

# CI Notebook

by Laura Choi, Editor

For the past thirty years, low- and moderate-income communities have been able to draw upon credit and capital made available through a vast network of community development finance organizations. This network includes a broad range of different types of organizations and investors, such as community development finance institutions (CDFIs), banks, venture funds, and socially motivated investors, all dedicated to providing much needed financing for community development efforts. Despite the industry's sound investment practices and strong performance record, it has not been spared from the painful effects of the economic recession. These organizations are faced with troubled portfolios and dwindling capital resources, at the very same time that low- and moderate-income communities are most in need of their services.

In this issue of *Community Investments*, we explore some of the challenges, as well as the opportunities, that lie ahead for the field of community development finance. The articles cover a wide range of issues, including practical strategies community development finance organizations can employ to cope with the current economic environment, ideas for strengthening the Low Income Housing Tax Credit (LIHTC), as well as information on the unique financial structure of nonprofits and its implications for nonprofit sustainability. We'll also take a look at how small businesses are faring in these difficult times and examine a promising new model for community development capital that utilizes individual investors. In our "Eye on Community Development" section, you'll learn about the *2009–2010 Assets and Opportunity Scorecard* and read an excerpt from the new book *The Housing Policy Revolution: Networks and Neighborhoods*. In addition, our quarterly features, which include Dr. CRA, Research Briefs, and Data Snapshot, keep you up to date on the latest community development issues.

There's no doubt that 2009 was a difficult year for community development finance, but I'm confident that the industry will emerge with new solutions as it draws upon the talent, innovation, and passion of those who work in the field. We hope you enjoy this issue of *Community Investments* and as always, we welcome your comments and feedback.



Laura Choi

Community Development Department  
Federal Reserve Bank of San Francisco  
101 Market Street, Mail Stop 215  
San Francisco, CA 94105  
www.frbsf.org  
(415) 974-2765 / fax: (415)393-1920

## Joy Hoffmann

Group Vice President  
Public Information and  
Community Development  
joy.k.hoffmann@sf.frb.org

## Scott Turner

Vice President, Community Development  
scott.turner@sf.frb.org

## Brent Minnich

Administrative Analyst  
brent.minnich@sf.frb.org

## RESEARCH STAFF

### David Erickson

Manager, Center for Community  
Development Investments  
david.erickson@sf.frb.org

### Ian Galloway

Investment Associate  
ian.galloway@sf.frb.org

### Carolina Reid

Manager, Research Group  
carolina.reid@sf.frb.org

### Naomi Cytron

Senior Research Associate  
naomi.cytron@sf.frb.org

### Laura Choi

Research Associate  
laura.choi@sf.frb.org

## FIELD STAFF

### John Olson

District Manager  
john.olson@sf.frb.org

### Jan Bontrager

Regional Manager  
Arizona, Nevada, Utah  
jan.bontrager@sf.frb.org

### Melody Winter Nava

Regional Manager  
Southern California  
melody.nava@sf.frb.org

### Craig Nolte

Regional Manager  
Alaska, Hawaii, Idaho, Oregon, Washington  
craig.nolte@sf.frb.org

### Lena Robinson

Regional Manager  
Northern California  
lena.robinson@sf.frb.org

### Darryl Rutherford

Regional Manager  
San Joaquin Valley  
darryl.rutherford@sf.frb.org

This publication is produced by the Community Development Department of the Federal Reserve Bank of San Francisco. The magazine serves as a forum to discuss issues relevant to community development in the Federal Reserve's 12th District, and to highlight innovative programs and ideas that have the potential to improve the communities in which we work.