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SCR-22 Community Development Financial Institution (CDFI) Week. (2021-2022)

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Senate Concurrent Resolution No. 22

CHAPTER 84

Relative to Community Development Financial Institution (CDFI) Week.

[Filed with Secretary of State July 16, 2021.]

LEGISLATIVE COUNSEL'S DIGEST

SCR 22, Umberg. Community Development Financial Institution (CDFI) Week.

This measure would designate the week of April 5, 2021, through April 9, 2021, inclusive, as Community Development Financial Institution (CDFI) Week.

Fiscal Committee: no

WHEREAS, Community Development Financial Institutions (CDFIs) have brought opportunity to low-income communities and communities of color, repeatedly underserved and undervalued by mainstream financial institutions, for more than 50 years; and

WHEREAS, CDFIs are private sector, nonprofit, and for-profit mission-driven financial intermediaries with community development as their primary mission. Therefore, they can reach communities that traditional lenders do not. Through mission-driven lending and investments, CDFIs leverage capital from public and private sources to deliver affordable and responsible lending products that help reverse the impacts of disinvestment and foster the resilience of low-income communities; and

WHEREAS, CDFIs have been called the "financial first responders" of the COVID-19 pandemic, providing resources in nearly every district of California to communities most impacted by the COVID-19 economic recession, with an emphasis on rural, urban, and Native communities impacted by the recession and; and

WHEREAS, CDFIs have shown remarkable success as Paycheck Protection Program (PPP) lenders, outperforming much larger and better capitalized lenders, and in less than three months, a subset of the CDFI industry, 303 CDFIs, made 106,113 PPP loans for a total of \$7.4 billion; and

WHEREAS, The State of California has developed critical partnerships with CDFIs and has turned to them to provide technical assistance, lending, mortgage assistance, program management, and disaster relief; and

WHEREAS, CDFIs provide tools to enable economically disadvantaged individuals to become self-sufficient stakeholders in their own future. These tools include providing financial services, loans, and investments; offering training and technical assistance services; and promoting development efforts that enable individuals and communities to effectively use credit and capital; and

WHEREAS, Seven CDFIs originally partnered to form The Golden State Acquisition Fund (GSAF), a \$93 million flexible, low-cost financing program aimed at supporting the creation and preservation of affordable housing throughout the State of California and to date has committed and repaid \$427,800,000 for 97 projects with over 10,000 housing units; and

WHEREAS, The state of California is home to nearly 100 CDFIs, of which the CDFI Coalition estimates California CDFIs manage a total of \$27 billion and play a critical role in creating jobs, financing affordable housing, ensuring financial health for underserved communities, and providing a path to financial and economic justice and opportunity for all; now, therefore, be it

Resolved by the Senate of the State of California, the Assembly thereof concurring, That the Legislature hereby designates the week of April 5, 2021, through April 9, 2021, inclusive, as Community Development Financial Institution (CDFI) Week; and be it further

Resolved, That the Secretary of the Senate transmit copies of this resolution to the author for appropriate distribution.