits
    - Charter schools, health care clinics, TODs
  - Grants
    - Child care facility improvements, affordable housing energy efficiency audits
  - Technical Assistance

# Due Diligence & Performance Context

1. Who are the healthy communities initiative's target clientele?
2. What is its goal/objective?
3. What are its biggest successes? How are they measured?
4. What are its biggest challenges? How are they measured?
5. What organization/entities are in the partnership?

# Due Diligence & Performance Context

*(continued)*

6. What are the roles/responsibilities of each partner organization?
7. How is your financial institution helpful to the program/initiative?
8. What does this program/initiative/partnership need to significantly increase its impact, scalability and sustainability?
9. How are you and the other partners addressing these needs?

# Telling Your Story

- Section A: BACKGROUND
  - Your mission and/or purpose
  - Your geographic market(s)
  - Define the CRA
  - Examples of how your financial institution has met your CRA obligations
- Section B: YOUR CURRENT AREA(S) OF FOCUS
  - The healthy communities framework
  - Your community development focus

# Telling Your Story

*(continued)*

- Section C: YOUR PROJECTED IMPACT
  - Financial, social, health impacts
- Section D: YOUR LEADERSHIP ROLE
  - Putting your leadership role in context
  - Your specific leadership role

# Scenarios

- Four scenarios will be presented
- After each scenario is read, you will use your computer to vote on whether the activity qualifies 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
- We will then go over the results and provide an interpretation

# Scenario 1

- 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

# Scenario 2

- 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

# Scenario 3

- 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

# Scenario 4

- 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 sq<sup>2</sup> 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

# CRA Modernization

- The Federal Reserve Board believes the time is right to modernize CRA regulations
- The Federal Reserve Board looks forward to reviewing suggestions that result from the Office of the Comptroller of the Currency's request for public comment
- The Federal Reserve Board expects to work on an interagency basis toward any future rulemaking
- Comments on the [ANPR](#) are due on or before November 19, 2018

# Summary

- Today's community development landscape continues to evolve
- Banks are encouraged to think more broadly about the impact of their loans, investments, and services
- Partnerships between banks, hospitals, community health organizations and others are beginning to form
- Interviews, roundtables, peer groups may be effective strategies in identifying shared challenges and opportunities for collaboration

# Recommended Readings

- [Federal Reserve System's Community Development Work](#)
- [Investing in What Works for America's Communities](#)
- [What Counts: Harnessing Data for America's Communities](#)
- [Build Healthy Places Network](#)
- [Robert Wood Johnson Foundation's Commission to Build a Healthier America](#)
- [Opportunity Finance Network's List of CDFIs](#)

# Acronyms/Abbreviations

- ANPR – Advanced Notice of Proposed Rule Making
- Board – Board of directors
- CD – Community development
- CRA – Community Reinvestment Act
- LMI – Low- and moderate-income
- Q&A – Questions and answers

# Questions

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# Polling Question

After today's Outlook Live webinar, how likely are you to link Healthy Communities to your community and economic development efforts?

- A. Very likely
- B. Somewhat likely
- C. Not now, but I am going to consider it in the future