

Community Reinvestment Act Joint Public Hearing, August 12, 2010
Individual Presentation: Cliff Parks

[Applause]

Cliff Parks:

My name is Cliff Parks and I'm from Peoria, Illinois. I'm here on behalf of Tom Tincher who had a conflicting appointment in Washington, D.C. and was not able to come. We work with the Community Development Service Institute.

Central Illinois Community Service Collaboration has been working with the Chicago Federal Reserve and Central Illinois lending institutions to establish a broadened approach to secure CR credit for lenders and at the same time be much more effective in reaching CRA goals. Today, the Community Development and Service Collaboration refers to this new and transformative approach to community revitalization as being--are saving our neighborhoods by growing our region program. Through our community-based planning and project facilitation center we have generated 16 major regional projects with a total development cost of nearly \$1 billion and several thousand construction and permanent job opportunities. As the designer of these projects we are including many small minority business development opportunities and a substantial number of pathways out of poverty jobs.

These opportunities will be available first to our target neighborhood residents and these residents will be supported by timely training and needed services. However, the most important part of this is the willingness of our participating lenders to make below market rate loans to the participating regional project developers in return for the developers commitment to the small minority business development components; and their commitment to pledge 1% of the below market rate financing as a revenue stream for the life of the commercial and residential loans. This new revenue stream will support target neighborhood transformation projects and support small minority business development and pathway out of poverty programming. This holistic approach outlined in the handout that we gave you that we have provided as a potential to be one of the most significant approaches to realizing the sustainable transformation of distress neighborhoods and target neighborhoods in our communities.

By amending the CRA to allow banks to receive CRA credit for financing these projects and programs at below market rates, urban, world and suburban economic growth is stimulated. Banks have qualified developers that are involved, and loans can be sold on a secondary market. And most important the target population, the distress neighborhoods, are those that are in trouble are served. We encourage the Federal Reserve to help us draft a process and necessary legislation in order to bring this change about.