



Building Toward An Economy That Works for All

“ The Federal Reserve Bank of New York makes the U.S. economy stronger and the financial system more stable for all segments of society. We do this by executing monetary policy, delivering financial services, supervising financial institutions and providing thought leadership on issues that impact the nation and the communities we serve. ”



Letter from the President



JOHN C. WILLIAMS

*President and Chief Executive Officer of the
Federal Reserve Bank of New York*

At the New York Fed, our mission is to make the U.S. economy stronger and the financial system more stable for all segments of society. The more than 3,000 employees of the New York Fed all work actively toward that goal every day. But it's our Community Development team who have their boots on the ground in the neighborhoods across the Federal Reserve's Second District.

Each community we serve has a different set of economic realities and conditions, and because of the work of our Community Development team, we are better able to understand each community's unique achievements and challenges. They are a

talented and motivated staff, driven by our mission and the determination to see our communities succeed.

As we look to recover from the widespread effects of COVID-19, our work in this space is incredibly important and urgent. Moving forward, we will continue to elevate promising ideas and new business models, and we will convene leaders, stakeholders, and thinkers to help create an economy that works for all segments of society.

I am very proud of the work of our Community Development team. This report provides an overview of their accomplishments over the past year and highlights the work that they do in support of our mission.

John C. Williams

A handwritten signature in black ink that reads "John C. Williams".



Introduction



David Erickson

*Head of Outreach and Education
Federal Reserve Bank of New York*

While the New York Fed is well known for its gold vault, it also, more quietly, serves as a home for immeasurable quantities of another treasure: **IDEAS**.

The economists at the New York Fed produce essential research on everything from supply chain disruptions to household debt, while the Community Development team I lead produces important research and white papers focused on the needs of low- and moderate-income communities.

We also serve as hosts. We provide a neutral ground for thinkers who wouldn't otherwise cross paths to debate new ideas, meet new partners, and identify new sources of capital to fund solutions that can help the economy work for all segments of society.

During the pandemic, the Community Development team served as a virtual hub for thought leaders to tackle some of the most pressing problems facing low- and moderate-income communities. Our virtual events brought together midwives and investors; bankers and housing advocates; and nonprofit leaders and government officials for conversations that crackled with possibility and new ideas.

Now that the doors of our historic building at 33 Liberty Street have reopened, we look forward to hosting in-person conversations that create even deeper connections.

A little background: The regional Federal Reserve Banks' Community Development teams aim to link the banks that serve communities in adherence to the Community Reinvestment Act with the people who make change in those areas – neighborhood leaders, nonprofits, businesses, and grassroots groups. We serve as an independent, nonpartisan source of research and information.

This progress report aims to share some of our work during the pandemic as both researchers and hosts. It also describes how we're approaching some of the greatest challenges our nation faces: health inequities, climate risks, and household financial well-being. Our goal is to marry ideas in these areas with funding. We hope that by sharing what we've done, we can find new partners to build on this important work.

Our doors are open. We welcome you and your ideas, a treasure beyond measure.

Thank you,

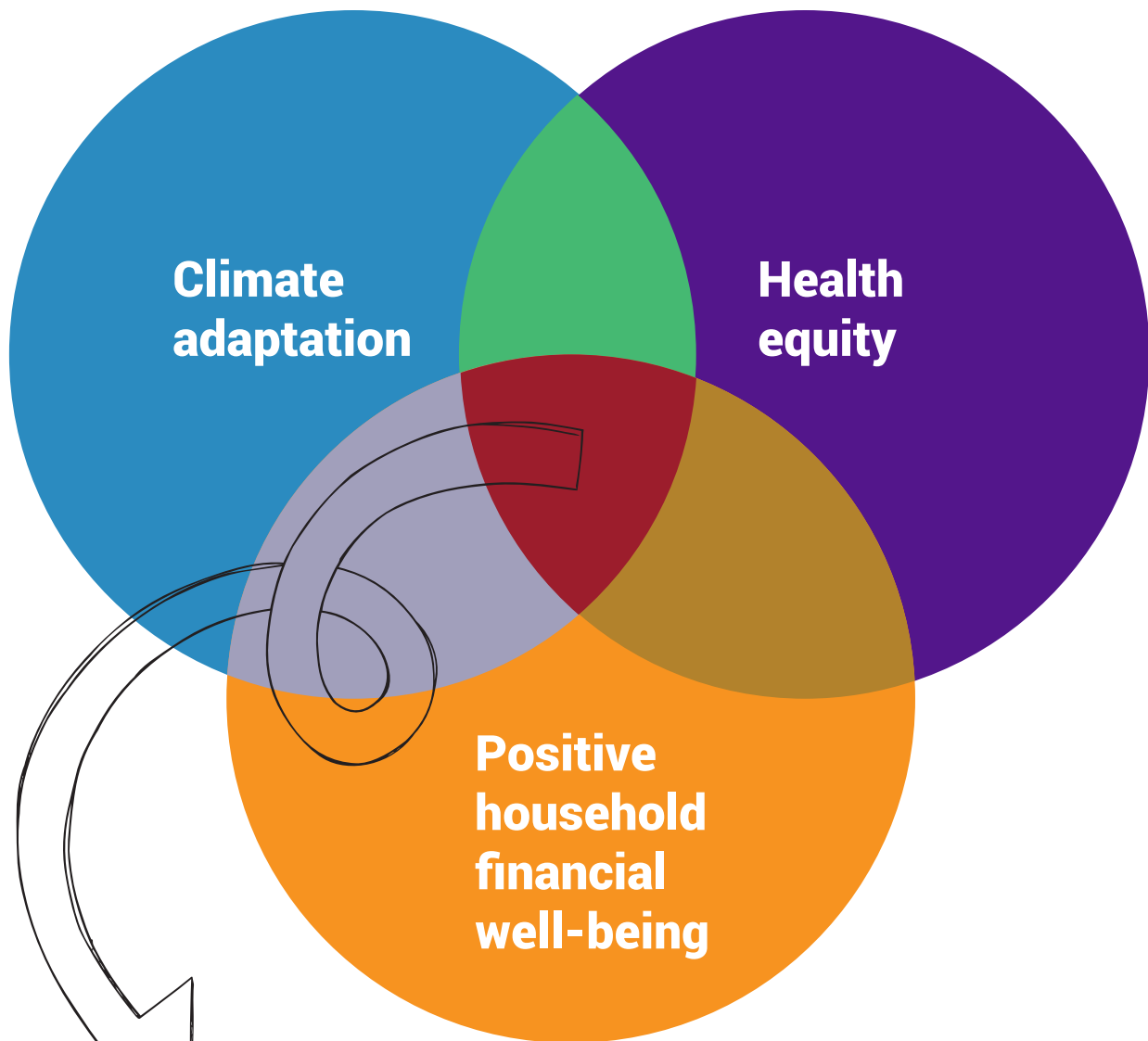
David Erickson

A handwritten signature in black ink that reads "David Erickson".



Centering work on people and communities:

What happens to our people determines the wealth of our nation.



*Centering work on
people and communities
toward an economy that
works for all segments
of society*



How we work:



An economy that enables broad economic participation by addressing the social determinants of health

Focus: Health

Our work in action: In September 2021, the Community Development team collaborated with the NYU Rory Meyers College of Nursing, the New York City Department of Health and Mental Hygiene, Low Income Investment Fund, and the Robert Wood Johnson Foundation to host “The Fourth Trimester and Beyond: The Case for Broad Investments in Maternal and Child Health,” a public event that focused on innovative models to achieve equitable health outcomes for mothers and children. Key insights from the public event and from a series of meetings hosted by the New York Fed were used to inform a white paper.



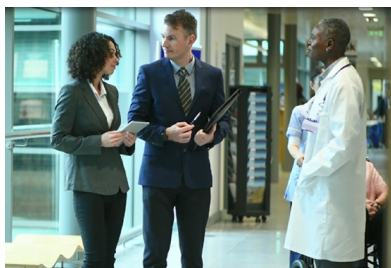
“I did an event last week, which was the first time that we brought maternal health to the White House stage. And we did that event because, as the New York Fed has pointed out, healthy economies require healthy mothers and healthy children. And so, paying attention to the fact that we spend billions of dollars a year as a nation when we don’t invest in maternal health; when we don’t recognize that Black women are three to four times more likely to die in connection with childbirth; when we don’t recognize that when we’re looking at Native women, they’re twice as likely; rural women are 60 percent more likely.”

—Kamala Harris
Vice President of the United States



Get to know us through our work...

More examples of our work toward health equity



Investing in Health: The Intersection of Business, Public Health, and Community Development

JANUARY 19, 2022

This virtual event brought together health and business leaders to examine how the private sector is investing in public health, measuring outcomes, and devising mechanisms to boost private investment in underserved communities. Implementing existing prevention and public health measures would decrease healthcare costs, add two million people to the labor force, increase productivity, and grow GDP.



Combating Food Insecurity: What's Working – and What's Scalable?

NOVEMBER 30, 2021

One of the key social determinants of health is consistent access to nutritious food. This virtual event focused on highlighting market-based solutions and interventions to help ensure everyone has access to healthy and affordable food. Featured speaker Professor Tashara Leak of Cornell University's Division of Nutritional Sciences discussed the implications of food insecurity for youth.



Stakeholder Perspectives on Scaling Solutions

NOVEMBER 16, 2021

Stakeholders focused on addressing food insecurity gathered for a roundtable discussion hosted by the Community Development team to identify challenges and market-based interventions to make healthy and affordable food accessible to all. Stakeholders highlighted the importance of maintaining respect for cultural and religious norms, ensuring equity in communities of need, and aligning capital with sustainability goals.



Mental Health in Communities of Color: Economic Implications and Policy Solutions

MAY 26, 2021

This event focused on the pandemic's impact on mental health in communities of color, including the correlation between depression and anxiety and economic factors such as lost income. Researchers noted that addressing chronic conditions such as depression or anxiety could have broad economic benefits in these communities.



New Initiative Focuses on Social Determinants of Health

APRIL 7, 2021

This post highlighted why the Community Development team is focusing on health and the social determinants of health. As the pandemic has made tragically clear, a healthy economy requires healthy people. The U.S. is among the world's highest spenders on healthcare, yet still lags other developed economies in terms of quality of care and life expectancy.



World Health Day: Global Perspectives on the Social Determinants of Health

APRIL 7, 2021

This event highlighted what actions governments, healthcare institutions, and the financial sector can take to improve the health of a community, including the importance of the social determinants of health. The COVID-19 crisis revealed racial and economic disparities in baseline health, access to quality healthcare, and health outcomes in the U.S. and internationally.



Communities that are resilient and adaptable to climate change

Focus: Climate

Our work in action: In May 2021, the Community Development team partnered with the Center for Impact Finance at the Carsey School of Public Policy at the University of New Hampshire to host a financial innovations roundtable. The discussion included a broad group of stakeholders in solar development, community development finance, philanthropy, mainstream finance, and climate and energy policy with the purpose of attracting interest in and support for efforts to scale low-income solar finance.



More examples of our work toward climate resiliency



Financial Innovations Spur Growth in Solar Power

SEPTEMBER 22, 2021

This post summarized discussion points from a series of workshops and a public plenary *Scaling Equitable Solar Finance* that examined how low- and moderate-income people, particularly people living in manufactured or multifamily housing, can benefit from renewable energy and reduce their carbon footprint. It also explored the current limitations on financing solar projects and the potential opportunities to drive down project costs that would otherwise make alternative energy costs prohibitive.



How Communities on the Front Lines of Climate Change Are Mobilizing

AUGUST 4, 2021

This post highlighted the impact of increasingly volatile weather on low-income communities and communities of color. Panelists focused on flood resiliency, rural electrification, and water supply in times of drought across varied geographies such as Hoboken, Virgin Islands, and Puerto Rico. While the panelists came from different backgrounds, they hold similar goals: protecting their communities from the next storm, converting old buildings to clean energy, and creating jobs in their neighborhoods.



Building Community Resilience as Climate Change Costs Climb

JUNE 3, 2021

This post highlights three areas where the financial sector can play a role in climate adaptation and mitigation: housing, infrastructure, and heat. The Community Development unit is working to identify practical pathways to protect past investments in communities and help neighborhoods prepare for a stormier future. By bringing together diverse partners dedicated to climate, we aim to address resiliency challenges and foster equitable solutions.



Scaling Equitable Solar Finance: A Financial Innovations Roundtable Event

MAY 19, 2021

This virtual event, hosted by the Community Development team in partnership with the Center for Impact Finance at the Carsey School of Public Policy at the University of New Hampshire, identified some of the barriers impacting low-income solar development and engaged a group of stakeholders in solar development, community development finance, philanthropy, mainstream finance, and climate and energy policy to attract interest in and support for efforts to scale low-income solar finance.



Climate and Communities: Voices from the Frontlines

APRIL 29, 2021

This virtual event focused on how communities facing climate-related risks are mitigating future risk and addressing issues of investment, equity, and green technology. Stakeholders on the front lines of climate change shared promising strategies for climate resiliency and adaptation, how to engage with local stakeholders and community members, and critical next steps.



Working for Equitable and Resilient Recovery and Rebuilding in Puerto Rico

JANUARY 25, 2021

The New York Fed hosted a roundtable discussion as part of Investment Connection in Puerto Rico, a program that matches financial institutions and other capital providers with nonprofit and community development organizations whose needs may qualify for credit under the Community Reinvestment Act.



An economy where all households can meet expenses, save, and build wealth

Focus: Household financial well-being

Our work in action: In November 2021, the CD team invited a group of stakeholders to analyze the potential implications of an underwriting change from Fannie Mae that incorporated on-time rental payments to advance more inclusive access to homeownership. Lessons from the roundtable informed a public post, “On-Time Rental Payments Helping to Pave the Road to Homeownership.” The roundtable is complementary to the team’s housing-related work, including “An Economy That Works for All: Fostering Low-Income Homeownership,” a public event in collaboration with other groups within the New York Fed, and a white paper focused on effective eviction prevention strategies and new data collection initiatives focused on the rental market.



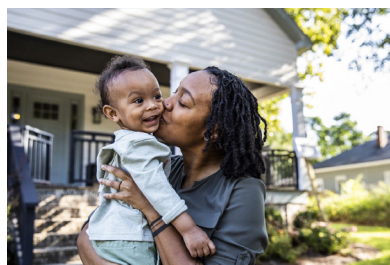
More examples of our work toward household financial well-being



The State of Low-Income America: Credit Access and Debt Payment

MARCH 1, 2022

The report examines debt holdings across income groups and finds that although the COVID pandemic has taken a heavier toll on lower-income Americans, most borrowers—including those in lower-income areas—have been managing their financial responsibilities and debt repayments.



Fostering Low-Income Homeownership: Challenges and Opportunities

DECEMBER 14, 2021

This post rounded out “An Economy That Works for All: Fostering Low-Income Homeownership,” a virtual event, and summarized current trends in homeownership with an emphasis on low-income families and people of color. It also provided a set of recommendations for practitioners across all relevant sectors to help reverse existing housing inequities.



On-Time Rental Payments Helping to Pave the Road to Homeownership

DECEMBER 7, 2021

This post highlighted key takeaways from a roundtable hosted by the Community Development team, where researchers, housing-focused nonprofit organizations, and lenders gathered to discuss Fannie Mae’s incorporation of on-time rental payments into mortgage application evaluations as a way to make homeownership accessible to more households.



An Economy That Works for All: Fostering Low-Income Homeownership

NOVEMBER 18, 2021

This virtual event was a joint initiative of different Groups across the New York Fed. It introduced new research from Fed economists about housing finance and featured panels of community development practitioners working to address the challenges of home-buying for low-income families and individuals. A panel of financial services leaders also discussed current housing inequities and what could be done from the lending perspective to help reduce them.



Current Responses to Housing Insecurity: A Focus on Vulnerable Residential Renters and Landlords

SEPTEMBER 23, 2021

Written in partnership with the University of Pennsylvania’s Housing Initiative at Penn, this white paper highlighted some of the tradeoffs renters at risk of eviction have had to make during the pandemic and analyzed different city and state programs made available to renters and landlords in response that helped prevent evictions. It also provided a set of recommendations from experts to further mitigate housing insecurity.



Household Financial Stability: Understanding the \$400 Question

MAY 14, 2021

This post explained the motivation behind the Community Development team’s focus on positive household financial well-being and laid the groundwork for the team’s portfolio of programming and analytical products in 2021.



What's Next: Connecting to Capital

We're building a team that focuses on connecting big ideas with transformative capital. We've brought in leaders from banking and impact investing to help us build a bridge between ideas and funders.

The vision is to inspire capital providers of all types – philanthropists, impact investors, CDFIs, banks, public/private debt and equity sources – to convene, brainstorm, and work together toward investing in solutions to problems in underserved communities.

We're beginning our work in this space by focusing on alternative investments in community development.



Our 2020 Community Investing Report with the co-operation of the U.S. Impact Investing Alliance



More examples of our work on connecting to capital:



Capital Quest: Connecting Capital to Communities

JUNE 3, 2021

This virtual event introduced the Community Development team's new strategic plan focused on leveraging the team's connections in business, finance, and neighborhoods to build bridges between communities and funders. The event also served as the official public release of the report "Impact in Place: Emerging Sources of Community Investment Capital and Strategies to Direct it at Scale."



Impact in Place: Emerging Sources of Community Investment Capital and Strategies to Direct it at Scale

JUNE 3, 2021

This report by the U.S. Impact Investing Alliance presented an analysis of the current landscape for community investments and the role that existing sources of capital have played in supporting underserved communities, as well as a detailed discussion of emerging sources of capital that can help shape the future of community investing.

What's Next: Closing the Digital Divide

As we reoriented our work around climate adaptation, health equity, and positive household financial well-being, we've consistently heard across the Second District that closing the digital divide and having access to high-speed broadband in urban and rural communities accelerates solutions in our theme areas. With this in mind, we conducted research and hosted a series of roundtable discussions with national and local organizations in 2021 and 2022 to better understand broadband – not only broadband accessibility but also the barriers to its adoption, including affordability. The federal government and New York State have recently introduced game-changing programs that address affordability. Our team believes it can play a role in advancing accessibility and removing the other barriers to adoption. We have identified four regions in the Second District – Erie County, New York State's North Country, Puerto Rico and the U.S. Virgin Islands – where we intend to go deeper and lift up solutions for the unique problems of those geographies. Our vision is to host roundtables and conduct research that will drive place-based solutions that will narrow the digital divide.

Getting people connected to broadband enables their full participation in the broader economy.



The New York Fed has been doing community development work since the 1980s. We asked Clifford Rosenthal, a member of a former New York Fed information-sharing group, the Community Affairs Advisory Council, the predecessor to our current Community Advisory Group, to describe that work in action.

EARLY IN 1984, the Manufacturers Hanover Trust Company announced plans to close its branch at Avenue B and East Third Street – the last remaining depository institution in a 100-square-block area of New York City’s Lower East Side.

The branch was one of scores closing across New York City, with low-income and minority neighborhoods like the Lower East

Side, known as Loisaida to its Spanish-speaking residents, particularly hard-hit. The extensive network of community organizations in the area quickly mounted a campaign to reverse the decision, organizing protests and enlisting elected officials. Manufacturers Hanover promised to donate the branch building to the community if another financial institution could be provided to take over the space. None agreed, so the community turned to the idea of organizing a neighborhood credit union to succeed Manufacturers Hanover.

A study produced a feasible plan for establishing a credit union, but Manufacturers Hanover rejected it as too costly and too risky. The community then decided to use its last remaining leverage: a public input under the Community Reinvestment Act, urging the Federal Reserve Bank of New York to deny Manufacturers

Marching on
Avenue B and East
3rd Street, NYC
Peoples Credit
Union ca. 1986



Hanover's application to open a new branch in wealthier midtown Manhattan.

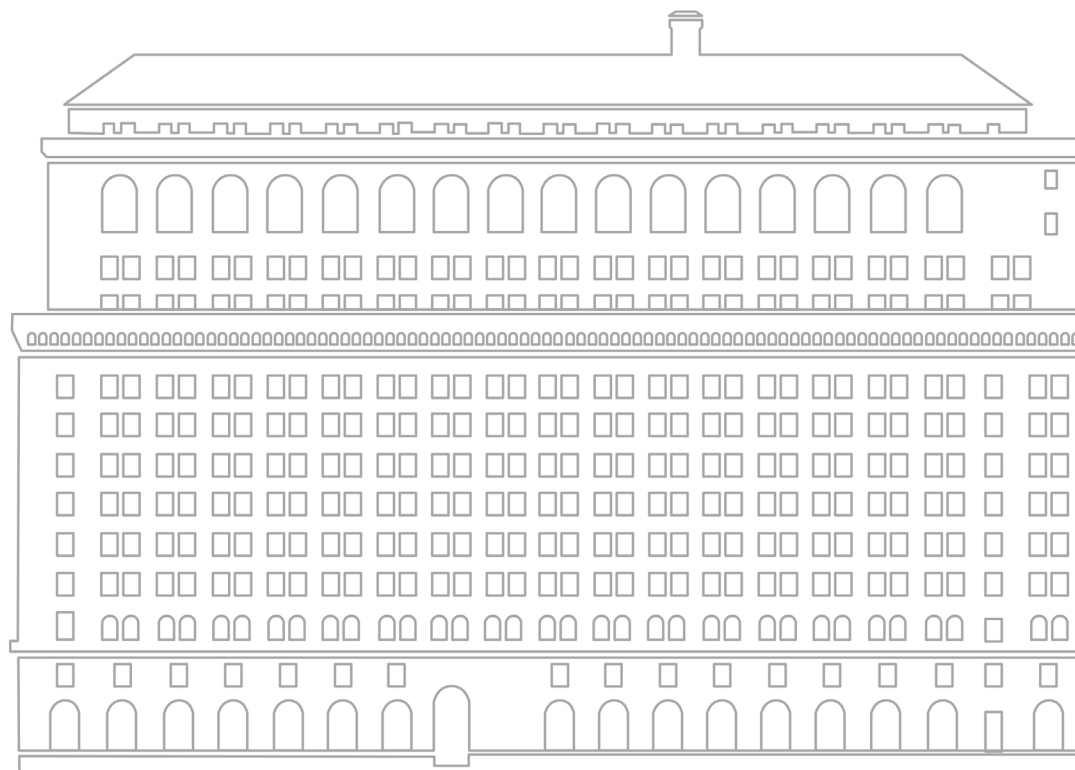
The New York Fed facilitated a meeting between the two sides at the New York Fed's offices in two negotiating sessions, hosted by the New York Fed's Community Affairs staff.

After two sessions, a draft agreement was adopted.

Without the New York Fed's forum for talks, the story might have ended with an embittered, unbanked neighborhood. Instead, Manufacturers Hanover worked with the

community's representative, the Joint Planning Council, and committed to providing interest-free deposits, funding to repair the vacated branch, a rent-free three-year lease, and an option to purchase at a bargain price.

The credit union held its grand opening on May 1, 1986. Thirty-five years later, it remains a thriving community development financial institution, with branches in East Harlem and Staten Island, \$80 million in assets, and 7,500 members.



Community Development Staff

Our team begins by listening to the voices of citizens, businesses, and community leaders in our District. Only then can we help define the issues, examine the data, and explore solutions with organizations that share our vision for change.



Dyvonne Body
Household Financial Well-being, Climate, Economic Inequality
COMMUNITY DEVELOPMENT RESEARCH & ANALYSIS



Marisa Casellas-Barnes
Strategic Operations, Health, Climate, Economic Inequality
STRATEGIC OPERATIONS MANAGER



Tony Davis
Health, Economic Development
DIRECTOR OF COMMUNITY OUTREACH & HEALTH



David Erickson, Ph.D.
Health, Affordable Housing, Community Development History
HEAD OF OUTREACH AND EDUCATION, COMMUNITY AFFAIRS OFFICER



Kellye Jackson
Strategic Operations
EXECUTIVE ASSISTANT TO HEAD OF OUTREACH AND EDUCATION



Otho Kerr
Impact Investing
DIRECTOR OF STRATEGIC PARTNERSHIPS AND IMPACT INVESTING



Jonathan Kivell
Community Development
Finance, Household Financial
Well-being
**DIRECTOR OF COMMUNITY
INVESTMENTS**



Claire Kramer Mills, Ph.D.
Climate, Small Business,
Credit Conditions
**DIRECTOR OF COMMUNITY
DEVELOPMENT ANALYSIS**



Ambika Nair
Climate, Health, Household
Financial Well-being
**COMMUNITY DEVELOPMENT
RESEARCH & ANALYSIS ANALYST**



Dominic Ramos-Ruiz
Health, Climate
**COMMUNITY DEVELOPMENT
OUTREACH ASSOCIATE**



Maria Carmelita Recto
Household Financial Well-being
**COMMUNITY DEVELOPMENT
OUTREACH ASSOCIATE**



Edison Reyes
Climate, Household Financial
Well-being, Strategic Operations,
Workforce Development
**COMMUNITY DEVELOPMENT
RESEARCH AND ANALYSIS
ASSOCIATE**



Belicia Rodriguez
Climate, Credit Conditions
**COMMUNITY DEVELOPMENT
SENIOR RESEARCH
ANALYST**



Jake Scott
Climate, Health, Household
Financial Well-being
**COMMUNITY DEVELOPMENT
RESEARCH & ANALYSIS
ANALYST**



Javier Silva
Climate, Health, Puerto Rico &
USVI, Small Business
**COMMUNITY DEVELOPMENT
SENIOR OUTREACH
ASSOCIATE**



We want to build partnerships and meet with you.

*If your organization is interested in working with us,
please reach out:*

NY.Fed.CommunityDevelopment@ny.frb.org

*Visit our website and sign up for our newsletter Fed & Main:
newyorkfed.org/outreach-and-education*

