

Support Cooperative and Community-Controlled Finance

Policy Proposal #1

**NYS
COMMUNITY
EQUITY
AGENDA**



Fund Community Development Financial Institutions (CDFIs).

Public investment in mission-driven CDFIs is a sure-fire strategy for building the wealth of New Yorkers and New York communities. By supporting CDFIs, New York will help create good jobs, develop and preserve affordable housing, and promote equitable financial services in low-income communities and communities of color.

This legislative session, New York should allocate at least \$25 million to the NYS CDFI Fund to provide competitively-awarded grants and investments to CDFIs.

What are CDFIs?

CDFIs are community-based financial institutions that serve low-income people and small businesses in economically distressed communities, including neighborhoods that mainstream banks have historically failed to serve. With 82 certified CDFIs serving every county, New York has the second highest concentration of CDFIs in the country.

Why should New York support CDFIs?

CDFIs are a proven model for channeling investments to support working families, small businesses, affordable housing in low-income communities and communities of color not adequately served by mainstream banks. In 2015, New York CDFIs invested more than \$2.5 billion in every county of the state.

Community development credit unions (CDCUs), in particular, help low- and moderate-income families build assets by providing savings vehicles, consumer credit, home mortgages, and financial counseling. And because CDCUs are community-based financial cooperatives, they contribute to neighborhood economic security and preserve money and resources in the communities they serve, especially low-income communities of color and immigrant communities.

Take Action!

In 2007, New York established a CDFI Fund modeled after the federal CDFI Fund—the first state-based CDFI Fund in the country—to date, however, New York has not allocated any funding to the fund.

Sixty-five community, labor, and civil rights groups, and community-based financial institutions from across the state are urging New York to allocate \$25 million to the NYS CDFI Fund in the FY 2020 budget.

New York's CDFIs stand ready to deploy these public dollars where they are most needed—to provide loans and investments that lead to the creation of good jobs, affordable housing, and equitable financial services.

CDFI Fast Facts

- In 2015, New York CDFIs provided \$2.5 billion in financing to more than 100,000 New Yorkers, to support working families, small businesses, and affordable housing.
- CDFIs leverage every public dollar with at least 12 additional dollars from other sources. A \$25 million FY 2020 budget allocation would leverage more than \$300 million in direct lending and services to New York's underserved communities.
- With 82 CDFIs serving every county in the state, New York has the second highest concentration of CDFIs in the country.