

Proposal: 1723 (AF94) Reg BB - Community Reinvestment Act

Description:

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From: MANNA, Inc., Sasha-Gaye Angus

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Comments:

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Your comment: Docket Number R-1723 and RIN Number 7100-AF94

To Whom it May Concern,

My name is Sasha-Gaye Angus, and I am the CEO of MANNA, Inc., a nonprofit affordable housing developer serving the DMV region. Since 1982, MANNA has built over 1,500 units of affordable housing and served over 2,000 families. We have invested over \$300 million into neglected DC neighborhoods and helped homeowners accrue over \$160 million in home equity. MANNA provides a wide variety of services in low- to moderate-income (LMI) communities, including developing and constructing properties for sale or rent, counseling buyers and residents to prepare them to become homeowners, and managing condominium associations. Because of this work and the way in which we finance it, MANNA is especially concerned about the impact that the proposed changes to the Community Reinvestment Act (CRA) would have on the communities we serve.

MANNA's operations would not be possible without the CRA and the incentives it creates for banks to partner with non-profits such as MANNA and subsequently support our communities. Much of our construction is funded through small grants and loans from banks in the range of \$2,000 to \$100,000. Despite our long record of success and track record of paying back loans with interest, the funding we receive from banks takes considerable effort on our part and the banks to arrange. The proposed changes from the OCC threaten to significantly reduce our funding and harm our operations. Of particular concern is the new allowance for banks to receive CRA credit for large infrastructure projects. Banks would then be incentivized to finance these types of projects, such as the relocation of DC's professional football stadium, with CRA credit, providing limited if not questionable benefit to LMI communities. Given the enormous cost of these infrastructure projects, any amount of CRA credit for their investment would dwarf the CRA credit they would get from projects like MANNA's affordable housing.

MANNA is also concerned about the new definition of affordable housing in the Final Rule. Broadening credit eligibility to affordable housing that is occupied by upper-income individuals will put MANNA's clients in competition with housing for higher-income college students and young professionals. It will

make it significantly more difficult to create housing opportunities for LMI individuals, worsening the racial and wealth inequities currently facing most LMI communities. We cannot afford to shrink the pool of CRA funding that is already sorely needed and essential to LMI communities.

MANNA is extremely concerned about the health of the communities that we serve during and following the COVID-19 pandemic. In the Summer of 2020, it was announced that 31% of DC renters were at risk of eviction. As of early October, over 39,000 evictions were waiting to be filed in the District Superior Court once the state of emergency's moratorium on evictions is lifted. Risk of eviction and foreclosure is intensified by the unemployment crisis hitting low-income communities. Unemployment in DC's Wards with the highest percentage of Black residents, Wards 7 and 8 (areas where MANNA has some concentration of properties), peaked during the COVID-19 pandemic in April and May of 2020 at 16.5% and 20.7%, respectively. By December of 2020, these numbers had only dropped to 13.4% and 17.5%, respectively. In December of 2019, these numbers had been as low as 8.6% and 11.3%. The financial devastation caused by a lost job puts a family's entire wellbeing at risk. It makes it especially difficult for them to meet their monthly housing costs, putting their housing in jeopardy. LMI communities were already at great risk of displacement and gentrification before COVID-19. The pandemic is now threatening to cause mass displacement in high-cost cities like DC, making additional funding for LMI communities desperately needed.

COVID-19's threat of an eviction and foreclosure crisis makes the work done by organizations like MANNA absolutely vital. The 'Final Rule' threatens to seriously reduce MANNA's funding by offering more lucrative investment opportunities to the banks we partner with. The CRA makes it possible for organizations like MANNA to exist by incentivizing banks to fund projects that provide desperately needed services and amenities to struggling LMI communities that they otherwise may not see a financial incentive to fund. With the eviction, foreclosure, and financial crisis posed to follow COVID-19, LMI communities will need significant investment and aid. Now is the time to ensure that banks find reason to invest in these communities, not to direct their resources elsewhere. MANNA appreciates that the Fed has begun directing attention towards CRA reform and appreciates the ability to comment on how the current proposed changes would impact our operations and financing.

Sincerely,

Sasha-Gaye Angus
CEO of MANNA, Inc.