



Legislation Text

File #: 18-23, **Version:** 1

Letter of Support for Community Choice Credit Union federal grant application

Summary and Background Information :

Access to affordable financial products and services is a staple of economically vibrant communities. Yet at least one quarter of American households do not have a bank account or rely on costly payday lenders and check-cashing outlets. Additionally, many small businesses and critical community development projects lack access to the capital investment necessary to spark economic growth in their communities. The Community Development Financial Institutions Program (CDFI Program) actively works to address these issues by investing federal resources-which are matched with private funding-in CDFIs working to serve low-income and underserved people and communities. The CDFI Program offers both Financial Assistance and Technical Assistance awards to CDFIs. These competitive awards support and enhance the ability of these organizations to meet the needs of the communities they serve.

Community Choice Credit Union is applying for a Financial Assistance (FA) award and is requesting a letter of support from the city. Financial Assistance awards are made in the form of loans, grants, equity investments, deposits, and credit union shares, which CDFIs are required to match dollar-for-dollar with non-federal funds. This requirement enables CDFIs to multiply the impact of federal investment to meet the demand for affordable financial products in economically distressed communities.

A draft letter is included for review and city council consideration. If approved, the letter would be signed by Mayor Ford and sent to CCCU.

Staff Responsible (Department Head): City Manager McBroom

Staff Member Presenting : City Manager McBroom

Financial Impact : \$0

Funding Source : N/A