

Electronic Submission, August 4, 2022

<https://regulations.gov/>

Re: Community Reinvestment Act Docket ID OCC-2022-0002

To: Office of the Comptroller of the Currency, The Federal Reserve Board of Governors and the FDIC

We write to address your invitation for comments pertaining to: Update CRA regulations to strengthen the achievement of the core purpose of the statute.

In strengthening the core purpose of the statute, we invite the Federal Regulators to work with us and to assess the more than 1000 Community Action Agencies (CAAs) that develop and implement strategies that promote self-sufficiency in 99 percent of the counties in the United States. A [tableau map](#) is available to identify locations and poverty levels.

The [U.S. Chamber of Commerce Foundation](#) says, “The future of work is already here, it is just unevenly distributed. Companies will compete on innovation and talent like never before. Labor markets will become more dynamic, not less. Skill obsolescence will be a permanent risk. Diversity, equity, inclusion, and economic recovery will be long-term efforts. And technology will not only change work, but workforce development itself.”

Since the regulators more thoroughly defined ‘workforce development’ as a qualified activity in CRA, financial institutions have slowly engaged stakeholders and entities engaged at the community level. We write to better inform you about the Community Action Agencies that are the foundational organizations for the career pathways in the [Workforce Innovation and Opportunity Act \(WIOA\)](#). The national network of Community Action Agencies engage the specific pathways identified below:

- Job-Quality Strategies: Community Action Agencies improve the employment outcomes of lower-wage workers, including access to supportive services such as transportation and child care.
- Basic-skills Improvement: Community Action Agencies support basic social and life skills needed to perform as an employee.
- Supportive Services: Community Action Agencies assist individuals with job training and employment, transportation, child care, dependent care and housing.
- Work-based Training: Community Action Agencies provide internships and employment opportunities within their agencies.
- Two-Generation Strategies: Community Action Agencies offer support services to low-income children, unemployed adults or disconnected youth, and works with the families to reinforce and leverage individual success in education and employment and to increase overall economic security and mobility.
- Sector strategies: Community Action Agencies engage in counties and regions on workforce and economic development resources for the needs of a defined industry that is a significant driver in the local economy.

## Background

The [1964 Economic Opportunity Act](#) created the Community Action Program, which was administered through the Office of Economic Opportunity (OEO), along with other important programs, such as Head Start, Legal Services and Job Corps. In 1975, OEO was renamed as the Community Services Administration in 1975, and in 1981, Congress enacted the [Omnibus Budget Reconciliation Act](#), which consolidated programs authorized under the Economic Opportunity Act under the new Community Services Block Grant (CSBG).

Through the CSBG, the federal government has entrusted CAAs with the unique responsibility of reducing the causes and conditions of poverty in communities throughout the United States because local communities are better suited to address poverty than a top-down, one-size-fits-all federal program. Community Action Agencies partner with numerous public and private sector groups and coordinate multiple federal, state and local programs using a casework-style approach, connecting multiple resources.

CSBG is the only federal program with the explicit and overarching goal of reducing poverty, regardless of its cause. CSBG pursues this goal by providing critical funding to the nationwide network of local Community Action Agencies and supporting their locally driven and comprehensive approach to fighting poverty.

The Department of Health and Human Services allots CSBG funds to states, which retain a small portion for oversight, monitoring, technical assistance and statewide initiatives. The majority of funds – at least 90 percent of each state’s allotment – must be passed through to local agencies. CAAs receive and administer other resources in addition to these CSBG grants, which typically form a small component of their overall budgets. CSBG funds are used to leverage other federal, state, local and non-governmental funds to support their activities. The combination of these funds allows the CAA network to assist nearly 10 million people per year.

The CSBG Act defines, supports and enforces the unique features of Community Action, is the only dedicated funding source that supports core Community Action functions, and is supports gap-filling activities that address unmet needs, innovative initiatives to combat poverty and promote self-sufficiency and rapid responses to local emergencies.

We offer several specific examples of Community Action Agency fulfillment of WIOA pathways to support workforce development.

## Examples

The Great Lakes Community Action Partnership in Northwest Ohio engages the following three pathways of workforce development:

- Federal Opportunity Center – Provides employment coaching in three counties, including assessing training and education resources to prepare clients for careers, provide job search strategies, interview techniques, resume preparation, incentives and

meeting with potential employers; financial counseling focused on improved credit and household budget budgets.

- Youth Employment and Training – Provides contracted services for Ottawa County Department of Jobs and Family Services through WIOA and Comprehensive Case Management Employment Programs (CCMEP) for workforce development services for youth, ages 16-24. The program focuses on fourteen program elements: preparation for post-secondary education opportunities, adult mentoring, alternative secondary school services, summer employment opportunities, paid and unpaid work experiences, occupational skill training, leadership development opportunities, comprehensive guidance and counseling, labor market information, financial literacy, tutoring, entrepreneurial skills, support, and follow-up services.
- Industry Sector Partnership – In collaboration with Vanguard Sentinel Career and Technology Centers (VSCTC) and the Ottawa County Improvement Corporation (OCIC), is the lead entity for the Ohio Department of Development funded program. The program assists the marine and advanced manufacturing trade employers with their workforce challenges and enhances recruitment efforts by planning, developing, and conducting events where businesses and educational institutions collaborate on workforce issues, outreach, and marketing to increase awareness and interest in the marine and advanced manufacturing industry sectors and associated educational and career opportunities, benchmarking workforce best practices, and aligning efforts with related regional, state, and national initiatives.

Total Action for Progress in Roanoke, Virginia serves an urban and rural region:

- Workforce Development Pathway Opportunities: TAP provides a wide array of opportunities to help individuals secure the education, skills, and employment needed for self-supporting lifestyles
  - First Generation College Access, Dropout Prevention Program for middle and high school students. Students are assisted with course selections to ensure graduation, study skills workshops, campus visits to colleges and career and technical skills institutions, essays, and workshops on financial aid and scholarship applications.
  - Job readiness skills training including communications skills, time management, interviewing, resume writing, etc.
  - Career and technical skills training for jobs that are available. During the pandemic, TAP trained 400 healthcare workers
  - Two-Generation (Whole Family) focus – Assess the needs of families. Assist parents to enroll in a training program or secure employment while the child(ren) is attending Head Start or another childcare program.
  - Meet with clients entering the WIOA workforce center in Roanoke, the largest jurisdiction in TAP's service area. Assess the needs of clients and refer

them to the appropriate skill training provider, job placement agency, or human service agency.

- Youth mentoring services program that matches youth with adult role models. We plan to include attorneys in a group setting to tutor elementary and middle school students.
- African American Contemporary and Cultural Issues program for at-risk high school males and females. Students learn about their culture, mindfulness skills, communications skills, and more. Students are exposed to influential members of the community, learn the importance of making wise decisions, grow to appreciate and value education, complete their education, enroll in college or secure employment.
- Small Business guidance, technical skills, and loans for entrepreneurs who can't secure a traditional loan

### Request

Community Development Financial Institutions (CDFIs) grew incrementally through the 1970s and 1980s but expanded dramatically through the creation of the CDFI Fund in 1994 and as a result of revised CRA regulations in 1995 which explicitly recognize loans and investments in CDFIs as a qualified CRA activity. That recognition has led to a growing record of success that has inspired confidence in the CDFI industry and attracted new sources of support and funding.

Similarly, Small Business Investment Companies (SBICs) were created in 1958, and as an investment program designed to increase small business access to venture and private equity capital for growth, production, and modernization, are recognized in CRA as a qualified activity. The CRA framework emphasizes the importance of SBICs by expressly including them on the list of types of entities into which a bank loan or investment will be presumed to promote economic development and satisfy the purpose test without additional documentation per 12 CFR 12(g)(3).

Both CDFIs (certified) and SBICs receive funding through federal appropriations.

Community Action Agencies receive federal funding from CSBG. Since 1964, Community Action Agencies have been recognized for their innovative strategies to lift people out of poverty. Many of today's successful low-income programs began as demonstration projects administered by Community Action Agencies. Community Action Agencies also receive federal funds for weatherization. In 1975, Community Action Agencies in Maine began the Weatherization Assistance Program in order to respond to rising energy costs. The \$3.5 billion over five years contained in the Infrastructure Investment and Jobs Act for the Weatherization Assistance Program continues nearly 60 years of Congressional recognition for the essential role all Community Action Agencies perform in their communities.

At the core of the creation and existence of Community Action Agencies is the workforce development training and accompanying supportive services for low-income populations. As a long-standing innovation of the federal government, these local community-based organizations deliver the very

programs emphasized in CRA ‘workforce development’ through the WIOA-designated pathways, as set forth in the [Federal Reserve Bank of Kansas City’s framework](#).

Workforce development can be an eligible activity under the CRA. Recent 2016 guidance states that ‘creating or improving access by low- or moderate-income persons to jobs or to job training or workforce development programs’ may be considered an eligible economic development activity. (Community Reinvestment Act (CRA) (12 U.S.C. 2901 et seq.)

We respectfully request consideration of Community Action Agencies in the Interagency Questions and Answers as a designated type of entity into which a bank loan or investment will be presumed to promote economic development through workforce development, and satisfy the purpose test. Presently, CAAs are somewhat successful engaging financial institutions in investment of workforce development, but those examples as models are not widely disseminated.

We are available for discussion, and request that you reach out to Jeanne Milliken Bonds and David Bradley for questions.

Regards,

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