REINVESTMENT MASTER PLAN

2001-2003

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EXECUTIVE SUMMARY

The San Diego Reinvestment Master Plan is being proposed to provide a three year plan by which government, private lenders and community non-profit, housing and economic development agencies can maximize the potential of the Community Reinvestment Act for the San Diego region. It is an attempt to strategically anticipate and develop a structured response to economic and legislative changes which have occurred nationally in recent years in the banking industry.

The Master Plan is intended to address a number of credit and capital needs identified by an innovative, comprehensive economic analysis undertaken by the Reinvestment Task Force in 2000. Further, it is an attempt to respond to City and County government policies, which anticipated the need for such a plan.

Structurally, the Plan provides some background about the Reinvestment Task Force, as a quasi- public entity established in 1977. The Plan provides a summary description of national policy changes impacting the Community Reinvestment Act. It also attempts to summarize the impacts of bank closures and mergers in the San Diego region over the past few years.

Finally, the Plan proposes a series of recommended initiatives to unfold over the next three years, centered in cooperative efforts of government, community and federally regulated lenders. The proposed initiatives are:

- Formation of a San Diego based equity capital collaborative.
- Formation of community economic development structures for credit unions.
- Enhanced policy and investment in a stable non-profit housing and economic development infrastructure.
- Expanded home loan mortgage counseling.
- Definition and implementation of a financing structure for mixed-use and vacant single-family lot development in older communities.
- Encouragement of expeditious permit processing and reduced fee structure to encourage affordable housing development.
- Formation of new and expanded capacity for small business technical assistance.
- Expanded investment in locally based small business lending intermediaries.
- Expanded efforts to encourage compliance with fair lending laws and the CRA.
- Increased involvement of other financial institutions in community reinvestment.
- Advocacy for a revised federal community reinvestment act to cover insurance companies, investment firms and credit unions.
- Expanded advocacy against and research related to “predatory” home mortgage lending.
- Modification of existing City and County policies regarding community reinvestment.

REINVESTMENT TASK FORCE

DESCRIPTION

The San Diego City-County Reinvestment Task Force (RTF) was established in 1977 by joint resolution of the San Diego City Council and Board of Supervisors. It was formed as a tri-lateral, quasi-public entity to include elected representatives, lenders, and members of community organizations. By working within the context of City and County policies (900-9 and A-123), the activities of the RTF and the respective policies are in effect local applications of the federal Community Reinvestment Act (CRA) of 1977. These policies specifically address "reinvestment" as it relates to the lending industry on a local level. As a catalyst for economic progress, the RTF serves the population of San Diego County, particularly low-moderate income constituencies and local non-profit housing and economic development organizations.

The RTF has remained a tri-lateral, quasi-public committee functioning under City and County regulations and policies related to such committees. These include compliance with the Brown Act, compliance with conflict of interest codes, and compliance with relevant City and County contracting and bidding guidelines and procedures. The City Housing Commission and the County Department of Housing and Community Development have funded the RTF since 1983.

The RTF is co-chaired by a City Council person and a member of the County Board of Supervisors, designated on an annual basis. Appointments to the RTF are made by the Co-Chairs and include lenders, community housing and economic development agencies, and at - large public members representing other cities and unincorporated areas of the County. Seats exist for fifteen appointed members.

MISSION

The mission of the RTF is to spur private and public financing of affordable housing and economic development in areas suffering from disinvestment. Throughout its twenty years of negotiations, partnership building, and strategy-formation, the RTF has retained two primary goals:

1. To monitor lending practices and policies; and
2. To develop strategies for investment in underserved areas.

It has made an effort to provide factual, consistent, cooperative opportunities for reinvestment by lenders and government. By proactively fostering initiatives, the RTF continues to demonstrate positive long-term impacts that can result in public/private ventures, businesses, and community organizations working in concert.

THREE ACTIVITY CATEGORIES

Fundamentally, the activities of the RTF have involved **1) research, education and monitoring; 2) community reinvestment infrastructure facilitation; 3) lending strategies and commitments**.

Under its ***research, education and monitoring*** function, the RTF has produced a notable and innovative body of research data pertinent to understanding the nature of disinvestment in San Diego. The research has been funded by the City and County, the Federal Department of Housing and Urban Development and contributing banks. Research has been done in conjunction with the San Diego Fair Housing Council, the San Diego Non-Profit Federation, the California Reinvestment Committee, as well as State Universities and the San Diego Association of Governments.

Topics have included analysis of home mortgage lending patterns, fair housing, homeowners insurance, and small business credit and equity capital. The research findings have added significantly to the myriad of policy and strategic initiatives undertaken by the RTF. Research findings have served as the basis for all merger interventions and public testimony.

Efforts by the RTF at ***infrastructure facilitation*** have focused on the support, formation, funding and development of non-profit organizations for the purpose of enhancing the capacity of the San Diego market to utilize bank financing products and systems to access and promote capital markets. These efforts have served to bridge the gap between the lending industry and the community for affordable housing development, small business credit, grant making and new commercial development financing.

A multi million-dollar industry providing products encouraged by the Community Reinvestment Act has been created and is functioning effectively in the San Diego region. The RTF has had a central role in creating and maintaining that infrastructure.

The third area of focus and development for the RTF has been ***lending strategies and commitments***. In 1991, the City Council and later the County Board of Supervisors approved new policies related to the RTF purposes. The policies provided the RTF an opportunity to secure commitments from lenders regarding their proposed CRA lending activities specific to the San Diego region. The documents were developed by the RTF and each lender and then presented to the City Council and the Board for approval.

Each plan calls for annual reporting of performance numbers from each of the participating lenders. Data are presented in the areas of home mortgage and small business lending in low-income communities, lending for affordable housing, community development lending, corporate giving and some categories of consumer lending. In 1999 alone, the lender plans generated $1.3 billion in CRA lending in San Diego County.

ACCOMPLISHMENTS

- ✓ Developed ten agreements with the largest lenders in the San Diego region for specialized implementation of the federal Community Reinvestment Act. The FDIC-Insured institutions had a combined market share of 76% in San Diego County in 1999.
- ✓ Agreements resulted in total dollars loaned for CRA activity of participating FDIC-insured lenders in the San Diego region of $1.324 billion in 1999, a 28% increase ($294 million) over 1998.

Institution	CRA Amount*	% of Deposits
Bank of America	$ 204.53	4%
Washington Mutual	311.74	6%
Wells Fargo	298.51	3%
Union Bank	238.22	8%
CA Bank & Trust	89.52	6%
San Diego National	157.48	16%
California Federal	17.12	2%
Borrego Springs	6.98	18%
Total/Average	**$1,324.09**	**6.68%**

* dollars in millions

- ✓ Produced a ground breaking, regional analysis of the unmet credit needs of the San Diego region.
- ✓ Lead advocate in the formation of Neighborhood National Bank, a new San Diego-based community development financial institution.
- ✓ Published five consecutive research reports on home mortgage lending in the region with primary emphasis on lending in low-income communities.
- ✓ Assisted in the formation and involvement of five community based housing and community economic development organizations.

FUTURE DIRECTION

The RTF functions within an evolving industry and economic environment. Over its history it has adjusted its strategy to accommodate broader socio/economic conditions. The early focus on information and education was appropriate and reflected local and national conditions. When financial industry consolidation began the RTF changed to a strategy of merger intervention and negotiation.

The most recent national changes to influence the RTF's direction were 1) the passage of the Financial Modernization Act of 1999, 2) the disappearance of local banks, and 3) a period of increasingly inaccessible nationwide mega- mergers. The capacity of a local agency to intervene in mergers and effect agreements for local reinvestment may be diminishing. The question arises as to how the RTF can intervene into this new mega-banking environment for the benefit of the local economy. We believe that the proposed master plan will provide new incentives for the financial industry to meet community needs.

INDUSTRY CHANGES IMPACTING LOCAL CONDITIONS

THE COMMUNITY REINVESTMENT ACT AND PROFIT MAKING

The Community Reinvestment Act, during its period of most aggressive enforcement 1993-1998, has produced well performing, profitable new markets for major lending institutions. This period has seen a trend of continuous increases in loan volume for home purchase, refinance and repair in low and moderate-income neighborhoods. According to 1999 research published by the Joint Center for Housing Studies of Harvard University:

"In 1998, the latest year for which data are available, the total amount of mortgage lending by CRA regulated institutions and their affiliates to low and moderate income borrowers and areas stood at $135 billion, up from $75 billion in 1993 – an 80% increase…. Loan originations to LMI (low-moderate income) borrowers and areas covered by CRA-covered institutions and their affiliates have grown more rapidly than originations by these institutions to middle and high income borrowers…….. Mortgage lending to LMI borrowers and areas grew faster than other categories of lending for refinances, as well as home purchase. In fact, CRA covered institutions refinances of mortgages held by LMI owners in LMI communities were up substantially in 1998 over 1993 (60 percent), while their refinances of mortgages owned by higher income borrowers in higher income areas was up only 4 percent."

"CRA covered institutions and their affiliates dramatically increased their mortgage lending to low and moderate-income borrowers and areas"

"CRA covered lenders and their affiliates increased their mortgage lending to low and moderate income borrowers and communities at more than twice the rate of increase to other borrowers."

According to a study in 2000, "The Community Reinvestment Act After Financial Modernization: A Baseline Report" by the U.S. Department of the Treasury, CRA lending has had a financial benefit for lenders. The returns have been profitable. This benefit is from lending for affordable housing development, small business lending and investments covered by CRA. This experience has had a significant impact on efforts throughout the country to revitalize older neighborhoods.

BANK MERGERS

This last decade has seen high numbers of bank mergers throughout the country. The phenomenon has significantly impacted the San Diego market. According to the RTF Credit Needs Assessment:

- ***From 1991 through 1998, there was a 24.5% decline in the number of FDIC insured deposit offices in San Diego County.***
- ***Banking facilities declined from 681 offices in 1991 to 514 offices in 1998.***
- ***Population per office has grown from 3,668 persons per branch in 1991 to 5,437 persons per branch in 1998.***

In the first half of the 1990's, the San Diego market was impacted by changes in federal regulations regarding saving and loans which led to the failure of the two largest lending institutions with combined assets of $30 billion dollars. The closures left the San Diego market with diminished access to credit and a weakened lending. Actions of the Resolution Trust Corporation in selling the assets of the failed institutions further exacerbated a severely deflated housing market.

The closure of bank branches has been largely due to the merging of large institutions where branch duplication resulted (e.g. Wells Fargo/First Interstate Bank, Bank of America/Security Pacific Bank, etc). Other closures have resulted from the acquisition of locally owned banks by larger institutions headquartered elsewhere (Home Savings and Washington Mutual, etc). As of the writing of this plan, nearly all locally owned banks have been acquired by external buyers.

In this ten-year cycle a major role of the RTF has been to develop data regarding the impacts of these mergers and acquisitions and to insert our findings into the regulatory approval process. The objective of the RTF was to attempt to define and create mitigating considerations to protect and sustain the local economy in the face of major bank failures and acquisitions. Encouragement of new bank branches in communities targeted by the CRA has been somewhat successful. In addition, the RTF has pursued a strategy for directing capital into community based housing and small business development activities. The exit of banks has also led to the formation of lending intermediaries.

The bank merger process continues today. Some of the mergers over the last few years have been between very large, national institutions (Bank of America/Nations Bank, Wells Fargo/Norwest). After previous acquiring Bank of Commerce and Peninsula Bank, within the last year US Bancorp purchased Scripps Bank and subsequently merged with First Star. The Citigroup and Associates merger was also recently approved and the purchase by Comerica of Imperial Bank is in the review stage as of the writing of this plan. Additional branch closures may also occur due to increased emphasis on electronic and regional banking structures. Because the Financial Modernization Act extends beyond regulated depository institutions, the next phase of financial industry consolidation will also include insurance companies and investment firms.

FINANCIAL MODERNIZATION AND THE CRA

Perhaps the next most significant impact resulting from change in the national banking environment has been due to enhanced enforcement and definition of the Community Reinvestment Act itself. Between 1977 and 1987 the CRA was an ambiguous, one page, undefined document. With the escalation in mergers and the intervention of agencies across the United States, the regulators, the lenders and the community evolved a fairly sophisticated set of guidelines and standards for what is effective mitigation under the CRA and what is not. This clarification of standards has resulted in a national reinvestment infrastructure that has dramatically impacted the nature of lending in low-income communities.

In spite of the findings cited in this report which indicate that CRA lending is high, the Financial Modernization Act of 1999 (FMA) will have a profound influence on the future scope and impact of the Community Reinvestment Act. The modernization referred to in FMA's title is a provision that rescinds laws adopted during the Great Depression, which established separate legal and regulatory lines between various types of financial institutions. For example, it did not allow the same firm to provide insurance, make loans, and engage in investment banking for the same customer. Those boundaries were rescinded by FMA, which allows banks, insurance companies, and investment firms to consolidate, and allows the same personnel to provide the full range of financial services.

The fundamental nature of tracking, monitoring and interceding in the merger processes established by the Community Reinvestment Act has been significantly modified by the FMA. It has diminished the capacity of local agencies and governments, including the RTF, to impact a merger decision. In addition, it has dramatically affected the concept of a bank branch or a lending officer. The ability to maintain accountability under the CRA is significantly weakened by the FMA.

The corollary impact of the FMA is that nationally the lending industry is consolidating into a small number of national banks, with national product delivery systems, national lending practices and policies and reduced local decision-making authority and management presence. The effect of this consolidation could result in lower levels of service to all San Diego communities, but will have a more significant adverse impact on low and moderate-income communities.

DEVELOPMENT OF THE MASTER PLAN

CREDIT NEEDS ASSESSMENT

The RTF retained the consulting team of Economics Research Associates, Bouton and Associates, and California State University San Marcos' Social and Behavioral Research Institute to prepare a countywide credit-needs assessment (CNA) to evaluate the issues associated with capital availability in the region's low- and moderate-income communities.

The findings from the CNA formed the basis for the consultant team's recommendation and were presented to the City Council and County Board of Supervisors in Spring 2000. The findings and recommendations provided input for the Master Plan.

After reviewing the findings of the CNA, the San Diego City Council directed the RTF to formulate a three-year, regional reinvestment master plan. The County Board of Supervisors authorized County staff to assist in developing a reinvestment master plan work program.

The completion of the CNA provided a broad matrix of data and insight upon which to build a new strategy. This Master plan in intended to provide a proactive but feasible business plan that prioritizes the efforts needed to effectively address disinvestment in the San Diego region. The following Master Plan recommendations constitute the strategy the RTF will pursue over the next three years.

PURPOSE

The development of the Reinvestment Master Plan serves to supplement the merger intervention strategy with a clearly defined and prioritized proactive program appropriate for the dynamic new environment. The scope and magnitude of the proposed plan allows an opportunity for major lenders and other private sector investors to partner with government and the community to effect reinvestment in San Diego's low-income communities.

SUMMARY OF UNMET CREDIT NEEDS

COMMERICAL AND MULTI-FAMILY FINANCING

In 1997 the RTF undertook a comprehensive analysis of ownership and financing of commercial and multi-family properties in a sample urban neighborhood ("Fair Access to Mortgage Credit: San Diego"). The research revealed that CRA-regulated lenders provide slightly more than half of the financing for multi family and commercial sale and construction in older neighborhoods. The remaining sources of credit came from non-regulated lenders including trusts, insurance companies, individuals and an assortment of other financial institutions. Fifty percent market share for regulated lenders is low, compared to home mortgage market share.

> ***"The low incidence of institutional financing for commercial and multifamily properties, including those in low and moderate income areas, is also a result of changes in federal lending regulations that occurred in 1989 and the rapid consolidation of financial institutions. In the 1980's, San Diego had over 30 small banks and savings institutions that were eager to finance smaller properties that received less interest from larger institutions. Furthermore, several large locally headquartered institutions provided such loans regardless of loan size. The 1989 financial reform legislation, among other changes, placed limits on commercial real estate financing by savings institutions and increased the amount of capital allocated to commercial real estate loans, reducing the profitability of such lending. Today, there are no large locally headquartered financial institutions in San Diego and the number of small institutions has fallen dramatically."***

There is a need for an expanded involvement of regulated lenders with commercial and multi-family credit products in distressed communities.

MIXED-USED DEVELOPMENT

Linear commercial strips in the older areas of San Diego, and outlying cities include significant mixed-use development (commercial and residential). Many of those structures are in disrepair. Most are on transportation corridors. Existing public policy encourages new development on transportation corridors. Mixed-use offers a tested model for both commercial revitalization and achieving the goal of housing development along transportation corridors.

Traditional larger lenders tend not to have credit granting systems in place that allow timely processing of mixed-use lending. The limited amount of mixed-use lending comes from smaller banks and includes a variety of supplemental loan sources.

SMALL BUSINESS CREDIT NEEDS

According to the CNA, there is an identified unmet credit need of $90 million for small business in low and moderate-income communities of the County. This need is identified for small businesses with less than $1 million in annual receipts and with fewer than 11 employees. The range of need is generally less than $100,000 and is primarily for expansion verses maintenance of the business.

Lending for expansion has significant economic potential for creating employment opportunities. Potential exists for strengthening the overall economy and bringing low and moderate-income communities into the economically productive mainstream of the regional economy.

Traditional sources of equity capital tend not to be available to businesses of the type, size and location of most businesses currently within central city communities of San Diego. Traditional sources of equity capital tend to be oriented to new business development, which tend to be in suburban areas.

- ***Low and moderate-income defined census tracts, combined, have more businesses per tract than middle and high income defined tracts. LMI tracts receive 22.7 loans per 100 businesses while middle and high-defined tracts receive 33.7 loans per 100 businesses.***
- ***Low income defined tracts received $1,237,000 per 100 businesses while high income defined tracts received $2,470,000 per 100 businesses in 1998.***
- ***It is estimated that there may be as much as $90 million in annual small business loan potential unmet in low-moderate income tracts.***
- ***The number of medium size tracts with 11-50 employees was the most important variable in predicting loan volume by geographic area.***

AFFORDABLE HOUSING

Affordable housing refers to below market for sale or rental housing products specifically set aside for those segments of the population who spend more than 35% of their income for housing and whose income restricts them in the open market. According to the County of San Diego Housing Element for 1999-2004, citing statistics from the U.S. Department of Housing and Urban Development:

> ***"…in 1990, 66 percent of households earning 80 percent or less of area median income were paying over 30 percent of their household income for housing, and that 34 percent were paying over 50 percent of their household income for housing".***

In other words, most poor people were being priced out of the housing market and are in need of new housing in order to survive in the current San Diego economy.

If the need is there and it is the task of the non-profit sector to produce the necessary supply of units, under what circumstances do they work and what is their potential to meet this challenge?

All affordable housing depends upon government based or induced incentives to breach the affordability gap (i.e., equity). The sources of equity are government funds (i.e. City Housing Trust Fund, federal funds administered by County Department of Housing and Community Development, California Housing and Community Development Dept., state tax credits, federal tax credits, and Community Development Block Grants). Some equity capital can be accessed from such intermediaries as the Local Initiatives Support Corporation or the California Equity Fund. It is difficult for projects to be built without one or more of these sources of equity or "affordability" funds. According to the CNA, the lack of availability of these funds significantly reduces production of affordable units.

In recent years, private sources, increasingly banks and organized loan pools, are making construction funds available. Since the new CRA enforcement by bank regulators and increased local diligence to bank lending practices, banks have dramatically increased construction financing for the development of affordable housing (banks involved in lending agreements with the City and County of San Diego provided more than $1 billion for affordable housing in San Diego between 1993 and 1999). There is a direct correlation between the volume of government money made available for equity funding for housing and the level of lending by private banks.

HOME OWNERSHIP

In spite of increases in home ownership nationally, there has not been a similar increase in San Diego. According to HUD studies:

> ***"Among metropolitan areas with at least 10,000 originations to LMI borrowers and areas in 1998, Nashville (9 percentage points), Houston (8 percentage points) and Memphis (8 percentage points) had the largest gains in origination share. Phoenix (-4%), Orange County (-4%) and San Diego (-5%) had the largest drops***."

One possible reason is that the San Diego housing market has seen steady increases in value at the same time that the average income level, particularly for those earning incomes under the 100% Medium Annual Income (MAI), has remained the same or fallen. The Center for Policy Initiatives, in research on this issue, confirmed that wages for those at the lowest level are remaining relatively static and increasingly disproportionate to the overall cost of housing. As the cost of housing increases and wages remain the same, opportunities for new homebuyers decrease.

According to the Economic Research Bureau of the San Diego Regional Chamber of Commerce, the median price of a home in San Diego is about $230,000 and only 23% of the population can afford an average priced home (compared to 17% in San Francisco and 35% in Los Angeles). The Chamber also states that San Diego ranks 42nd among metropolitan areas in average pay scale at $32,221 (based on most recent data).

This situation diminishes the number of housing units and the potential number of borrowers who fall within the range of the CRA (i.e., under 100% MAI). Therefore, there is an overall decline in the total number of units purchased in lower income communities in San Diego. The issue is what can be done to modify this situation.

REINVESTMENT POLICY STATEMENT

The federal Community Reinvestment Act (CRA) and its companion Home Mortgage Disclosure Act (HMDA) were passed into law in 1977-1978. The CRA was created to respond to the fact that some communities that were ethnically concentrated or had aging infrastructure were being overlooked by private capital sources. This absence of private capital was enough to cause the serious deterioration of neighborhoods throughout the country. The lack of economic interest was caused by a variety of assumptions about the borrowers in those communities and the potential for economic return.

A report issue by the United States Department of the Treasury, April, 2000 – "The Community Reinvestment Act After Financial Modernization: A Baseline Report," concludes that, in fact, CRA lending over the past ten years, across the U.S., has proven to be profitable for banks. With the wearing down of old assumptions, the experience of lenders and government is that the CRA works.

The San Diego Reinvestment Task Force (RTF) has provided a national model for how the CRA can be applied cooperatively on a local level. It has shown as well that at various times, concurrent with the evolving nature of the national financial markets, local strategies must also change and adapt. Significant reinvestment has occurred in San Diego, due in part to the efforts of the RTF. In order to mirror the changes that have occurred due to mergers, the loss of local lending institutions, and the ongoing, persistent need for affordable housing and small business financing, a new strategy is needed to capitalize on the CRA. Such a strategy must be built upon the partnership of government, community and lenders if it is to succeed. The potential scale of private sector reinvestment is vastly greater than the capacity of government alone. Revitalization, as opposed to redevelopment, provides an alternative model for community improvement, which is driven by market forces. It can achieve a scale which cannot be duplicated by the public sector.

The development of a reinvestment master plan recognizes that 1) large scale capital flows must be profitable; 2) private reinvestment gaps require new structures of increasing sophistication targeted with precision; 3) successful reinvestment efforts are most likely to occur and be effective when they involve a partnership and a common, practical strategy. The proposed Reinvestment Master Plan for the San Diego region is intended as an action plan identifying mechanisms which can and should be established to make reinvestment on an expanded scale possible in the San Diego region.

RECOMMENDED REINVESTMENT INITIATIVES

The Credit Needs Assessment identified two major unmet capital needs in the San Diego region: small business credit (fewer than eleven employees) and equity capital for emerging small businesses and affordable housing. An additional need for expanded policy initiatives on the part of the RTF emerges from the changes in the Community Reinvestment Act and the changing character of the lending industry.

The recommendations in this section attempt to address these deficiencies by establishing new capital resources (equity fund), strengthening existing non-profit capital intermediaries and focusing on new policy initiatives.

CAPITAL FORMATION

San Diego Capital Collaborative: Equity Capital Initiative

Need: Start-up and growth equity capital for business and affordable housing development in low and moderate-income communities.
Action: To organize a San Diego based equity capital collaborative that provides reinvestment opportunity and structure for the private sector.

Description: The proposed family of funds consists of separately managed funds under an umbrella administration and would include an 1) *Equity/Venture Capital Fund* targeting small businesses in low-income communities; 2) *Mezzanine Fund* for small business loans between micro level and major bank funding levels (e.g. \$100,000 to \$750,000); 3*) Smart Growth Real Estate Development Fund* for equity capital for affordable housing and commercial, industrial and mixed-use projects and; 4*)* an *Environmental Redevelopment Fund* for Brownfields (toxic site) environmental clean-up financing.

Funding Strategy: Funding for the Capital Collaborative is primarily investment funding from banks, investment firms, foundations (program related investments), insurance companies, possibly some government funding, as well as fee collection, investment returns and other earned income. The long-term maintenance of the Collaborative will come from earned income of the fund. However, initially, the development and pre-launch of the Collaborative will need to be paid from grants from the participants. This initial funding will be the responsibility of the RTF to raise and to manage through a non-profit associate. The costs identified are based on experience of similar efforts currently underway in Los Angeles and San Francisco. The RTF has investigated and discussed a San Diego model with organizations currently implementing the funds in the other cities.

Based on initial quotes, it is anticipated that this start-up funding could be between \$300,000 and \$600,000 to hire consultants, attorneys and researchers responsible for doing feasibility research and to establish the organizational framework for the Collaborative. It is possible that revenues from the Collaborative, when established, will be able to repay this initial grant. Public grant funding ($100,000) will initially be pursued by the RTF. Effort will be made to pursue funding from local agencies as well as state and federal sources. Sources may include community development block grants, TOT, or tax increment financing, etc. It is anticipated that initial public sector commitment will lead to bank commitments.

The final design of the collaborative will depend on the feasibility analysis and the involvement of key partners. The RTF will not manage the fund, but will play a key role in establishing the fund structure.

Funding sources: Banks, insurance companies, investment firms, state pension funds (PERS, SERS) and foundation, program related investments - $60 million; $600,000 from public funding, private foundations, and financial industry commitments.

Credit Union Reinvestment Initiative

Need: Increased availability of home mortgage and small business credit to underserved populations.
Need: To expand the range of private sector involvement in community reinvestment opportunities.
Action: To encourage the development of community reinvestment plans and the investment of capital for community reinvestment by San Diego based credit unions.

Description: Credit Unions do not currently fall under the standards of the federal Community Reinvestment Act. They have established a credible record as lenders in low and moderate-income communities as confirmed by Home Mortgage Disclosure data (HMDA). They make home loans for purchase, refinance and rehabilitation and their loan distribution includes low-income areas on a level equal to most regulated lenders. Though local credit unions do not come under CRA regulation, there is an expressed interest in developing some capacity to participate in affordable housing development as well as community development lending efforts. In San Diego some lending for community development is being pursued by Mission Federal and North Island credit unions.

New national policies developed by the National Credit Union Administration (NCUA) strongly encourage community development initiatives by local credit unions. The NCUA policy encourages community credit unions to develop "community action plans" for low-income communities that they serve. The NCUA also has established grants for the formation of new "low-income credit unions"

A key opportunity for new local initiates is currently available. The RTF will work to facilitate the development of local reinvestment plans and programs with credit unions. In addition, the RTF will work with credit unions in the formation of community reinvestment structures and programs.

Funding strategy: Funding for this initiative will come primarily from the network of credit unions in San Diego interested in becoming involved in creating lending capacity for affordable housing and economic development lending.

Funding Sources: Existing credit union lending and investments - $3 million; $100,000 in grants by credit unions.

AFFORDABLE HOUSING DEVELOPMENT

Lenders in San Diego County are generally supportive of affordable housing development and construction financing for affordable housing projects is available. Major constraints to financing affordable housing identified in the CNA were:

1. The economic disincentives to build low and moderate-income housing.
2. Limited public financing assistance for low and moderate-income housing development, specifically bridge loans, silent seconds, and seed capital for non-profit developers.
3. Insufficient support and technical training of community-based development corporations (CDCs).
4. Inadequate coordination among community planning efforts, impact fee schedules, and the economics of affordable housing development.
5. Limited commitment to effective home loan counseling programs.
6. The impacts of bank mergers.

Non-Profit Capacity Building

Need: To expand the potential to access public and private capital for affordable housing and economic development in the San Diego region.
Action: Implement policies and funding opportunities to increase the capacity of non-profit organizations involved in affordable housing and economic development.

Description: Over the past ten years non-profit agencies have developed the bulk of all new affordable housing in the San Diego region, particularly for low and very low income residents. This emerging industry has developed over $150 million in new affordable housing as well as a significant amount of revitalized housing stock. They are an essential intermediary between local government, private lenders and various federal funding agencies. They leverage local government funding for housing and economic development at a ratio of at least five to one with private capital.

The development of affordable housing in neighborhoods at one point or another must involve local residents. Community based non-profits involve residents in the actual development and ownership of affordable housing. This strategy is beneficial for the development of new units as well as the long-term enhancement of the neighborhoods, which must absorb the housing. By utilizing community based non-profits, neighborhoods benefit when new affordable housing is created. Likewise, the use of non-profits for the development and support of small business development offers great potential. The increased support of a community based economic development system by the City, County and by private funders will create a network of sustainable, community supported service providers that are sensitive to community need and development. Encouragement of City and County policies to earmark more funding for the support and enhancement of community-based non-profits will be promoted by the RTF. This strategy benefits and utilizes the resources and needs of local residents. The strengthening of this development capacity within non-profit organizations can yield long-term economic benefit to low-income neighborhoods.

***Funding Strategy*:** This initiative calls for an increased effort by local government to encourage incentives and reduce constraints for community-based non-profits to do housing and economic development. These incentives may range from funding policies to administrative guidelines. City and County government have provided funding for non-profit affordable housing development in the past. The RTF encourages continuation and expansion of this priority. Economic incentives and a reduction of constraints can be assigned from a number of sources, which may include administrative guidelines (e.g. decreased development fees or increased residual receipts on housing projects). Or it may include expansion of the Housing Trust Fund and its use for capacity building. But fundamentally, if there were greater public commitment to providing greater access to equity capital, the capacity of non-profits would expand exponentially. That commitment may also include increased advocacy for state and federal levels for fair share of established funds (e.g. tax credits).

***Funding Source*:** $5 million in increased incentives and funding and $50,000 in private foundation funding for research.

Home Ownership Counseling Initiative

Need: To expand the opportunities for home ownership in low and moderate-income communities and among multi-lingual ethnic populations.
Action: Encourage increased funding of the Neighborhood Home Loan Counseling Services and enhance their linkage to mortgage lenders in the San Diego region.

***Description*:** The basic element to community reinvestment is home ownership, especially in older or lower income communities throughout the region. The encouragement of homeownership lending by major mortgage lenders is essential to healthy communities and positive implementation of the Community Reinvestment Act. An identified cause for reduced lending is the lack of awareness of potential borrowers about the terms and conditions and procedures for securing home loans. Increased levels of homeownership can be achieved through comprehensive and expanded homeownership counseling.

This effort will focus on the expansion of this service and will stress the expansion of existing home loan counseling efforts by non-profits, particularly the San Diego Home Loan Counseling Services. This organization has been organized by the RTF for purposes of assisting lenders in complying with the guidelines of the Community Reinvestment Act. Clearly identified systems for referral by lenders and return to the credit market of clients should be encouraged and endorsed by the RTF.

***Funding Strategy*:** The $400,000 amount is fully grant money for key home loan counseling functions. This model has proven to be a productive resource of CRA related home loans in low and moderate-income communities. San Diego Home Loan Counseling has existed since the early formation of the RTF (1978) and has proven itself as a valuable element in the CRA context. In light of the increased competition for CRA type loans and the need to expand the pool of eligible borrowers it is time to "balloon" this industry. It is anticipated that a three-year increased commitment for this service will exponentially expand the capacity of this agency (SD Home Loan Counseling). This agency is singled out since it is currently funded largely by the banks and it, in turn, returns customers to the banks.

Funding Sources: Public/private grant funding (HUD, City CDBG, lender) for expansion of existing services - $400,000.

Mixed-Use and Single Family Lot Development

Need: To encourage smart growth strategies which are sensitive to the existing character of older neighborhoods.
Need: To facilitate the development of affordable housing and small businesses.
Action: To analyze the market potential for lending programs which facilitate mixed-use development and to define programs which encourage vacant lot development in low-income communities.

Description: Smart growth strategies need to consider the development potential of under developed and vacant single family or multi-family zoned lots in most San Diego low-income communities. This effort involves the development of financing resources both in the proposed smart growth equity fund and in the current lending market (banks, thrifts, insurance companies, etc.) It involves extensive research and verification of the potential market volume for single-family lot development.

Mixed-use development (housing and commercial) on existing linear commercial streets in older areas of San Diego has potential as an interim “smart growth” strategy. Some recent projects have proven successful in the market place. Others are not performing as anticipated. Strategic placement, design and financing are unclear. Nevertheless, this concept has potential to provide affordable housing along existing travel corridors, and to encourage small business development. The task is to develop “profit models” to encourage lending by larger banks on a scale that makes a difference. This involves basic market and financing analysis that can by done by the RTF, consultants, and interested parties (i.e. lenders, developers).

Once a “profit-model” emerges the goal would be to work with lenders to develop standardized credit products.

Finally, the RTF would encourage modification of existing permit procedures and fee schedules of local government.

***Funding Strategy*:** This initiative is primarily dependent upon the formation of financing instruments by institutional lenders. An understanding of the possible scale, need, terms and a general “profit model” for these initiatives is necessary. This initial research may be grant funded and will most likely be done through solicitation by the RTF of funding from eventual credit recipients. It is anticipated that the research may cost about $100,000. Once the research confirms the assumptions of the RTF about the eventual profitability of these initiatives it will be the responsibility of the RTF to advocate in the market place for the establishment of appropriate product among regulated lenders and possible intermediaries. Some preliminary work has been initiated through a RTF contract with the Casey Foundation. This initiative is a intended to support and assist in the implementation of “smart growth” strategies of the City and County.

***Funding Sources*:** Public and private sector grants for research - $200,000; loan products from private lending sources - $6 million.

Public Processing for New Development

Need: To enhance the potential for development of affordable housing in the region.
Action: To encourage the City(s) to reduce fees and expedite permit processing.

Description: Costs for the development of affordable housing have increased. Access to build able land has diminished according to research done by SANDAG. Building Industry Association policy states that the cost of development and resulting costs of home ownership are increased due to development fees and time delays. Anecdotal evidence has identified a cumbersome and delayed City permit process for mixed-use development as a hindrance to construction opportunity for the product.

Opportunity for the development of affordable housing, homeownership opportunity and private sector financing can be improved if development fees, faster permit processing, and enhanced processing for mixed-use are implemented. The reduction of these barriers can serve to increase reinvestment, especially in older areas of the City.

Funding Strategy: Existing City resources.

SMALL BUSINESS DEVELOPMENT INITIATIVES

The primary issues raised by participants in the CNA associated with small business development in low-income communities are as follows:

- The need for high quality, more appropriate technical assistance
- Better networks and communication between groups involved in small business services
- The difficulty of outreach and marketing to small businesses in low- income communities
- Gaps in financial support versus capital needs

Addressing these needs requires a coordinated technical assistance network with a built in evaluation system and increased capacity of the providers to focus on the key issues. The pieces are in place, but need to be organized and capitalized. The RTF has previously convened a broad range of San Diego based technical assistance providers to analyze the quality and quantity of existing TA in the region. In addition, the sub-committee prepared a business plan that modeled a new system for TA. Some banks (Wells Fargo) have committed funds for new TA efforts. There is a need for the RTF to advocate for the funding in the San Diego system.

Small Business Technical Assistance

Need: Increase access to private growth capital for small businesses in the San Diego region.
Action: To enhance access to small business technical assistance and facilitate linkages between small business lenders and small businesses with expanded capability.

Description: One of the major findings of the small business credit needs assessment studies that the RTF has undertaken is that small businesses, consistently express a need for technical assistance services to grow their businesses. There is currently a functioning network of small business technical assistance providers in the San Diego region. According to recent research what is lacking is a centralized intake and screening process which will allow lenders to make expedited referrals and insure that the assisted borrowers will be returned loan ready. The effort of the RTF will be to encourage the development and funding of such a system. The long-term involvement of the RTF will be to monitor the emergence and success of the effort through the maintenance of the

Advisory Board, which developed it. The outcome will be increased lending to small business as well as an ongoing increase in the capacity of small business to expand and grow based on increased skills and resources.

Funding Strategy: This three year goal is grant funding for a non RTF administered agency responsible for carrying out the concept for technical assistance formulated by the Small Business Technical Assistance Advisory Committee. This will not be a RTF function but will be encouraged by the RTF. It is expected that the business plan will be implemented by existing or to be established agencies and funded primarily by banks as a part of the Federal Reserve Bank initiative. The funding is grant funding and if implemented in accordance with the "business plan" should be self-sufficient within the three-year period. This function, as with home loan counseling, is intended to generate new business for traditional lenders and as such should be funded by the industry that will eventually benefit. Additional funding may come from the City Enterprise Zone fund.

***Funding Sources*:** Public and private grants (i.e., Wells Fargo Bank, Bank of America, Union Bank, New Markets Initiative, etc.) - $200,000.

Enhanced Capital to Small Business Lending Intermediaries

Need: To provide capital to small businesses not currently being served by the larger financial institutions.
Action: To work with established small business lending intermediaries to expand the capital available for lending to underserved populations.

Description: Over the first segment of the RTF history a number of small business lending intermediaries (ACCION, Bankers CDC), have emerged whose focus is funding of small business who tend to fall outside the typical bank loan model or who appear to represent increased risk. These intermediaries depend significantly on investments and grants from government and from participating lenders (both local and national). Consistent with the RTF general goal of capital enhancement of the existing reinvestment infrastructure, there would be an expanded effort to encourage expanded investment by government, banks and other financially oriented agencies (i.e., insurance companies, securities firms and credit unions) in these intermediaries. The expansion assumes the need for increased capital for lending as well as staffing.

***Funding Strategy*:** Over the past five years a number of basic, small business lending intermediaries have emerged, funded largely by banks involved in CRA related activities. These intermediaries include, ACCION Intl', Bankers Small Business Community Development Corporation, the Mid-City Lending Initiative, EMTEK, the SEDC Small Business Loan Fund, and various incubator related loan pools. The focus of this initiative is to increase the volume of investment and grant making to these existing and proven small business lending intermediaries by $3 Million dollars. The investment would come from regulated institutions, public funds, insurance companies and possibly investment firms. The funding would be in the form of investments as well as participation loans and would not necessarily include (but not preclude) forgivable grants.

Funding Sources: Public/private grants and investments - $1 million.

POLICY ISSUES

Research, policy formation and advocacy, based reliable on research, have been key elements of the success of the RTF. Data and facts provide the basis for policy formation. These functions are vital to the sound implementation of a three-year Reinvestment Master Plan. These efforts should be directed at CRA issues, but should also be expanded to review the characteristics and potential of insurance companies, investment firms, and non-regulated home mortgage lenders and credit unions. New research and local, state, and federal policy can be useful in expanding the benefits experienced with CRA.

Expanded Efforts to Encourage Compliance with Fair Lending and the CRA

Need: The passage of the Financial Modernization Act has diminished local government capacity to encourage reinvestment through the bank merger process. ***Action:*** To implement supplemental research activities to assess lending practices and impacts of mergers on the local economy, particularity low-income communities.

Description: The RTF has had primary responsibility for managing and analyzing annual lender reports on their lending activity as required by the Home Mortgage Disclosure Act. These data provide a geographical and ethnic description of each lenders activity in the local market. The data are reported by both CRA regulated banks as well as mortgage companies and credit unions.

This body of objective data is the most factual method for drawing conclusions about fair lending and geographical distribution of lending and is essential to forming objective opinions about the merits of bank mergers. Furthermore it serves to objectively identify those institutions who may need supplemental programming to achieve community impact and benefit. The RTF has relied universally on this data analysis and resource to provide direction and assist in decision making regarding bank branches, home loans, etc. The continued diligent assessment and use of this data as a tool to encourage reinvestment is crucial to the value of the RTF.

Funding Strategy**:** Over the last ten years the RTF has established a fairly solid record of doing quality research and analysis of lending data. The data have been the primary tool of intervention and dialogue with lenders. It has served to provide direction in negotiations about bank branches, loan products and increased focus on minority and economically depressed communities. In addition, the RTF has made assessments of business lending, affordable housing and insurance company practices. This research should continue and efforts to solicit grant funding for various strategic analyses are necessary because the problem is complex and changes. Ongoing research maintains awareness of the state of the problem. Funding will come from foundations, government (HUD) and private sources (banks) as these have been the past sources. In many cases these data are beneficial for governmental agencies in establishing policy and for lenders in assessing new markets and allocating resources.

***Funding Sources*:** Research grants from private and public sources - $700,000. Possible sources include HUD & private foundations, and special project funding.

Increased Involvement of Other Financial Institutions in Community Reinvestment

Need: Bank mergers and the dislocation of locally owned banks have reduced access to investment capital for local organizations.
Action: To increase outreach and solicitation for investment capital from financial institutions with an increasing role in the credit granting market such as investment firms, insurance companies and credit unions.

Description: The mortgage market has been a market in transition. The majority of home loan products are originated by mortgage companies rather than banks. Savings and loans are all but absent from the market. Insurance companies, trusts, and other non-regulated lenders dominate the commercial construction credit market. Credit unions have expanded their market presence and their product lines to become competitors with banks on home loans and consumer loans. The Financial Modernization Act has allowed traditional boundaries between financial service providers to blur.

A strategy to develop linkages with these non-traditional lenders is necessary if fair lending is to be accomplished. This may take the form of recruiting statewide pooled fund involvement (IMPACT FUND, COIN). Or, it may require interventions in the licensing of new banks by insurance companies. Additionally, consideration to involve the City and County Pension Funds and/or Treasurers Office in the recruitment of increased involvement of the other financial services companies should be encouraged.

***Funding Stratgegy*:** Funding for this initiative would occur through non-regulated financial institutions. In most cases the financial organizations lack structural capacity to absorb community reinvestment financing requests. Through various means, the benefit of developing internal capacity to fund reinvestment can be promoted by the partners of the RTF. The strategy is to encourage mechanisms for reinvestment by non-traditional lenders. However, these new lenders are not subject to the CRA. The focus of this effort by the RTF is to implement an outreach strategy to link to these entities and enlist their involvement in the Master Plan functions. This will be done with existing RTF staff and sub-committees of the RTF.

Funding Sources: Banks, investment firms, insurance companies, public pension funds in loans, grants and investments, such as the State Treasurers, "Double Bottom Line Initiative" and the Federal New Markets Initiative - $30 Million.

New Federal Community Reinvestment Act

Need: The Financial Modernization Act and new guidelines related to the capacity of local organizations to impact national bank mergers has weakened the potential for community reinvestment act enforcement.
Action: To assist in the development and advocate for the passage of the modified and enhanced Community Reinvestment Act at a national level.

Description: H.R. 4893 (Barrett) has recently been introduced in Congress and referred to the Committee on Banking and Financial Services and the Committee on Commerce. It is designed to "enhance the availability of capital and credit for all citizens and communities, to ensure that community reinvestment keeps pace as banks, securities firms, and other financial service providers become affiliates as a result of the enactment of the Gramm-Leach-Bliley Act, and for other purposes. One of the co-sponsors of the bill is Rep Filner from San Diego. The focus of the RTF activity would be to enlist City and County lobbying efforts and to participate in educating and informing community organizations within the region. Every effort would be made to support statewide and national efforts to secure consideration of this enhanced Community Reinvestment Act.

***Funding Strategy*:** This, also, is a current RTF funded initiative and is based upon advocacy efforts at the federal level. The RTF will hopefully work with the City and County legislative offices as well as existing national advocacy groups. It will be implemented with the current staffing of the RTF.

***Funding Sources*:** Existing RTF funding and City and County legislative services.

Predatory Lending

Need: National research and court cases have identified a tendency for some home mortgage lenders to charge higher fees and interest for credit among low-income and minority borrowers.
Action: To implement necessary research, investigation and collaborative efforts with state and national groups to reduce the potential for predatory home mortgage lending in San Diego.

Description: National and statewide analysis has shown that sub-prime lending and so-called "predatory lending" may exist in this region. This practice involves lending to vulnerable segments of the population at high interest rates, high fee levels and escalated terms of repayment. Research by HUD indicates that this is a widespread practice and efforts have been initiated to identify offenders and rectify the practices. In most cases this is a phenomenon outside the regulated banking industry and is more rampant among mortgage lenders and independent brokers. The focus of the RTF on this matter is research, investigation and collaboration with local Fair Housing agencies as well as other initiatives underway statewide and nationally.

***Funding Strategy*:** This is an advocacy activity on the local, state and federal levels of the RTF and as such will be implemented as part of the on-going staffing. The RTF is currently funded by the County Department of Housing and Community Development and the San Diego Housing Commission (City). Current funding is at $100,000. It is anticipated that with the Master Plan the necessary basic budget of the RTF will be increased to $180,000 per year. Supplemental funding will be solicited from private foundations, research related projects, City and County Economic Development, Community Development Block grant, fees for service, and possibly participation from other local cities within the County. This expanded funding will be used to fund a second full time staff position and be used to fund this program

***Funding Sources*:** Existing RTF grant funding and time commitment from City and County legislative services, possible HUD funding.

IMPLEMENTATION PLAN

RTF ROLE

Recommendations proposed in the Master Plan can essentially be implemented under the current structure of the RTF. This structure effectively coordinates the needs and interests of the community, government, and private lenders. The initiatives are separated into three sections corresponding to the CNA: 1) access to capital, 2) affordable housing, and 3) small business development. Specific needs and suggested actions identified in the CNA are stated in each of the initiatives. The fourth section of initiatives is policy issues. These are issues that are linked to capital access.

The role of the RTF and its membership will be to solicit extensive involvement of key organizations in the Master Plan initiatives. The RTF will also serve as a catalyst for the implementation of the plan, updating and revising estimates, educating and encouraging funding sources, and providing accountability for the implementation of each initiative.

This role will not preclude the possibility of doing additional research and using that research to intervene or comment on mergers. Instead it will formalize the priorities of the RTF and provide initiatives that the expanded/deregulated financial services industry may participate in. The continued RTF partnership between government, community, and financial institutions will be crucial to the success of the Plan.

FUNDING STRUCTURE

Each programmatic component of the Plan will be separately funded and administered. Investments will be made directly to the organization that manages each initiative. It is likely that the RTF will in some cases need to pursue funding from non-governmental sources for initial feasibility research. The Non-Profit Federation for Housing and Community Development will receive them as a RTF fiscal agent. Selection of any contractors for research and feasibility will occur under guidelines established by the RTF oversight structure (i.e. City Housing Commission and County Housing and Community Development).

MONITORING OF THE PLAN

The RTF Co-Chairs appoint a 15-member sub-committee consisting of housing and community development practitioners who work with lenders to form mutually acceptable reinvestment strategies for the San Diego area. The sub-committee has developed ten San Diego specific lending agreements as a result of negotiations with the lenders.

The RTF annually requests data from these lenders regarding their level of activity under specified lending categories. Over a two-month period, the lenders meet with sub-committee members of the RTF and review progress under their plans and hold general discussions regarding possible new initiatives. The data provided by the lenders is collected by the RTF and analyzed to assess progress or opportunity for future activities. The RTF summarizes the data and presents it to the City Council and County Board of Supervisors for their approval.

The level of commitment and the contributions of each of the institutions to recommendations of the Reinvestment Master Plan will also be monitored at these meetings. The annual report to the City and County will include this information.

CITY AND COUNTY POLICY MODIFICATIONS

NEW CITY AND COUNTY POLICY

The RTF was established by virtue of a joint City/County resolution approved in 1977. Furthermore, by precedent it has acted to implement existing City and County reinvestment polices (900-09 and A-1123) calling for the formation of lender reinvestments. The directive of the Council and Board has been assumed by the RTF in collaboration with the City Housing Commission, Office of Community Development, and County Housing and Community Development.

The responsibility and authorization of the RTF to negotiate and develop lender agreements has also been incorporated in the current contractual relationship between the RTF, the City and the County. Consideration should be given to incorporating this assigned responsibility into current policies. Further, the RTF has annually provided the City and County with progress reports based on data provided by the lenders with approved reinvestment plans. This performance report can serve as useful information in local governments evaluation of banking services contracts.

An existing City and County policy* should be modified to specifically adopt and authorize the RTF to implement the recommendations of the Reinvestment Master Plan and enlists the appropriate City and County departments to assist, support, and, when possible, provide available funding for the effort.

Consideration should be given to modifying existing City and County reinvestment policy* to encourage involvement in investment firms, insurance companies, mortgage lenders, and credit unions in community reinvestment efforts.

Finally, existing policy should be modified to encourage City and County departments entering contracts with regulated lenders to check for the existence of a San Diego specific reinvestment plan and to consider the banks performance under that plan in the bid selection plan.*

* see attachment 1

FUNDING AND IMPLEMENTATION TIMELINE

Proposed Project	Investments			Lending			Grants - Public			Grants - Private			Total
Access to Capital	01	02	03	01	02	03	01	02	03	01	02	03	01-03
Family of Funds Equity Capital	10M	20M	30M				100K			500K			**60.6M**
Credit Union Reinvestment Initiative		1M	1M			1M				100K			**3.1M**
Affordable Housing Develop													
Non-Profit Capacity Building			2.5M			2.5M	25K			25K			**5.50K**
Home Ownership Counseling							50K	75K	75K	50K	75K	75K	**400K**
Mixed-Use and Single Family Lot Development				2M	2M	2M		100K			50K	50K	**6.2M**
Public Processing for New Development													**0**
Small Business Develop													
Small Business Technical Assistance							50K	50K		75K	25K		**200K**
Enhanced Small Business Lending	300K	300K	400K										**1M**
Policy Issues													
CRA Compliance							150K	150K		150K	150K	100K	**700K**
Increased Involvement by Other Insitutions in CRA		10M	15M			5M							**30M**
New Federal CRA													**0**
Predatory Lending Initiative													**0**
Totals	**10.3M**	**31.3M**	**48.9K**	**2M**	**2M**	**10.5M**	**375K**	**375K**	**75K**	**900K**	**300K**	**225K**	**107M**

Duration　　Duration/Funding