

# Reinvestment WORKS

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*Congressman Elijah Cummings,  
U.S. Representative for Maryland's 7<sup>th</sup> District*

## NCRC Holds State Reinvestment Summits in Delaware and Maryland

This summer, NCRC held state Reinvestment Summits in both Delaware and Maryland to bring together groups and individuals invested in the state community and discuss initiatives to address statewide disinvestment problems. The strong audience attendance and participation at both Summits demonstrated the high level of dedication to improving communities in Delaware and Baltimore and uplifting those left behind by the economic recovery.

The Summits featured specialized sessions and plenaries, some of them standing room only, that addressed local needs and provided targeted knowledge for resolving problems particular to each state. Over the course of the Summits, sessions focused on a variety of topics such as job creation and workforce development, providing opportunities for young people, investment in safe communities, housing and small business development, protection against predatory lending, affirmatively furthering fair housing rules, ensuring financial capability for older adults, and reinvesting in state immigrant communities.

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### *Delaware*

Community advocates and organizers, local and national reinvestment groups, financial institutions, and public officials gathered on June 16 in downtown Wilmington, Delaware for NCRC's Delaware Reinvestment Summit. Over 200 attendees participated in the Summit in response to specific problems of divestment in parts of Delaware, where residents experience neglected neighborhoods, an inadequate supply of career-track jobs, high crime rates, and a lack of anti-violence and youth programs. This is despite the fact that more than a million corporations are based in Delaware, including 64 percent of Fortune 500 companies.

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# NCRC Holds State Reinvestment Summits in Delaware and Maryland

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The Delaware Summit began with a keynote address from the Governor of Delaware, Jack Markell, who spoke about reinvestment initiatives underway in Wilmington, including the Downtown Development District and Neighborhood Building Blocks. Governor Markell was joined by NCRC's President and CEO John Taylor and NCRC's Chief of Community Development Ed Gorman to announce the launch of GROWTH, NCRC's new initiative to purchase, renovate, and sell homes in low- and moderate-income areas. GROWTH is initially operating in Wilmington, with plans to spread to several other markets (for more on GROWTH, see "NCRC Launches GROWTH to Increase Homeownership, Job Training in LMI Communities" in this issue of *Reinvestment Works*).

Later at lunch, Matthew Denn, the Attorney General of Delaware, addressed the audience and took questions. He also mentioned his plans to use money the state received from bank settlements to provide neighborhoods and schools with funds for development.

Particularly relevant for Delaware, the Summit included sessions on using the Community Reinvestment Act (CRA) to influence corporate headquarters to act as community anchors and provide needed financial services for low- and moderate-income areas. Corporations in Delaware receive benefits through tax incentives and various corporate-friendly policies, which have given rise to a large number of financial incorporations in the state, but many of the institutions headquartered there have limited presence in the community. NCRC is committed to empowering Delawareans to hold these corporations to their CRA obligations for the benefit of the entire state.

*Delaware Attorney General Matthew Denn speaks at the Delaware Reinvestment Summit lunch*

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Left to right: Anas Ben-Addi, Director, Delaware State Housing Authority; Bob Dickerson, Chair, Board of Directors, NCRC; Matthew Parks, Director, CRA-Investments-Wholesale Banking, Discover Bank; Delaware Gov. Jack Markell; John Taylor, President and CEO, NCRC; and Ed Gorman, Chief of Community Development, NCRC launch NCRC's GROWTH initiative.



# NCRC Holds State Reinvestment Summits in Delaware and Maryland

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## Maryland

The Maryland Reinvestment Summit, attended by over 300 participants, took place on September 28 in Baltimore. Coming off a summer of protests that arose in the wake of Freddie Gray's arrest and death in police custody, but which were also in response to the decades of disinvestment in much of Baltimore, attendees were ready and excited to build a continuing movement. While the

sessions addressed a variety of **important topics**, a running theme of the Summit was community wealth building and creating opportunities for reinvestment in Baltimore. Organizers and members of community groups from the Baltimore area and beyond provided instruction and best practices for CRA campaigns, equitable development, and providing education and job opportunities for Baltimore's young people.

During lunch, the Summit featured two distinguished keynote speakers, Congressman Elijah Cummings, the popular U.S. Representative for Maryland's 7<sup>th</sup> District, and Ben Jealous, the former President of the

NAACP. Congressman Cummings' inspiring speech discussed the wealth gap in Baltimore and around the country. He noted that there are more alternative financial services (payday loans, check cashing services, etc.) than banks in Baltimore. His speech also touched on the impact of financial stress on one's health and the dignity people find through their jobs. Looking out at the audience, he remarked that the diversity of the participants was a source of strength.



Congressman Elijah Cummings addresses the Maryland Reinvestment Summit

The Delaware Summit was co-convened with AARP and several local organizations committed to strengthening reinvestment in Delaware, including Central Baptist Community Development Corporation, Delaware Aging Network, DCRAC, Delaware Housing Coalition, Delaware Hispanic Commission, and Habitat for Humanity of New Castle County. The Maryland Summit was co-convened with Associated Black Charities, Baltimore Algebra Project, BNI, CASA, Citizens Planning and Housing Association, Democracy Collaborative, Equity Matters, Maryland Consumer Rights Coalition, New Economy Maryland Fellows, and Community Development Network of Maryland.

The Delaware and Maryland Reinvestment Summits are part of an ongoing initiative by NCRC to hold regional summits across the country to address local disinvestment issues and implement specialized solutions for each state's problems. Last year, NCRC held the Ohio Reinvestment Summit on September 8 in Cleveland (see "Ohio Reinvestment Summit Draws Hundreds of Local Advocates," *Reinvestment Works*, Fall 2014).



Ben Jealous, former President of the NAACP, speaks at the Maryland Reinvestment Summit lunch.



# NCRC Launches GROWTH Initiative to Increase Homeownership, Job Training in LMI Communities

GROWTH purchases, renovates and sells homes in LMI neighborhoods through the NCRC Housing Rehab Fund. The program will initially operate in Wilmington, Delaware, and then expand to a total of 10 to 15 markets.

At the Delaware Reinvestment Summit on June 16, NCRC announced the launch of GROWTH, an initiative designed to create new pathways to homeownership for low- and moderate-income (LMI) families. The program is designed to increase homeownership, provide financial counseling, create jobs and revitalize local economies.

GROWTH purchases, renovates and sells homes in LMI neighborhoods through the NCRC Housing Rehab Fund. The program will initially operate in Wilmington, Delaware, and then expand to a total of 10 to 15 markets. NCRC is

already working with Neighborhood Housing Services of Chicago to implement elements of GROWTH in that city.

“GROWTH represents the perfect example of how community leaders, government and financial institutions can come together around a common agenda to have a positive impact in low- and moderate-income neighborhoods,” said NCRC’s President and CEO John Taylor. “We are happy to say that GROWTH will increase the opportunity for working-class Americans to have access to affordable housing.”

The Fund has an initial offering size of \$80 million, and the GROWTH initiative will purchase and renovate up to four thousand single-family homes. All of the homes will be sold at affordable prices to LMI families or in LMI census tracts, and approximately 30 percent are being made available as “lease-to-own” properties for families desiring to become homeowners but who may not currently have the high credit scores demanded by many mortgage companies.

GROWTH will provide housing and financial capability counseling through the NCRC’s Housing Counseling Network and other HUD-certified agencies. It will also provide workforce readiness training, making local construction jobs and pre-apprenticeship opportunities available for local LMI residents to work on the crews that renovate homes purchased by GROWTH.



*Before and after pictures of a GROWTH-funded renovation*

Delaware Governor Jack Markell was on hand at the Summit to assist with the launch. “This announcement represents another important

investment in the quality affordable housing opportunities that are vital to revitalizing neighborhoods and creating economic opportunity for Delawareans,” said Markell in a statement. “...I thank everyone involved with NCRC for their tremendous commitment to affordable housing.”

LMI families, defined as those with income below 80 percent of an area’s median income, are in desperate need of affordable and secure housing options. Recent data indicates that rental housing is escalating in costs at four percent annually and is currently 38 percent more expensive than homeownership for comparable housing. “With homeownership at a 20-year low, the time is right to find new ways to reinvigorate the American Dream of homeownership and wealth building opportunities for families by providing sustainable, affordable mortgages,” said Ed Gorman, NCRC’s Chief of Community Development and Managing Director of GROWTH.

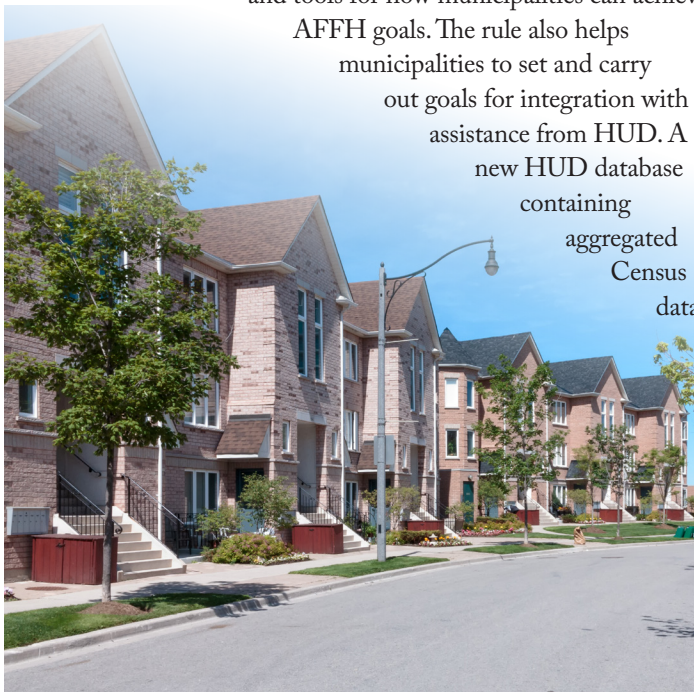
For more information about GROWTH, visit [www.growthbyncrc.org](http://www.growthbyncrc.org).



# HUD Releases AFFH Rule to Improve Neighborhood Integration Efforts

On July 8, the long-awaited Affirmatively Furthering Fair Housing (AFFH) rule was finally released by the U.S. Department of Housing and Urban Development (HUD). Communities that receive funding from HUD are required to actively ensure fair and equal opportunities for housing to prevent or end segregation, an obligation that has been in place since the passage of the Fair Housing Act in 1968.

The final rule serves to provide clear guidelines as well as data and tools for how municipalities can achieve AFFH goals. The rule also helps municipalities to set and carry out goals for integration with assistance from HUD. A new HUD database containing aggregated Census data



from every county on a variety of geographic factors will be available to assist communities with compliance.

NCRC has long called for HUD to release a final AFFH rule, and applauded the release of the rule.

"We are very pleased that HUD has issued a final Affirmatively Furthering Fair Housing rule," said NCRC's President and CEO John Taylor. "This rule is a huge step forward for fair housing and desegregation in this country. We applaud HUD and the Obama Administration for taking these proactive steps to provide state and local governments with tools and data to create integrated communities and meet their fair housing obligations. We believe that the rule will result in a sea change, and lead to the integration of many communities that are largely segregated today. The rule encourages the deployment of public and private funds to increase everyone's access to good schools, jobs, healthcare and housing."

"The antidote to racism is the integration of communities," Taylor continued. "When we know each other and see each other on a daily basis, we better understand and relate to each other. That is what Affirmatively Furthering Fair Housing is all about."

*"We believe that the rule will result in a sea change, and lead to the integration of many communities that are largely segregated today."*

*John Taylor,  
NCRC President and CEO*

## NCRC Board Extends John Taylor's Contract to Lead NCRC for another 5 Years

NCRC is very pleased to announce that its Board of Directors has extended NCRC's President and CEO John Taylor's contract for another five years. Taylor, who was NCRC's first employee, will continue to serve as NCRC's President for that time, but per his request the role of CEO will be taken on by another individual. As President, Taylor will advise the CEO on executive management matters. Both individuals will report to the board. NCRC's Board and Taylor will be conducting a nationwide executive search to fill the position.



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# Supreme Court Upholds Disparate Impact Rule in Win for Fair Housing

By Ryan Conley

The U.S. Supreme Court handed a surprising victory to fair housing advocates on June 25 by upholding the use of disparate impact under the Fair Housing Act in a narrow 5-4 decision in the case *Texas Department of Housing and Community Affairs v. Inclusive Communities Project*. The disparate impact rule holds that lenders can be found liable for housing discrimination if their policies and actions are not prejudiced on their face but have a discriminatory impact. It is an important resource for fair housing enforcement in that it can help uproot institutional discrimination that is hard to expose.

“For many years, the application of disparate impact doctrine has helped to expose housing practices that may appear neutral on their face but have discriminatory effects on protected classes,” said NCRC’s President and CEO John Taylor in response to the ruling. “Housing discrimination today often isn’t as blatant as it was in the past, so this is a vital tool

for enforcing fair housing law. We applaud the Supreme Court for making the right decision.”

The final decision was unexpected by court watchers who, after it became clear that Justice Anthony Kennedy would be writing the majority opinion, assumed that at least parts of the disparate impact rule would be struck down. During oral arguments, Justice Kennedy seemed to display skepticism about the use of disparate impact theory under the Fair Housing Act, causing concern among advocates. However, Kennedy ultimately wrote the majority opinion upholding the rule, joined by Justices Ginsburg, Sotomayor, Kagan, and Breyer.

While he wrote the opinion upholding the rule, Kennedy did include language in the decision suggesting that tighter evidence may be needed in future cases to show that the practices of the financial institution directly led to the discriminatory results. It could also lead to limits on the penalties that can be



imposed on those found in violation of the rule. But overall, the decision is a victory for fair housing advocates. Said Taylor, “We remain vigilant in the cause of fair housing for all Americans. NCRC and our members will continue to work hard every day to create economic fairness and fair access to housing, credit, capital and banking services.”

Disparate impact remains the “law of the land,” and it will continue to be used to shine light on the housing discrimination still occurring nearly 50 years after the passage of the Fair Housing Act.

## NCRC NATIONAL TRAINING ACADEMY

*Empowering Communities and Individuals Through Comprehensive Training*

NCRC’s National Training Academy provides comprehensive training programs for organizations committed to increasing access to credit in communities. We offer state-of-the-art substantive training and technical assistance both on-site and online.



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## Reinvestment WORKS

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## Not a member yet? Join today!

NCRC's members are community organizations across the country dedicated to promoting fair and equal access to credit, capital and banking services for all communities and populations.

### Membership benefits include:

- Data analyses that help members understand bank investment patterns in their communities,
- Access to the members-only listserv,
- Subscriptions to Shelterforce Magazine and GrantStation, a weekly fundraising newsletter,
- Discounted rates for NCRC's Annual Conference, and
- Assistance engaging with federal officials.

### Membership Eligibility:

Non-profit organizations and local and state governments/government agencies are eligible for membership.

### How to Become a Member:

Becoming a member is easy! Visit us online at [www.ncrc.org](http://www.ncrc.org), call our Membership Department at 202.628.8866, or email [membership@ncrc.org](mailto:membership@ncrc.org).

## CAREERS AT NCRC

NCRC is always looking for talented and self-motivated individuals. To see the latest career opportunities, please visit [ncrc.applicantpro.com](http://ncrc.applicantpro.com).

If you are interested in working in a dynamic and diverse environment, please send a cover letter, resume, short writing sample and salary expectations to the Human Resources Department at [hrdept@ncrc.org](mailto:hrdept@ncrc.org) or to NCRC, 727 15th Street, NW, Suite 900, Washington, DC 20005.

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