

Keynote Address

“This is Our Time”

Prepared Text with Graphics

Lisa Mensah, President and CEO

Delivered Tuesday, October 9, 2018
At the Opportunity Finance Network Annual Conference Chicago

Thank you, Mary and Ron.

I am so happy to be here with you in Chicago. Over the next few days, I look forward to lots of hugs and seeing old friends and making new ones.

In a moment, I want to talk about the role that CDFIs play in this particular period of America’s history. I will share why I believe deep in my heart that for CDFIs *THIS IS OUR TIME!*

But first I have a few thank yous.



OFN Conference sponsors. We are so grateful for your commitment to OFN and CDFIs. We would not be here without your generous support and partnership.



Next... the OFN board, would you please stand? My deepest thanks for your keen and learned guidance and governance.

And OFN's dear staff, these bright and talented people make OFN's work shine for our members, our partners, our investors, and the larger industry. Thank you! Thank you!

Finally, a bittersweet moment of recognition and thanks to our dear friend Jeremy Nowak, whom we lost this year.



Jeremy was founder of Reinvestment Fund. He was brave leader in community development and a true agent of change. We will honor him a bit more tomorrow, but today, I share my gratitude for his vision and brilliance. Jeremy never shied away from a fight for good, and his spirit should be our guide.

I don't have to tell you that it has been a rough year for our great nation. We're living through divisive times that could very easily discourage our work.

But, let us not be discouraged.

I believe our country needs CDFIs more than ever. My message to you today is one of optimism mixed with great determination and conviction.

Yes, the stakes are high. But, we are ready for this. CDFIs: *THIS IS OUR TIME!*



Why am I so confident of this? Because our industry was founded on the back of some of the harshest times in our nation's history; CDFIs have grown and evolved during turmoil. And in turmoil we find solutions. We offer healing – healing is in our DNA.

Many of you know I love a good proverb. One of my favorites is the Ghanaian proverb that says: "Money scattered in a dark place brings light."

For me, this saying perfectly captures what our industry does: CDFIs bring light. We serve people who feel forgotten or left behind. Our light shines through our love of community, through the promise of justice and opportunity.

I witnessed this light during a visit in March to ICA Fund Good Jobs, a CDFI in Oakland, California, that invests in and advises small businesses.

With the Fund Good Jobs team, we toured Firebrand Artisan Breads.



The CDFI's investments have helped the bakery grow from a small local business with four employees to an employer of more than 80 people. It has become a bread source for well-known chefs.

(We feasted on cappuccinos and pastries. If you're in the Bay Area – find Firebrand!)

What struck me about the business is founder Matt Kreutz's passion for his product and his commitment to his community.



Firebrand hires many of its employees from workforce development programs. The bakery offers their staff a decent income and step up on the opportunity ladder. Some of the folks they employ are veterans, single moms, and people who have recently been incarcerated.

This relationship between Fund Good Jobs and Firebrand is a quintessential CDFI story. The CDFI invested in a borrower that is bringing struggling people into the economy. Together, Fund Good Jobs and Firebrand scatter money in darkness and bring light.

Speaking of darkness and light, a friend recently asked me why I work in Washington, especially in these dark seeming days.

This is an easy answer for me!

It's a privilege to advocate for CDFIs in our nation's capital. Even in these challenging times, CDFIs work on the part of the country's agenda that both sides of the aisle often agree on: expanding opportunity, creating jobs, and building communities.

Congress is hungry for ways to tackle this agenda. That's why **THIS IS OUR TIME** to step in with CDFI solutions.

THIS IS OUR TIME to tell Congress we know how to drive dollars where they don't naturally go because of market failures — this is what we do.

Now is our time to showcase CDFI contributions and experience on a broader scale.

This is the work we do together. This is how we amplify your voice.

And I believe policymakers are ready to hear us.

Over the summer, I was invited to testify on behalf of OFN and the CDFI industry before the Joint Economic Committee at a hearing titled "The Innovation Economy, Entrepreneurship, and Barriers to Capital Access."



One moment stands out for me. Maryland Congressman John Delaney asked me what changes are needed to enable money to flow into the 95% of America that rarely benefits from venture capital investment.

My response was: “Invest in CDFIs!” I explained that CDFIs move money into hard to reach communities in all 50 states. We’ve had more than 30 years to learn and improve effective community development finance strategies.

In that time, we’ve grown from a little field with quirky good ideas of how to stimulate the economy to a \$136 billion industry that has a proven track record of contributing to economic growth.

We walk with local community leaders and other partners to finance affordable housing and community facilities, schools and small businesses. Our strategies create jobs and help families gain assets and build wealth.

And CDFIs keep working no matter the economic conditions – just look at how we came through the Great Recession. The industry’s low loan loss rate is less than one third of one percent. This demonstrates that our approach to community development finance is effective and successful in the markets we serve, both for investors and borrowers.

This is the message OFN is carrying forward.

And we are leaning in HARD to deliver this message – the summer’s congressional hearing was just the beginning.



By early 2019, OFN will have moved our headquarters to the nation's capital. This move makes us neighbors of the U.S. government and better positions OFN to advocate for the industry.

In Washington, we are going to be clear about needing more fuel so our field can intensify its impact exponentially. a \$136 billion CDFI industry is big, but it is not nearly big enough. We need more capital, and *IT IS OUR TIME* to push hard for it.

CDFIs work in some of the hardest to lift areas. We go *deep*. Take note of these stats for your fact sheets. Throughout the whole country, 54% of OFN member financing is in high poverty census tracts — and in 8 states and Puerto Rico at least 70% of our lending is in such areas.

I'm also happy to report that currently OFN members have \$12 billion in outstanding loans across the country. Imagine what we could do with more money!

Part of this future money must come from government.

From our new perch in D.C., OFN will work with all of you to press for federal programs and policies that address underinvestment in too many communities.

First and foremost, we'll focus on the agency dedicated to CDFIs – the CDFI Fund. Entity-level support for CDFIs is so rare and so valuable to our industry. We must be vocal and resolute in arguing for its growth. (I am so pleased that Annie Donovan will be speaking to all of us tomorrow.)

Another top priority for the field is the Community Reinvestment Act. Potential changes to the regulatory framework of this critical law could have major impacts on low- and moderate-income communities and the CDFIs serving these markets. We are committed to making sure that the expertise of the CDFI industry is heard loud and clear in this critical policy debate.

And we are promoting a key role for CDFIs in the Opportunity Zone space. I participated in early discussions about the Opportunity Zone program before



it was written into the tax code. Now, as law, the program is trying to unlock some of the *trillions of dollars* of unrealized capital gains. If even a fraction of that can be reinvested in the right community projects, it could be amazing.

The federal government is a vital source of fuel for CDFIs, but it can't be all we have.

I loved that I was asked to testify before Congress about "the innovation economy." It signals to me that we've broken through. It shows that leaders of Congress see that we are innovators with solutions. Now we need more partners, investors, and friends to see us the same way.

So, my call to you is to keep your friends and show up at their doors with your CDFI's story of know-how and impact.

I have great story of CDFI know-how and burgeoning friendship. A few months ago, I visited Inez Long, the president of Black Business Investment Fund Florida – or BBIF.



On the day we met, Inez was meeting with the City Managers of Orlando to talk about creating affordable housing in the City's Parramore neighborhood.

Parramore is an historic, once-thriving African American community. Today, the area is extremely poor and yet vulnerable to future gentrification.



Fortunately, the City wants to turn Parramore's high number of rental properties into affordable homes and preserve them for current residents. City Managers have tried different approaches but couldn't gain traction.

On the day of my visit, Inez presented the CDFI case to city leaders that CDFIs can help save Parramore.

For those of you wondering, yes, BBIF is a small business lender. That's the best part of the story.

While BBIF may not finance housing projects, it does lend to minority and women owned small businesses that develop affordable housing. And, like all CDFIs, BBIF knows how and where to partner to make the most impact.

I went to the meeting with Inez and watched her make a perfect case for CDFIs. And her team is now collaborating with the city and with another CDFI that develops affordable housing. BBIF provides the working capital loans and training to the contractors that build the houses.

BBIF's growing role in Orlando says to me that now really is the time for CDFIs. It's OUR TIME – it's YOUR TIME – to introduce yourselves or maybe reintroduce yourselves to friends and allies as problem solvers or key resources at the table.

This is also our time in another way. And I'm not going to pull any punches.

Decades ago, my father came to America from Ghana for a college education.





He believed America to be the land of opportunity. In America, he sought and found education and housing and work. With my mother, who was as Iowan farm girl, he established roots in a new community.

In America, my father accessed the resources and possibilities that many immigrants risk their lives for. They risk their lives because their hope for a better life is so strong.

But here's the punch: At this point in America's history, the promise of opportunity feels threatened. Claiming we're the land of opportunity rings hollow when the map of persistent poverty hasn't budged for generations.

What does opportunity even mean when too many people have to work 2 or 3 jobs just to make ends meet? Opportunity is hard to see when millions hungry children live in substandard housing in dangerous and blighted neighborhoods. And we kill opportunity when we jail people for minor crimes and leave them to languish in prison without just legal recourse.

I want to say to you is: CDFIs, *THIS IS OUR TIME* to make sure opportunity means something.

We must put our blood and our sweat and our tears into ensuring America's promise isn't lost. We must lean in harder and more persistently than ever before to actively work for opportunity.

THIS IS OUR TIME to provide that mortgage to the first-time homebuyer.

THIS IS OUR TIME to extend that DACA or citizenship test loan.

THIS IS OUR TIME to take a chance on a new business... our time to hire people who want and deserve to be part of the economy.

THIS IS OUR TIME to bring the broadband... finance the health care center... and support the new community school.

And IT IS OUR TIME to walk with others in the fight for American opportunity.



CDFIs need to make ourselves known to warriors for civil liberties and fair workplaces and living wages. Fighters for quality health care and education and prison reform must see us standing with them. Our weapons in the fight to reclaim American opportunity for all are capital and knowledge and community connection. IT IS OUR TIME to use these weapons.

We must help America rise. CDFIs are an important rung on the ladder up.

For sure, our country is experiencing dire fracture, and the gaps are vast. But we must never forget that our industry of more than 1,000 CDFIs is a powerful force for good. It's a growing force. And it's a force whose time has come.

America needs us. Our country is crying out for healing. The economic divide has slowed our ability to move ahead as a nation. Leaders are asking how we can provide good jobs and a brighter future for more Americans. CDFIs KNOW the answer and we've earned the right to be at the table.

THIS. IS. OUR. TIME!
