The Future of CDFIs

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CDFI Appropriations

Community Development Outlays
as a Percentage of GDP, 1978-2018
CDFIs Before and After the Great Recession

“We did not have a loan loss from any CDFI during the Great Recession,” said Dan Letendre, managing director at Bank of America, in Financial Advisor Magazine.
Industry Growth (2004-2013)

• CDFIs increased staff by 23%

• Credit Unions led the way with a 28% increase in staff

Change in Staff, Before/After Great Recession

- Added staff: 66%
- Lost staff: 21%
- No change: 13%
Loan Fund Sources of Capital - 2013

- Depository Institutions: 34%
- Corporation: 14%
- Government: 18%
- GSE: 7%
- Individuals: 12%
- Philanthropy: 6%
- Internal Funds: 8%
- Other: 1%

- Other: 1%
Loan Fund Sources of Capital - (2003-2013)
Loan Fund Sources of Capital (2003-2013)

Regulated Financial Institutions

Philanthropy

CDFI Fund Grants
Purpose of Loans and Investments

- Financing for Commercial Real Estate, 41.80%
- Financing for Commercial Residential Real Estate, 23.40%
- Home Improvement, 18.50%
- Home Purchase, 15.3%
- Business or micro, 15.3%
- Consumer Loans, 1%
Targeting of Low Income Communities

Percent of Originations in Severely Distressed Areas

2004 2013

CDFI Banks lend...
3x more home loans in LMI communities than non-CDFI banks

Development Lending Intensity - HMDA, 2010

CDFI Banks

$54

non-CDFI Banks

$16
Targeting of Low Income Individuals
Loans and Investments to Non-Metro Areas

Rural Reach

- 2004
- 2013

- Businesses
- Individuals
Recession Trends: Industries

Agriculture
Transportation and Warehousing
Wholesale distributors
Automotive

• Office space
• Retail
• Media (newspapers, music production, etc)
Challenges: Gaps in Geographic Coverage
Industry Challenges

Scaling up the industry

Regulatory changes

Capitalization

Diversity
Federal Policy Successes
Disaster Assistance

Most of the area will be uninhabitable for weeks...perhaps longer. At least one half of well constructed homes will have roof and wall failure. All gabled roofs will fail...leaving those homes severely damaged or destroyed.

The majority of industrial buildings will become non functional. Partial to complete wall and roof failure is expected. All wood framed low rising apartment buildings will be destroyed. Concrete block low rise apartments will sustain major damage...including some wall and roof failure.

High rise office and apartment buildings will sway dangerously...a few to the point of total collapse. All windows will blow out.

Airborne debris will be widespread...and may include heavy items such as household appliances and even light vehicles. Sport utility vehicles and light trucks will be moved. The blown debris will create additional destruction. Persons...pets...and livestock exposed to the winds will face certain death if struck.

Power outages will last for weeks...as most power poles will be down and transformers destroyed. Water shortages will make human suffering incredible by modern standards.

The vast majority of native trees will be smashed or uprooted. Only
Major Job Loss Events

Source: Kentucky Department of Energy Development and Independence
Healthy Foods Financing

HFFI: over 2 million square feet of space for grocers, farming, food distribution, and healthy food projects

No Car and No Supermarket Store Within a Mile

SOURCE: Department of Agriculture, Centers for Disease Control
Flint, Michigan

DCI Data for U.S. Zip Codes

Economic Distress Indicators for 48503
Flint, MI

- Population: 25,430
- Density: High
- No High School Degree: 14%
- Housing Vacancy Rate: 19%
- Adults Not Working: 61%
- Poverty Rate: 39%
- Median Income Ratio: 52%
- Change in Employment: -2.2%
- Change in Businesses: -9.6%
- Distress Score: 97.4
- Distress Rank: 692 of 26290