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STOUT VOCATIONAL REHABILITATION INSTITUTE

PROJECT E3: EDUCATE, EMPOWER, EMPLOY

COMMUNITY DEVELOPMENT FINANCIAL INSTITUTIONS AND THE ROLE THEY PLAY IN ADDRESSING ECONOMIC DISPARITIES

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>> HEIDI DECKER-MAURER: Good morning, everybody, this is Heidi Decker-Maurer. I work at the Stout Vocational Rehabilitation Institute and we are the folks who bring you the E3 webinars every week. Today's webinar is an excellent one. We recorded this last Friday with Dr. Dwanda Farmer and Tobey Partch-Davies. It is an excellent program on CDFIs. I keep trying to say that the wrong way around, but it is an interesting presentation. We have a lot of good information coming your way. If you have any questions or any technical issues, please put those into the chat boxes. That means we can investigate it if you have any sound issues or anything like that.

If you have questions for our presenters, they will be available for a Q&A after we play the prerecorded presentation.

So if you have questions during the presentation, you can put them in the Q&A box. Those are for anything related to the content of the actual presentation itself. So if you have any questions about tech, again that is into the chat box. And if you have any questions about the presentation itself, please put those in the Q&A box.

We are fortunate to have Dr. Tobey Partch-Davies and Dr. Dwanda Farmer with us today. And although you can put in questions at any time, we will go through all the questions at the end. My colleague Beth Gaertner will be moderating the Q&A and will ask questions of our guests. So you can go ahead and put them in at any time during the presentation or after we start the Q&A session.

So after the playback and after the question and answer session, we will have a little bit of information about getting credits for this webinar.

But really, it is a great program. I can't wait to share it with you. We'll get that underway. Thanks, everybody.

(Pause.)

>> DR. TOBEY PARTCH-DAVIES: Good afternoon. My name is Tobey Partch-Davies. I'm joined today with my colleague, Dr. Dwanda Farmer, to provide a workshop on CDFIs, Community Development Financial Institutions and the role they play in addressing economic disparities. This is part of a webinar series with Project E3, Educate, Empower, Employ.

I'm the Director of Poverty and Disability at the UNH Institute on Disability. I focus on rigorous applied research in areas of social determinants of health with specific content expertise in the applicable areas of workforce development, supported employment, and asset building.

I have a long established partnership with vocational rehabilitation agencies and community rehabilitation programs, having worked 30 years as a developer, researcher on collaborative employment, healthcare, and policy initiatives designed to improve employment outcomes and social mobility of persons with disabilities.

My current projects include a randomized control trial study in partnership with the National Disability Institute, the Virginia Department of Aging and Rehabilitation Services, and Syracuse University.

In addition I'm the principal investigator for the Granite State Transition and Post-secondary Program for students with intellectual disabilities.

Recently I provided instruction for the Community Development Financial Institution Fund's training designed to increase capacity of CDFIs to serve people with disabilities.

I hold an MA, MS, and Ph.D. in community economic development and policy from Southern New Hampshire University.

With that I would like to pass it over to Dr. Dwanda Farmer to give some more information about her background.

>> DR. DWANDA FARMER: I'm so happy to be here participating in this training today. I'm Dr. Dwanda Farmer and I'm the founder and owner of a small consulting firm specializing in community development. My primary clients are community development corporations and Community Development Financial Institutions. I'm a CED Doctor and focus on affordable finance and real estate development, small business development for women and minorities and low income communities. I worked with the U.S. Treasury for probably the last 18 years on a variety of programs under the Community Development Financial Institute, which provides resources to low income communities.

I'm a cofounder of a nonprofit smart ballot which is responsible for affordable housing, economic development, environmental policies that impact disparities in low income communities across the United States.

And I am also part of the Executive Leadership Team for the international organization called ADDI, A-D-D-I, which stand for the African Diaspora Development Institute, probably a trillion dollar initiative in economic development across the United States.

Finally I also serve as an executive leader, thought leader in the HBCU community, working with Historically Black Colleges and Universities across the country, helping them to develop ecosystems that support entrepreneurship, particularly in STEM environments.

So I too have a Ph.D. in community economic development from Southern New Hampshire University which is how Dr. Davis and I have been connected for over a decade. I'm so happy to work with her today. Thank you for having me.

>> DR. TOBEY PARTCH-DAVIES: Today's session will provide information about an important resource in local communities, which is largely untapped in trying to solve the problem of persistent poverty, community development financial institutions. Today's session will help you understand the following: First, it will provide some problem analysis and context for why we need an expanded theory of change around redressing persistent poverty.

The CDFI Fund and its role in mobilizing economic development in local communities. Better understanding what CDFIs do in communities, the types of resources they provide, and strategies for exploring new partnerships with CDFIs.

Also it is really important to know what CDFIs want and need to know from you. You do fundamentally different things, but for the same reason: To help provide better economic opportunity to persons with disabilities.

Finally, we will provide resource links to other resources that you can follow up with after today's session.

So the context for today's discussion, you know, goes back to the aims of Project E3 which is to improve employment and address poverty.

But in improving employment and addressing poverty, it is important to acknowledge that poverty and being persistent and pervasive indicates multilayer needs of economically disadvantaged targeted communities.

So while working to ensure employment opportunities for people with disabilities is critical, employment alone is not enough to address economic disparities.

Now, even more complicated given the implications of COVID and other social determinants.

For example, prior to COVID the employment rate nationally of persons with disabilities was significantly different from the population rate of the general population of people without disabilities. We won't know the true impact of COVID for some time but it is safe to assume that workers with disabilities are those who suffered more layoffs, have suffered more vulnerabilities and are more financially at risk than before given the high prevalence of poverty pre-COVID. Thus it is important to address issues associated with inequality through new financial instruments and partnerships to pro motel change in economic opportunity for persons with disabilities.

First I would like to share with you a little background information on some of the statistics that inform the policy challenge problem. As illustrated in the 2019 Annual Report on Disability Statistics and Demographics, multiple disparities exist when it comes to economic indicators and social determinants of persons with disabilities when compared to the general population of people without disabilities in the U.S. In terms of high school, 16.7 percent of young adults with disabilities had not attained a high school diploma compared to 7.7 percent of their peers without disabilities, reflecting a less than high school gap of nine percentage points.

In terms of college, 15.6 of people with disabilities had not attained a high school diploma compared to 38.4 percent of their peers without disabilities, reflecting a college or more gap of 22.8 percentage points.

In terms of employment, the employment to population ratio for people with disabilities was 37.5 percent. Ins contrast the employment to population ratio of people without disables was 77.8 percent, nearly double that of people with disabilities. This amounted to an employment gap of 40.3 percentage points.

Then earnings are also problematic in that the median earnings gap represents a 5,796-dollar difference in income for full-time workers when comparing people with disabilities to people without disabilities in the U.S.

And then poverty again was also significantly different for persons with disabilities compared to the general population. For persons with disabilities, 26.9 percent of people live below the poverty line compared to people without disabilities, which was estimated at 12.2 percent. This means that the poverty gap between people with and without disabilities was 14.7 percentage points.

And getting to other characteristics that are really important to today's conversation has to do with the extent to which people with disabilities are banked or under banked.

According to an FDIC study that was conducted in 2015, people with disabilities were found to be more likely to be unbanked or under banked. In that 28 percent of people surveyed were unbanked or under banked compared to 46 percent of people without disabilities reflecting a difference of 18 percentage points.

The same is true when it comes to trust in financial institutions. People with disabilities are more likely to indicate a distrust of financial institutions. Eight percentage point difference compared to the general population that participated in the survey.

And in addition, persons with disabilities are less likely to own a savings account, are less -- but are more likely to use alternative financial institutions. Alternative financial institutions are things like check cashing outlets such as money orders, bill paying services, pay day loans, prepaid credit cards an rent to own transactions.

38 percent of people with disabilities report using alternatives to banks compared to 25 percent of those without disables.

In addition, also reflecting the poverty problem we previously discussed is people with disabilities are more likely to report a lack of funds to keep in bank accounts. It's not just having access or utilizing a bank account, but they don't have the resources to put in the bank account.

In addition, they report a higher likelihood of banks, feeling as though banks are not interested in serving them and their banking needs.

As well as just not having access to credit. As you know, credit is really important, not just for qualifying for a loan, a credit card, but also other really important life aims like being eligible for an apartment, qualifying for a job, using car rentals as needed, and other really important issues.

So people with disabilities are more likely to not have access to credit as reported in the FDIC study.

Slide.

So given the pervasiveness of poverty, we are proposing a comprehensive theory of change as a means to change condition. While employment and income are critical components to financial security and wellbeing as the data suggests earnings alone may not be enough to move people out of poverty. A combination of inputs are suggested here. And are needed to help transform the situation.

So critical and good rules of thumb, obviously, for those of you who are VR counselors and employment providers, is this whole issue of public benefit protection. So many of the people that you serve are people that are eligible for SSI and SSDI. So supplemental Security income and Social Security Disability Insurance. Those are good income supports for people with disabilities. In addition, health insurance that may be attached to those benefits, whether that is Medicaid or Medicare, really critical needs to maintain those healthcare protections that are so important to the quality of life of people with disabilities.

But there are other important services, whether that is access to affordable housing, Housing and Urban Development or the Section 8 program, community-based human service programs for more longer term supports that people may need in access to transportation resources for accessible transportation. Those are all really important programs that we know and much of our work in the last decade has been focused on securing access to those things for people.

And while those are important, those resources alone, as we know, are not enough to affect poverty. So the VR program clearly is critical for access to employment, access to the services that people need to be able to work and work at competitive levels in competitive employment, but work alone is not enough. It is how to use and maximize that earned income so that people have livable wages and are able to accumulate the resources they need for greater financial security and wellbeing.

What I mean by that is leveraging as many work incentives as possible, as well as accessing other resources that exist in the community such as tax credits.

An example of that is the earned income tax credit. Also other savings programs that help to build financial wellbeing and one example of that is the ABLE account which is a new relatively new provision available to people with disabilities to qualify to save money while not disqualifying them from SSI, SSDI or Medicaid programs.

Not a lot of people utilize all of these things in combination, but our comprehensive theory of change is about promoting access to all of those things and braiding them together so that people are better off financially.

Then another piece of that is being financially informed consumers. Knowing how to navigate the public benefit programs, benefit specialists and work incentive specialists. It's an important part of the rehab program. But what about financial literacy? How do you build credit? How do you access these tax credit programs? How are you a savvy financial consumer and avoid scams and pitfalls when it comes to solicitations that you may receive?

So all of that is really important. What we are proposing today is that community development financial institutions are a big part of it because what those organizations do, and Dr. Dwanda Farmer will share more with you today, is how they affect change at the community level. A lot of what we talked about thus far in terms of benefit protections and participation in the VR program are things that we assist people with on an individual level basis and what CDFIs do is look at the local community. What is the community need? How can CDFIs help local communities become economic empowerment drivers.

So the purpose of today's session is exploring those new partnerships with CDFIs to address systemic challenges in local communities through impact investing in local communities to promote workforce development, affordable housing and access to affordable banking services such as credit unions to offer financial services to under-served people with disabilities.

Having explained an contextualized this more comprehensive theory of change combining income support programs, health insurance, VR services and now exploring partnerships with CDFIs, I want to bring us back to a slide that has been used before on some of these webinars that indicate the top five concerns that are limiting service provision or economic opportunities for people with disabilities that Project E3 has addressed. This lack of employer networks, employment, pervasive poverty stressors, lack of high quality jobs, lack of transportation, these are things that potentially Community Development Financial Institutions have a role in addressing at the community level with the proper partners. So with that we are going to move on to the next slide and talk a bit about what the CDFI Fund is. Which is a part of the U.S. Treasury Department. The mission of the CDFI Fund is to expand economic opportunity for underserved people and communities by supporting the growth and capacity of a national network of community development lenders, investors, and financial service providers.

The fund achieves its purpose by promoting access to capital, loans, local economic growth, in the following ways.

So it directly invests in and supports and trains CDFIs that provide loans, investments, and financial services in TA to under-served populations and under-served communities.

It provides new market tax credit program by providing an allocation of tax credits to community development entities which enable them to attract investment from the private sector and reinvest these amounts in low income communities.

It also facilitates a bank enterprise award program by providing an incentive to banks to invest in their local communities and in other CDFIs.

Through its native initiatives by taking action to provide financial assistance, technical assistance, and training to native CDFIs and other native entities proposing to become or create CDFIs.

It also has a CDFI bond guarantee program which issues bonds to support CDFIs that make investments for eligible community or economic development purposes and finally, it provides capital magnet funds, which offers competitively awarded grants to finance affordable housing solutions for low income people and communities nationwide.

These are all resources that you are not familiar with. These are untapped resources in local communities. As you can see, there is a lot of opportunity through the CDFI Fund and through CDFIs that could be leveraged to address some of the problems that we see related to persons with disabilities.

So with that I'm going to move on to the next slide and Dr. Farmer is going to talk more about what CDFIs are and the services and products that they offer the community.

>> DR. DWANDA FARMER: Thank you, Dr. Davies. Good afternoon, ladies and gentlemen. Let's start with what are CDFIs? And I'm going to tell you a little bit about the CDFI Fund and what are CDFIs. The U.S. Department of Treasury community development financial institutions fund also known as the CDFI Fund, helps to promote access to capital and local economic growth in urban and rural low income communities across the nation through monetary awards and the allocation of tax credit.

Financial institutions certified by the CDFI Fund are eligible to apply for monetary support and training to build organizational capacity.

The CDFI Fund model is competitive and each of its programs provides CDFIs with the flexibility to determine the best use of limited federal resources in their community.

CDFIs are specialized financial institutions that provide financial products and services to populations and businesses located in underserved markets.

These institutions have community development missions and a reputation for lending responsibly in low income communities.

CDFIs include banks, credit unions, loan 51s, microloan funds and venture capital providers.

The CDFI Fund through its monetary awards provides funding as well as technical assistance to support CDFIs.

So the CDFI program is designed to provide a variety of financial products and services in the market. And these include both financial assistance and technical assistance awards to empower CDFIs to grow, to achieve organizational sustainability and contribute to the re-vitalization of the communities they serve.

These competitive awards support the enhancement and the ability of these organizations to meet the needs of the communities they serve.

Technical assistance grants are offered to Community Development Financial Institutions and certifiable agencies to build their organizational capacity.

Technical assistance awards are limited to a maximum of $125,000, and are used for capacity development that is integral to the organizational sustainability and success of their financial program.

CDFIs often use these flexible awards to purchase equipment, to hire consulting or contracting services, to pay salaries and benefits, or to train staff or board members, in addition to the direct benefits of these awards most CDFIs are able to leverage their CDFI program awards many times over by partnering with traditional financial institutions, private foundations, and other funders. Right?

The second type of assistance they offer is financial assistance. These awards are available at a maximum of $2 million, and may be made in the form of loans, grants, equity investments, deposits and credit union shares. Which CDFIs are required to match dollar for dollar with nonfederal funds if they are a core CDFI which means they have assets over $5 million.

They also have Small and Emerging Credit Agencies. And these SECA entities, they don't have to have matching funds. Matching funds are not required for technical assistance. I wanted to make that clear.

But these CDFIs are able to make investments in low income communities in housing, in small business loans, microenterprise loans, as well as financial literacy and coaching opportunities.

And so I would like to just mention that these CDFIs have begun to try to focus some of their lending on disability. And so in the last three years the CDFI Fund has a set of CDFI dollars. This year I believe it was $4 million. Some examples of how these products and services have a primary purpose of benefiting individuals with disabilities could include loans to purchase or renovate a building that would house a school, that provides educational or social services to children and young adults with disabilities, or maybe a loan to renovate an independent living home for individuals with disabilities, predevelopment loans for community service organizations that provide transportation services, housing services, and job training for individuals with disabilities, working capital loans for businesses that primarily employs individuals with disabilities. Loans to purchase assistive technology such as hearing aids, seat lift chairs, wheelchairs, scooters, wheelchairs, home modifications like ramps, roll-in showers, widened doorways and adapted vehicles, lowered floor ramps, hand controls, things of that nature.

In addition, there is financial counseling and transitional planning assistance for individuals with disabilities and their families.

So the next slide I would want to talk just a little bit about affordable services, but a CDFI can provide a range of services and products for people with disabilities and they mainly focus on four basic products and services: Asset building strategies that support asset building, development, like 529ABLE accountings which I'm sure most of you are familiar with. Assistive technology for lending to assure that everyone has access to assistive technology, business lending and housing.

I want to start now by talking about affordable housing in the way that the CDFI Fund is able to support key housing initiatives.

Affordable housing accessibility, affordability, are key issues in discrimination for people with disabilities. People with disabilities experience unique challenges in the housing market. This population not only requires quality affordable and accessible housing, but they also need additional supports and services that make it possible to live, work, and play independently in the community.

The research has demonstrated that cost incurred by people with disabilities cycling through public institutions are far greater than the cost of providing rental assistance with supports.

And so CDFI invests in housing loan funds that may provide predevelopment loans, bridge or gap financing, property acquisition loans, construction loans, and again these might be used for home modification and rehabilitation.

And so people with disabilities are probably going to have a greater impact due to COVID than those other low income people who for sure are facing a tsunami of potential evictions once the emergency temporary restrictions on evicting people has been lifted.

And so I think that this is a great time for community-based organizations and community development corporations to work with CDFIs to identify what their needs are for the people in the disability community and to help people with disabilities to get the support that they need to sustain their housing.

So we really need to think about how CDFIs can help with those efforts of housing organizations, so that they don't continue to just build segregated housing and really integrate people with disabilities into communities holistically.

We'll go to the next slide. I would like to talk about small business lending.

So the CDFIs invests in two types of funds: There is a housing fund, either the housing loan funds or the business loan funds. Under the business loan funds you have small business lending and unfortunately microenterprise loans. Microenterprise loans are generally under $50,000. Some programs, it's capped at 35,000. But for our purposes here today, the CDFI considers loans under $50,000 to be microenterprise loans.

Microenterprise loans are often used for startups, for self-employment opportunities where people have a skill or a craft that they might do that they can actually turn into increasing their financial wherewithal. That is true of people with disabilities as much as it is the general population.

So I believe that if disability organizations create linkages with Community Development Financial Institutions, you will find a willing partner with financial resources to invest in small and microbusiness opportunities for the disabled community.

Small business loans may be given from 10,000 up to 100,000, maybe 250,000 at some CDFIs. And these loans are usually used for real estate, maybe the acquisition, rehabilitation or new construction. Sometimes businesses use this for equipment loans to purchase new equipment, particularly in manufacturing or some kind of production. Right? Maybe if you are a printer, maybe you need new equipment to do all the latest and greatest. And maybe 3D printing or something of that nature would be a kind of investment that the CDFI might make in a small business in terms of equipment loan.

Sometimes there's operating capital loans that might be expended to businesses who, for example, a business that may have a federal contract that is maybe worth 3 million, and sometimes you have to wait 90, 120 days to get your payment from the federal government. You may be able to access operating capital loan to float you the first 90 days' expenses.

These are the type of lending that the CDFIs are looking to do. And each loan is going to create at least one job, right? So this whole idea is to create employment opportunities, either self-employment or employment through a business.

So it may be an excellent idea to see how in your community you can create an ecosystem where you convene providers and the financial institutions in your market, local banks even and talk about ways or the needs of your community. What do people with disabilities in your community need? Is there a need home modifications in which maybe, you know, the need to get a ramp so that someone in a wheelchair can get in and out of their home, and maybe they don't have $5,000 to finance that, but they could get a low interest rate from the CDFI. Whereas maybe the bank might provide them a loan at 18 percent, maybe the CDFI will provide them a loan at 15 percent. That will save on the cost of it and the payments might be more affordable.

The whole point of CDFIs is to provide low cost capital for those in need in low income communities.

So CDFIs are good partners that you could work with. Now, they are seeking ways in which they can increase their lending among people with disabilities. So trust me, they are anxious to make a connection with you. So I want you to not be shy about identifying what your needs are and how creating a collaboration with CDFIs in your market could create high impacts for the people with disabilities.

Find your local VR and understand how their programs, the supports and resources that they provide for people with disabilities could be integrated into a CDFI. Could they provide technical assistance that is unique to people with disabilities that would support a borrower pipeline? Could they participate in funding advocacy for people with disabilities to increase the amount of funding the CDFI puts out in the market for people with disabilities? The way that is going to happen is by increasing the demand.

And so then lastly I think we need to work with these collaborations and talk about what measurements we will be collecting to determine what impacts are happening with people with disabilities and if the relationships are a good mission fit and are producing real benefits for people with disabilities. So I would like to take you over to the CDFI website and show you exactly how you can identify a CDFI near you.

So there is a searchable database. You can find the CDFI at www.CDFIfund.gov.

So lucky for all of us out in the public, the CDFI has a searchable awards database. This is a magnificent tool that is free and available, and so easy for you to use. I'm going to demonstrate for you right now just how simple it is to find out who has the money.

First we'll find out, where are the CDFIs? So here are several ways. It is a searchable database and there are historical awards document. In the historical awards document you can go from year-to-year for a synopsis. I'll show you real quick while we are doing this and it will show you who won the money.

So we will just open this one real quick. It is just an awards book. It was a tax credit program and it tells you everyone who won an award, how many applicants there were, how many geographic locations won, how much money they put out, right? And then who all got the money.

You can see here everybody who got money gets tax credits, right? Today what we are going to do is focus on this awards searchable database. And so let's just say that you live in New Hampshire. We are going to see if there are some CDFIs in New Hampshire. We will select New Hampshire. We will select the CDFI FA program and hit the search.

Hit apply. It will search.

So now do you see this? There are actually at least 26 entities. So I'm going to just make sure we can see them all.

So the New Hampshire community loan 51 has received many awards, as you can see from 1996 they had a million dollars award. Let's come on down to the more recent awards. You will see that in 2020 they received $557,000.in an award. If you click on them it will show you their contact, right? You can see right here where their website is and you can go over there and you can visit that website and find out what they are doing in terms of what kind of loan products they have.

Now I'm going to show you also another way. I'm going to actually this time really use the awards book from the CDFI program. Okay, so we have the CDFI award program book from 2020. And you will see that they made 357 awards of $187.3 million. 207 grants went to loan funds. 108 credit unions received funding, 36 banks, and six venture capitalists received funds.

Now, out of those, 17 organizations received money specifically for disability. And those organizations were 16 loan funds and one bank. Fourteen of them served major urban markets. Two primarily served minority urban markets and one was in a rural community.

So what I want to share with you is a list. Okay, if you look in the awards book it is going to show you who got the money, where they are located, what their base FA award is.

Now, you must receive a base award in order to be eligible for persistent poverty counties, disability finance, healthy food financials, finance initiatives and you can never get both a TA and a base FA. You must have one or the other. Okay?

Now, let us just find out where the disabilities money is by coming down this column and seeing who has them. So we go here and we find Blue Hub Fund Inc., right?

So Blue Hub Fund Inc. let's see if we can find them in a searchable database, right? So we go back to the searchable database. All right, here we go. You see, Blue Hub has $268,750 for disability assistance. And you can see here, 17 entities like I described received this funding. So just this simple. You have a record of everyone who received funding in 2020 and exactly how much disability funding they have.

Okay? So here are all the 17 entities and so here in Massachusetts, we have the Blue Hub loan fund. Now, I happen to have looked up Blue Hub loan fund and they are an affiliate of Blue Hub capital, which is a national nonprofit community finance organization with a 35-year history of building healthy communities where low income people live and work.

Since 1985, they have invested over $1.3 billion to create and preserve 21,500 units of affordable housing, 13,000 jobs, healthcare services for 197,000 patients, and education and childcare for 50,000 children.

Blue Hub received a total of $3,768,750 from the CDFI Fund in the 2020 round. 650,000 was for financial assistance to expand lending in Texas which is a new geography for them. And 2.7 million for healthy food finance. What you are really interested in is the 268,750 for disability fund finance, financial assistance or increasing financing for supported housing projects that serve homeless individuals and people with disabilities, including physical, mental and behavioral health challenges.

If you are a disability agency that serves or provides housing in some way or with supportive services, then they might make a good partner for you to attract additional investment to make new investments.

Here are some resources that can help you gain additional information about the CDFI and some of the research that has been done around the needs of people with disabilities. The ABLE national resource center is a good connector. There is a lot of work that has been happening with disability providers about expanding the CDFI Fund's impact in the disability community. And the CDFI Fund is developing a catalog of all of that training and making it available through their access for all program.

And so while COVID has impacted the delivery of that, the CDFI is working diligently to bring those resources online and make them available to you.

Dr. Davies, I would like to spend a few minutes tagging, you and I, about ways in which the disability community can develop an ecosystem that would include CDFIs, that could really be a collaboration to help create that ecosystem, you know, because the linkages already exist. Or the organizations exist. What is needed is the linkages to be made.

>> DR. TOBEY PARTCH-DAVIES: Exactly.

>> DR. DWANDA FARMER: Because you have people with disabilities in the housing arena and workforce development, job skill training, things of that nature. And what we have to do is to convene all of those providers and see how we can develop the continuum of care where we all know that if I'm working on something on workforce development, these are the disability providers that may be able to help me further that. And really, this money is available to any CDFI.

If I had gone through the database and just searched CDFIs in the state of New Hampshire you would be able to see all of the CDFIs in.state of New Hampshire.

>> DR. TOBEY PARTCH-DAVIES: Right.

>> DR. DWANDA FARMER: You could just pick any of those CDFIs close to you because they don't have access to disability financing today, that is your opportunity to work with them, to help them identify what your needs are and to develop a financial product that will support your borrowers. People with disabilities as borrowers. They will need you to understand the impact that lending in communities with people with disabilities have. Because they don't understand ABLE or some of the other restrictions on income that are sometimes barriers to people with disabilities accessing capital.

>> DR. TOBEY PARTCH-DAVIES: Yes. If I could, I would just like to share that those of you in the training audience, the workforce piece is a huge component, right? You are VR agencies and VR service providers.

You have already a statewide network of agencies that deliver employment services or regional networks of providers.

The same is true with CDFIs. We all sort of operate in our areas of influence. And Dr. Farmer is absolutely correct: What is needed is a convening. So by conducting some of that analysis of the networks, logging into the searchable database and finding out who are the CDFIs in your area and then translating what you do, which we are attempting to do here today, and how CDFIs help you accomplish your mission in addressing issues of poverty and economic opportunity.

So it is really bringing people together. It is not asking the VR agencies or employment providers to become CDFIs but rather use the preexisting infrastructure take exists in local communities that CDFIs already provide and then develop the pipeline.

>> DR. DWANDA FARMER: I think that was an excellent point that you just made. I would like people who are in this training today to understand that you do not have to create a CDFI for yourself. But you can create a CDFI for yourself if you believe that's the best way for your people with disabilities to be served. But the thing is, you may have to change your mission because the CDFI is only going to provide funding to entities that actually provide financial tools or products and services to businesses or individuals, right?

So you will probably need to have at least one product. Just say, for example, maybe there's a person or group out there that already works in this space providing financial support to people who need assistive technology, right? So let's just say you already work with people who are deaf, and you provide them telephone equipment so that they are able to communicate with their computer or their phone or whatever. So you already have been providing that. Then you might already be providing a financial product.

>> DR. TOBEY PARTCH-DAVIES: Right. A good example of that, those of you in the training audience may be aware of, are the assistive technology loan fund programs. There are actually some models, and I believe I saw one listed in the searchable database when you pulled up the disability fund allocation from the CDFI Fund. But some of those programs including in Pennsylvania, those assistive technology loan funds have morphed into and become CDFIs. Because it started out with a financial product and then when they realized that people don't just need assistive technology loan funds. They actually would benefit from self-employment funds.

That was a natural evolution that occurred of that assistive technology loan program. So it is really getting to know the people in your community, the organizes in your community that work in the CDFI arena. Educating them, using your VR data, your aware data, any qualitative data you can get on let's say the people who have an individual goal of employment. Fine out what their needs be. If you don't know the questions to ask, if you don't know what kind of loan program would work best for them, that's the expertise the CDFI could bring to you.

If you can learn and provide as much information about the potential borrowers and the characteristics and the things that they might need and have that convening with these partners, it is a perfect union of, you know, of content expertise, the CDFI industry knowing the products and loans that might best fit how to structure those.

Then you knowing your customer base of people that use VR services, right?

>> DR. DWANDA FARMER: Right. So Dr. Davies, let's show them an example. They can search by state and by the program, and what year.

Just so that we have a short list that only are CDFIs that are funded in the year 2020, that are in the state of California. We came up with a total of 19 entities. You'll see here, there's 19 entities. This is the way that you identify who the CDFIs are. Now, once you identify them, you just click on them and then you see, oh, okay, beneficial state.com, right? I just copy the link. I open up a new window. Pop the link in there. And I go right over to their website. Okay?

And then we can find out who they are, what they do. So again, if we just look at the CDFIs who received funding in 2020 to serve people with disabilities, we come down to 17 providers across the country. Now, what we have to do is look at who currently has money, but that's not the end. If there's a CDFI near you that does not currently have disability financing, that is a wonderful opportunity for you to work with them to build their capacity, to be able to provide financing for people with disabilities, and for them to attract additional resources. It is a win-win for your organization, for people with disabilities, and it is a win-win for that CDFI and the U.S. Treasury who has one goal, and that is to increase access to affordable capital for low income people across the United States.

So what Dr. Davies and I are suggesting is that you work collaboratively, maybe convene the disability providers and the banks, the CDFIs, and other financial philanthropists even, some of the grant providers, and get them all in one room and say to them: These are our needs. This is the current situation. And give providers the opportunity to talk about ways in which the policy, right, create barriers with them.

We start off with where we are today. This is the landscape. This is the policy that sets out the funding and these are the rules that may append.

For example, sometimes there are income restrictions on people with disabilities that would prevent them from earning and income beyond a certain amount. But you have to see from state to state those vary. In states like California it might be as much as 65 to $150,000. And in other states line Nebraska it could be as low as 19,000, right, is the maximum.

So those are the kinds of things that CDFI would never figure out without your help. So you are a critical piece to bringing resources for people with disabilities. Try creating an ecosystem where you convene the disability and financial partners in your community once or twice a year or quarterly in the beginning until you can develop a financial product that meets the need, and you can demonstrate the true demand. Because the need might be building a ramp so I can get in and out of my back door. It may be some type of equipment that we talked about previously. It may be putting people to work.

What if one of you out there who provide workforce development type trainings, right, to people with disabilities has the opportunity to partner with someone who is looking to create a new business and would hire people with disabilities, right? And so how awesome would that be for you to be able to do that. Or maybe you have, you work with individuals helping to teach them how to make crafts. Well, what if you could create a retail opportunity for them, a maker space maybe and they could sell their wares.

Your imagination is the only thing that can limit you from developing solid partnerships and creating real impacts for people with disabilities.

>> DR. TOBEY PARTCH-DAVIES: Thank you, Dr. Farmer. I just want to emphasize a few of the points that you made. And emphasize this one in particular, which is VR systems are excellent at helping to cultivate employment opportunity for people with disabilities, right? And what CDFIs really specialize in is in economic development, right?

So like I said before, you don't need to become a CDFI. Maybe that's something down the road that you'll want to explore.

But this is really about being proactive. It is not necessarily working with the supply of jobs available today, but planning for the jobs tomorrow. And some of those other really critical aspects of living in the community that need to be addressed in order for people with disabilities to participate as fully as possible in the workforce. Housing, transportation, all of those things.

So to move forward in terms of convening, getting the partners together is really important. And then leveraging your networks. Dwanda talked about bringing in foundations and banks. All really important players.

Another content expertise that is critical, especially if you are going to engage in direct lending for employment or some other product is the benefit specialist, the work incentive specialist that VR will pay for to help people navigate the specialists. Many CDFIs are not going to know how to navigate the benefits. They are going to rely on VR and service providers to provide that expertise.

It is all about the partners and all about making use of the sources of that fund to accomplish that development goal. We firmly believe that CDFIs are untapped and they are a great partner in the future for VR systems.

We want to thank you today for participating in the session. And we hope to be a resource to you. Our contact information is available. Both my email and Dr. Farmer's email is there. Let us know how we can help you and we look forward to entertaining some questions from you.

>> BETH GAERTNER: Hello, everyone, my name is Beth Gaertner. I work at SVRI on Project E3. Now is the time in the broadcast where we typically entertain some questions from people.

Looking in the Q&A box, I am not seeing much in there right now. I'm going to cover some quick housekeeping things. Then see if we have any questions that come in.

So first and foremost, there is CRC credit available for today's webinar. You will receive an email tomorrow as a follow-up, to do an evaluation. Once you complete that evaluation, then you can obtain that credit.

Also if you have additional questions about the CRC, Terry has posted in the chat box the links for the CRC instructions, the link for the Power Point slides and the link to our archived webcast. If you ever want to revisit this webcast or any of our other previous content, feel free to do so. This is Project E3.com and those links are in the chat.

There was a Q&A that came in earlier. I know that Tobey had a chance to answer that but I want to read it out: How deeply into CRA has the movement delved? Also strategies that utilize CDFIs with an eye toward growing employment ownership/EOPs with wealth and security benefits that inure to populations with varying abilities.

So Tobey answered that one already. I'm just saying that you can speak to us live. Also CDFIs are very deep into CDFIs with participating partners and projects and frequently collaborate with commercial and corporate banks as a vehicle for CRAs to those banks and tax credits. The issue is moving the needle for these efforts to be inclusive of people with disabilities. Key term inclusive not a session dated effort. IE congregate housing versus mixed, using housing that is integrated within the community, re people from all walks of life.

That was a mouth full. Do you want to add anything to that?

>> DR. TOBEY PARTCH-DAVIES: Sorry, I can hear the echo on my microphone on a headset but I would prompt Dr. Farmer on, you know, I mean is it frequent that in workforce development and CDFI investing that people with disabilities and workers with disabilities are identified as workers that those efforts aim to support?

>> DR. DWANDA FARMER: I think since 2008 it has been more and more of a recognized concern. And the disability network has been the primary leader on convening and collecting data and convening financiers and the U.S. Treasury in particular, which is how we came to having a set-aside for disability initiatives.

And yes, they are targeted at creating jobs. The hope is that employers who seek to employ people with disabilities will find opportunities to make larger investments in those communities, particularly where low income people are.

>> DR. TOBEY PARTCH-DAVIES: And that's my surmise here is that I think there is a lot of work to be done on influencing the conversation. So when there is targeted economic development efforts like trying to consult validate a career pathway around the health sector or the IT sector or whatever those sectors might be in the community of interest, VR needs to be at the table persuading those conversations. Not just with your traditional CRPs but also with those impact investors and CDFIs and economic development.

So that is really where the rub is in terms of trying to convene, is being part of that equation and making sure that people know if there is a workforce shortage, and just thinking of pre-COVID, you know. I mean, there are multiple sectors that certainly in New Hampshire, we have -- we had very low unemployment. And there were multiple sectors that have just a cadre of people with disabilities that were looking for employment. And had we cultivated those career pathways, certainly we've influenced some of those. These are opportunities, you know. Whether you are in an urban center, a rural area, what have you, being part of those broader dialogues in the community where all workers are focused and all those stakeholders are centered in terms of developing economic development, VR really needs to be at the table. These are ways to get there.

That's what I would add.

>> BETH GAERTNER: Great, thanks. We actually had a question come in in the chat. Diane asks: For housing, could a person who is approved for a Habitat for Humanity home also apply for loan assistance through CDFI?

>> DR. DWANDA FARMER: Absolutely.

>> DR. TOBEY PARTCH-DAVIES: Can you expand on that, Dr. Farmer? There are lots of different varieties of CDFIs. So they don't all do the same thing. It depends on what their charter is and their certification. Some are deposit institutions. Some are loans.

>> DR. DWANDA FARMER: Let me give two examples that might exist for Diane and thank you for the question.

A person approved for Habitat for Humanity home, that might come in two forms, right? It could be Habitat for Humanity getting the loan to provide the rehab or the building of the home, right? So that would not go directly to the individual but to Habitat for Humanity.

So, for example, Habitat for Humanity may have a goal of building ten homes in 2020. So they would go to a CDFI and say the cost of us building these ten homes is $2 million. Right? And so we need financing. And so maybe the CDFI provides them with a $250,000 loan that is a revolving loan that they can then use to bull the first house, and then the second house, and the third house, and just keep reinvesting that, like a line of credit.

I don't think that people with Habitat for Humanity take a mortgage outside of Habitat for Humanity, but you may find some CDFI who provides down payment assistance through funding they have from the CDFI which might provide you with some help on the down payment, should you have to make one on habitat house, but I don't think the habitat format is like that.

So habitat might not be the best example, but in the market where one was purchasing a home from a bank with a traditional mortgage, then yes, the CDFI might be a good partner for that.

>> DR. TOBEY PARTCH-DAVIES: Right. The point being that depending on the CDFI, they may loan to that nonprofit for the development effort. Or if they are a consumer organization, they will offer direct loans and direct deposit accounts for individuals. So it really depends on who the CDFI is.

>> DR. DWANDA FARMER: Correct. Remember, you have several different types of entities that the CDFI Funds. Those are banks, which will have financial products and services that may include deposit accounts, credit cards and things of that nature, mortgages, automobile loans. And just a personal line of credit possibly.

And so then you have a credit union who also may follow that same model or some variations thereof. And then you have loan funds, which will be housing loan funds or small business loan funds which might provide a financing for self-employment, small business startups, expansions, equipment, things of that nature.

And so then you have venture capitalists who make investments. So those are the types of entities that you might find certified as CDFIs.

>> DR. TOBEY PARTCH-DAVIES: It is really an interesting range of organizations because literally you could have a church that is a CDFI. And offering just emergency assistance loans. And who is active in Tithing. And you have a commercial entity that is doing multimillion dollars investing. It is an interesting field to get into and to understand how they impact the community. And I want to emphasize, and I did put this in the chat box that CDFIs in general are -- and credit unions, this is true to credit unions as well, are all about serving the community and building trust with the community. So the earlier example of some of the survey studies that have been done with FDIC around lack of trust of financial institutions, these are really mission-laden or value-laden organizations that are all about empowering marginalized community, whether those are people similar to E3 or places, also similar to E3.

>> BETH GAERTNER: Thank you both. I'm not seeing any other questions right now in the chat or the Q&A. So I guess to wrap it up, is there anything at all either of you would like to add? I know this has been a wealth of information for people and we appreciate you both taking time to be here today.

>> DR. TOBEY PARTCH-DAVIES: Go ahead, Dwanda.

>> DR. DWANDA FARMER: I was going to say thank you so much for having me today. I really appreciate the opportunity to share information about the CDFI and I really do hope that this information was helpful and that you will be able to make the linkages and connections that will bring more funding to the disability community.

If there is any way that I can help to support that effort with anyone out there in the community, please feel free to reach out and contact me directly.

>> DR. TOBEY PARTCH-DAVIES: Yes, I would just say the same thing. We are here to help. We as, you know, colleagues who are passionate about the intersection of disability and community economic development, we would love to answer any questions you have and be a resource to you.

So thank you so much to Stout and the E3 initiative for hosting this content for us today.

>> BETH GAERTNER: The contact information is on the last slide of the Power Point presentation. If you want to reach out with questions about CDFIs, reach out. Next week, same time, same place. We will have another webinar. This will be a rebroadcast. Partners in the juvenile justice system.

(Audio very low.)

Next week at 11:00 a.m. Central Time. We hope you will join us then. Thanks, everyone.

>> HEIDI DECKER-MAURER: Hi, there. I think Beth was having problems with her microphone. To reiterate what she just said, we have our webcast rebroadcast next week. It is engaging partners in the juvenile justice system. That is next week at 11:00 o'clock Central Time. The presenters are Randy Laws and Kimberly Gerlock. Same time, same place. We look forward to having you again.

Thanks again to Beth Gaertner, my colleague here at SVRI to Tobey Partch-Davies and Dwanda Farmer for the great program today. Thanks so much for all the content. Everybody in the audience, thanks for joining us. Hope to see you next week. Bye!

(The webinar concluded at 12:17 p.m. CDT.)

(CART captioner signing off.)

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