

Keynote Address by CDFI Fund Director Donna Gambrell at the 2010 National Interagency Community Reinvestment Conference Advanced Investments Day

March 18, 2010

Introduction

Thank you for the kind introduction. I appreciate this opportunity to address such a distinguished gathering of community development practitioners and would like to thank all of the organizations that supported this conference. We are honored that the CDFI Fund is included as co-sponsor of this year's event. I would like to also thank the CDFIs that have so generously shared their knowledge with us this week in several presentations. Your personal insight and knowledge about community development was appreciated.

If you heard my remarks on Monday, you may recall that I mentioned that on this coming Saturday, I will be participating in the dedication ceremony of the new Holy Cross School here in New Orleans.

Actually, the administration at Holy Cross is not calling the event a "dedication ceremony." They are calling it a "rebirth celebration," and I think those are the perfect words.

Holy Cross was established in New Orleans back in 1849, and long before the dawn of the 21st century, the institution established itself as one of the city's leading college preparatory schools.

But that long, rich tradition of teaching boys to become men with a true sense of community almost came to an end on August 29, 2005. That was the day that Hurricane Katrina struck the city of New Orleans and devastated the original Holy Cross complex in the lower 9th Ward.

Most of us don't know what it's like to lose everything—everything—in what amounts to the blink of an eye. It's incomprehensible, really. What do you do? How do you go on?

The loss was so devastating that many chose to rebuild their lives elsewhere and I think we all can certainly understand.

But the people at Holy Cross had a different idea. They stayed. They stayed and selected a new site for their school. They stayed and built a new 20-acre campus.

In a different way, that's also quite incomprehensible. How do you find the courage—the heart—to stay and start again in the face of such a tragic loss?

For the answer to that question, we can turn to the Headmaster of Holy Cross, Charles J. DiGange, himself a 1964 graduate of the school. In his Headmaster's Message of January 4, 2010, he reflected on the opening of their new school, and I quote:

Endings are not always endings, but opportunities for new beginnings. From seemingly hopeless circumstances four years ago, to possibility in the midst of the impossible, we have emerged anew, and we are energized to begin this new year as we officially commemorate a new era in Holy Cross history.

“Endings are not always endings, but opportunities for new beginnings.” That is indeed rebirth. And the vision and spirit that have made it possible are truly something to celebrate. You can understand why I am so excited to be going to Holy Cross on Saturday.

But the fact is, we don’t have to go to Holy Cross to see that same spirit in action. If we look around us, we can see that it’s alive and well throughout the city of New Orleans.

If we look around we will also see something else. We will see how much work remains to be done—how many homes there are to be rebuilt, how many neighborhoods to be revived, how many businesses and jobs to be created, how much hope to be fulfilled.

And that’s why I believe that New Orleans is the perfect setting for this conference. It shows us the whole picture. It shows us the “seemingly hopeless circumstances” and “the impossible,” but it also shows us “the possibility in the midst of the impossible.”

The implications for our industry

This is a very valuable lesson for all of us. And it is true not just of New Orleans but in so many areas of our country—especially the areas we work in every day. Indeed, it is a valuable lesson for all of us in community development.

For this recession has been our industry’s Hurricane Katrina. We can be thankful that the recession hasn’t taken everything from us the way that Katrina took everything from so many people in New Orleans. But the devastation to our industry and the communities we serve has been very real. In a short time we have done much to recover, but we still have far to go. So we, too, have an opportunity for a new beginning.

The economic problems that have plagued low-income communities for years have only worsened and are unlikely to improve significantly any time soon, despite the recovery that is now taking root elsewhere in the nation.

Moreover, like the communities they serve, CDFIs have also been hit hard by the economic downturn. As demand for the capital, credit, and financial services they provide has increased dramatically, many CDFIs have seen the sources of capital and credit that supports their work dwindle.

So I believe that our industry has reached a critical moment, a turning point. Make no mistake, we have accomplished much. But make no mistake; we have so much more to do.

Our challenge now is to build on the strong foundation we have established and to continue transforming our industry from the fledgling, grassroots movement it was 15 years ago when the CDFI Fund was created into a broad and enduring financial mainstay that will generate opportunity and hope in the underserved, low-income communities across the nation that need them most.

But how do we make that transition? What can we do to take our industry to the next level? How do we ensure rebirth?

Looking at our own practices

As our industry grows and its impact is more widely recognized, it will no doubt produce an influx of talented young people who will lead our industry into the future. We can already see evidence of that in the growing number of graduate degree programs in community development that are now offered. In fact, we could see evidence of it this very morning, in our opening session, which was devoted to a discussion about nurturing our young talent.

But we need to act now. And I am entirely confident that the not-so-young talent we already have is more than equal to the task before us.

The first thing I believe we can do to take our industry to the next level is to critically look both at what we have done well and what has not worked as well, and then we must explore what we can do even better. That process can and should be comprehensive, drawing upon the perspectives of everyone within the organization, our stakeholders, and those we serve.

That is something we at the CDFI Fund are currently engaged in. Earlier this month, we announced that we are undertaking a holistic review of the CDFI Fund's entire authorizing statute—the Riegle Community Development and Regulatory Improvement Act of 1994. As part of that process we are asking past CDFI awardees and applicants, community development trade groups, and the general public to provide written comments that we will use to formulate future policy and legislative proposals that will increase our support to CDFIs. In addition, we will announce in the near future a series of national listening sessions around the country to hear first hand from our stakeholders ways we can improve.

These efforts are a critical part of our strategy to position the CDFI Fund to lead another 15 years of growth for CDFIs. And the timing is especially fortunate. This conference has given all of us a remarkable opportunity to examine and learn from the innovations and best practices for our industry. So, with the statute open for comments right now, this is the perfect time for leaders in our industry—leaders like you—to look at how we can apply some of those innovations and best practices and improve our performance.

So we invite you to submit your written comments. Please remember that we need to receive them on or before May 2nd.

Developing new partnerships

Looking at our own practices is only one of the things we must do if we are going to expand our impact. We must also explore new ways to work together.

One model of collaboration that we can all draw upon for inspiration is the new Healthy Food Financing Initiative that First Lady Michelle Obama recently highlighted in Philadelphia. This proposed initiative will bring grocery stores and other healthy food retailers to underserved urban and rural communities across America.

The Healthy Food Financing Initiative is truly visionary. The idea is that providing well-targeted financial and technical assistance can create successful businesses that offer healthier options in communities where access to healthy foods is limited, which in turn creates jobs, helps to revitalize distressed

communities, and opens new markets for farmers to sell their products. It approaches community development from a comprehensive standpoint, tackling challenges of health and well-being alongside those of job creation and economic revitalization.

What makes the new Healthy Food Financing Initiative such an excellent example of the CDFI model of financing is that it involves extensive collaboration among many different players from the public, private, and nonprofit sectors. Included in the President's FY 2011 Budget, this new initiative will bring together the Department of the Treasury, Department of Agriculture, and Department of Health and Human Services to support our collaborative model of financing this important work. The proposal would make available more than \$275 million in financial and technical assistance to CDFIs, other nonprofits, and businesses with sound strategies for addressing the healthy food needs of communities.

It's a great example of building effective partnerships, and a great example of thinking outside the box.

Closing Challenge

It has been an honor for me to be here with you today. And it has been a privilege to have the opportunity to learn about some of the great work that is being done by CDFIs and others in New Orleans.

If we can all take just one thing with us from our week here in New Orleans, I hope it is the memory of the immeasurable challenges that this city has faced. I also hope that we never lose sight of the possibility in the midst of the impossible, and that we continuously rededicate ourselves to ensuring that the communities we serve, as well as our industry, emerge anew.

Thank you.