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**Modernizing the Community Reinvestment Act Regulations**

Community Reinvestment Act Regulation Hearings  
OCC: Docket ID OCC-2010-0011  
Board: Docket No. R-1386  
FDIC: RIN 3064-AD60  
OTS: OTS-2010-0019

August 31, 2010

## *Introduction*

Green For All is a national organization working to build an inclusive green economy strong enough to lift people out of poverty. We are dedicated to improving the lives of all Americans through a clean energy economy. We work in collaboration with the business, government, labor, and grassroots communities to create and implement programs that increase quality jobs and opportunities in green industry all while holding the most vulnerable people at the center of our agenda.

Green For All supports reforms to the Community Reinvestment Act that encourage increased investments and resources in the green economy for low-income communities and communities of color. We believe that the projects that will be most successful in stabilizing and revitalizing these communities will result in *sustained* and *sustainable* economic development — that is, development that achieves positive, long-term net results vis-à-vis three bottom lines: economy, equity, and environment. In short, we support modernizing the CRA to increase economic development in low-income communities and communities of color by investing in and promoting an inclusive green economy.

## *Benefits*

Sustainable economic development benefits all members of society but has particularly significant benefits for low- to moderate-income communities and communities of color. It improves workforce development by providing green jobs training and skill-building opportunities. It creates accessible and high-quality jobs, career pathways, and business ownership opportunities. It supports community building. Sustainable development improves the health and quality of life of children and families and enhances neighborhood quality and stability. It restores and protects natural resources. It advances ecological health and increases community wealth. Sustainable economic development promotes economic revitalization.

## *Proposal*

CRA exam criteria should be broadened and bolstered to further promote lending, investment, and services in support of building strong, healthy, sustainable communities through innovative activities. Given the benefits of sustainable economic development, federal regulatory agencies should implement the CRA to encourage regulated institutions to support activities that have triple-bottom-line results.

1. Provide financial institutions with favorable consideration under CRA performance assessments, including the community development test, for supporting activities that have positive economy, equity, and environmental impacts. For example, the definition of community development,<sup>1</sup> which is applied in the performance tests, could be expanded to include a fifth category: “Activities that have at least one measurable impact in each of the three triple-bottom-line categories: economy, equity, and environment.” In addition, performance test criteria could include consideration of the degree to which community development investments, loans, and services have triple-bottom-line impacts.
2. Define triple-bottom-line criteria such as those developed by the Triple Bottom Line Collaborative,<sup>2</sup> which is comprised of ten Community Development Financial Institutions. Triple-bottom-line criteria could measure the following: contributions to building social capital by providing capital, assistance, and asset development to historically-disadvantaged

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<sup>1</sup> 12 CFR 25.12(g); 12 CFR 228.12(g); 12 CFR 345.12(g); 12 CFR 563e.12(g).

<sup>2</sup> See The Triple Bottom Line Collaborative Scorecard, <http://tripleblc.ning.com/forum/topics/tblc-scorecard>.

individuals, sectors, and communities, including low- to moderate-income people and people of color (equity metrics); increases in positive effects and reductions in negative effects on nature's macro systems (environment metrics); and improvements to the economic health of individuals, enterprises, and communities (economy metrics).

As an alternative to regulatory revisions, Federal financial supervisory agencies could encourage regulated institutions to support sustainable development projects that have triple-bottom-line impacts by explaining in guidance documents (e.g., CRA Interagency Questions and Answers, letter of clarification, public announcement) that the agencies will provide favorable consideration to investments in activities that have measurable impacts in each of the triple-bottom-line categories.

### *Rationale*

This proposal for regulatory changes to the CRA is designed to provide clear CRA guidance and increase certainty for financial institutions that they would receive favorable CRA consideration for triple-bottom-line activities. It aims to do this by supplementing (not reducing) the scope of existing CRA consideration by expanding the types of community development activities for which institutions may receive CRA consideration.

This approach serves the fundamental purpose of the CRA. It will expand opportunities for qualified investments in low- to moderate-income communities that help those communities create more green jobs and realize environmental and health benefits through sustainable economic development.

### *Case Studies from the Inclusive Green Economy*

We agree with the Center for American Progress that “[w]e should rethink economic development to include clean energy lending opportunities,” and with Enterprise Community Partners, that financial institutions should receive recognition for financing or otherwise supporting green buildings that serve low- and moderate-income communities.

Sustainable economic development can include clean-energy jobs programs that create high-quality jobs and careers for low-income people and people of color, such as energy-efficiency retrofit programs with high-road employment and contractor standards and loan funds that support those programs, such as the Energy Efficiency Opportunity Fund that has been established by Living Cities and Green For All.

Economic development should include not only clean energy lending opportunities but, more broadly, activities that build an inclusive green economy by furthering economic development, equity, and environmental quality at the same time. We suggest that financial institutions should get credit for supporting community development by providing loans, investments, and services that help build an inclusive green economy.

Throughout the country, people are working to develop green jobs programs that are ripe for investments that will bring them to scale. Encouraging private investments in these scaled programs through the CRA will help maximize benefits for low- to moderate-income communities and communities of color. Below are two case studies that illustrate the benefits of and opportunities in triple-bottom-line initiatives.

#### 1. Seattle's Community Power Works

Green For All is helping to launch Seattle's "Community Power Works" initiative, a \$140 million neighborhood-based building retrofit program designed to achieve major energy savings and

carbon dioxide reductions while creating thousands of living-wage green jobs. The Initiative will retrofit thousands of residential, commercial, hospital, and municipal buildings in the Central District and parts of Southeast Seattle. Over three years, it aims to achieve 15% to 45% energy savings per building and to reduce approximately 70,000 metric tons of greenhouse gases. In the process, "Community Power Works" will create approximately 2,000 new living wage green jobs. The program is funded with a Better Buildings grant from the U.S. Department of Energy and local contributions.

In partnership with Seattle Mayor Mike McGinn, Green For All designed and led a stakeholder process to develop high-road standards for Seattle's residential energy-efficiency projects. The resulting Community High Road Agreement (Agreement) was unanimously adopted by the Seattle City Council on July 26, 2010. The Agreement will lead to the creation of thousands of high-quality, family-supporting jobs for qualified, historically underrepresented contractors and workers in the clean energy economy. It lays out requirements that direct employment, training, and business opportunities to community residents while imposing quality standards on training programs, working conditions, and contractor performance. Together, these standards will ensure that the City's program creates high-quality, broadly accessible jobs for area residents while maximizing the environmental benefits of the program. In addition, the Agreement creates mechanisms for stakeholders to play a central role in the ongoing implementation, evaluation, and adjustment of the program, thus ensuring that the program benefits from the diverse expertise in the community while also strengthening accountability and democracy.

## 2. Green Jobs for Buffalo

An innovative pilot program in Buffalo, New York called Green Jobs for Buffalo is a direct response to community development needs that spans three sectors of the green economy: green rehabilitation and retrofitting of affordable housing, regional food systems (including sustainable urban food production), and environmental stewardship (including green stormwater infrastructure and remediation of indoor and outdoor environmental hazards). The program will address the need for pathways out of poverty by providing on-the-job training, certifications, and career pathways in these green economy sectors for people with barriers to employment, including those from low- to moderate-income communities and communities of color. It will address the need for jobs by placing program participants in full-time jobs that pay family-supporting wages and benefits and allow for career advancement. In combination with the work already underway in Buffalo's Sustainable Neighborhood Zone, which is funded in part by the federal Neighborhood Stabilization Program, it will address the need for high-quality housing and "greener," healthier neighborhoods and revitalized communities.

### *Conclusion*

We need a clean-energy economy that will move America past some of its most pressing challenges. By making us energy independent, it will improve our national and economic security. By radically reducing the pollution that causes global warming, it will improve the health of our families and neighborhoods. And by creating millions of quality jobs and careers, it will pull America out of the current recession, strengthen our middle class, and better protect us from future economic turmoil. More than that, building a clean-energy economy is a chance to reinvigorate and reinvest in the best part of the American dream: the idea that everyone gets a chance to succeed. The Community Reinvestment Act can help build this clean-energy economy by ensuring that every community has equal access to the new opportunities of the green economy. By working together, we can lift millions of people out of poverty and build a stronger, healthier, more prosperous America for all of us.