



Joint Meeting of the Small Business & Mortgage Lending Committees  
Meeting of September 17, 2019

**Attendees:**

Catia	Aruda	East Cambridge Savings Bank
Jeremiah	Battle	National Consumer Law Center
Tom	Callahan	MAHA
Jacqui	Cooper	
Ashley	Cunningham	Capital Impact Partners
Aida	Franquiz	Boston Private Bank & Trust
Benjamin	Gaytan Rios	MHP
Molly	Goodman	Allston Brighton CDC
Paul	Horowitz	FDIC
Delisa	Joseph	Needham Bank
Sarah	Lamitie	Boston Private Bank & Trust
David	Madan	Builders of Color Coalition
Michelle	Meiser	Cambridge Trust
Gonzalo	Puigbo	Peoples United
Jarrett	Sanders	Capital Impact Partners
David	Worsham	MHP
Regan	St. Pierre	MCBC

The meeting began at 9:30 a.m. at Massachusetts Housing Partnership, 160 Federal Street, Boston and was chaired by Charles Smith and Gonzalo Puigbo.

1. Approval of the Mortgage Lending Meeting Minutes from July 9, 2019.  
Motion to approve minutes from July 9, 2019 was made, seconded, and approved.
2. Approval of the Small Business Lending Meeting Minutes from July 9, 2019.  
Motion to approve minutes from July 18, 2019 was made, seconded, and approved.
3. Updates and Announcements

Regan reviewed the remaining meeting dates in 2019 for both committees.

She also provided an overview of upcoming events in September and early October that are hosted by members and community partners:

**MA Division of Banks**

- **Harnessing a Community Presence Webinar:** A Conversation with Mary Gallagher, Commissioner of Banks & Matthew Schondek, CEO, Fall River Municipal Credit Union
  - Tuesday, September 24, 2019 1:00 - 1:45 PM

## Mel King Institute

- **CDFA New England Roundtable - Opportunity Zones & Development Finance**
  - October 22, Federal Reserve Bank of Boston

## [Amplify Latinx + Hubweek](#)

### **2nd Annual PowerUp Business Summit to recognize the economic imperative for Latinx business growth**

Thursday, October 3, 2019 3:00 – 6:00 pm

## **Undesign the Redline**

- Jamaica Plain Brewery Complex (outside of City Life/Vida Urbana offices)  
284 Amory Street, Fl 1  
Boston MA 02130  
Hours: 8 AM – 9 PM, daily

## **FDIC Boston Area for Economic Inclusion – Open Working Group**

- September 25, 8:30-11am, McCormack State Office Building, 1 Ashburton Place, 21st Floor - Conference Room 2, Boston, MA 02108
- Expansion of the BabySteps Savings Plan; Massachusetts' Child Savings Account, Alayna Van Tassel, Deputy State Treasurer
- MassHousing- New Products and Enhancements, Angelo Nuby, Emerging Markets Home Ownership & Mortgage Insurance Fund
- Email to [phorwitz@fdic.gov](mailto:phorwitz@fdic.gov) – by Friday, 9/20 (earlier action is recommended)

## **LISCBoston**

- **Next Level Housing Solutions Discussion Groups**
- [Building Urgency and Political Will](#), October 8
- [Next Level Housing Solutions Symposium](#), October 22

**Interise** - March 9-11th Conversations around inclusive economies and to ignite sustainable economic change. [www.interise2020.org](http://www.interise2020.org)

Regan noted that this was the first joint meeting of the two committees in recent year. The motivation for having a joint meeting was motivated by common themes coming out of both committees:

- **Gentrification and Displacement**
  - Happening in both the residential and commercial markets
- **Intersections**
  - Wealth creation
  - Collateral & Personal Guarantees
  - Ladder of lending and access to credit
  - Mortgage industry is supported by small businesses
    - Mortgage brokers, appraisers, home inspectors, general contractors, architects, title companies
    - Supply chain diversification

Regan also highlighted the following article: [Beyond “Best Efforts”: Why Commercial Real Estate Needs to Catch Up on Diversity](#) written by [Kirk Sikes](#), [Evan Mitchell](#), and [Sommer Heyman](#) in the **Fall issue of Urban Land**. The article cited statistics from a study commissioned by the Knight Foundation that found only 0.7% of the 889 real estate investment management firms in data set were women-owned, and a mere 2% were minority-owned.

*More diversity in the industry can help create more access and opportunity in this particularly insular sector. Access means business growth, advancement for business leaders and wealth building for traditionally marginalized communities.*

Regan also referenced an article in the Journal of Public Policy and Marketing, entitled, "[Shaping Small Business Lending Policy Through Matched-Paired Mystery Shopping](#)"



#### 4. Builders of Color Coalition

Dave Madan, founding member of Builders of Color Coalition (“BCC”), joined us to provide an overview of the organization. BCC started two years because successful real estate developers of color in the Boston area felt there should be greater access and diversity in the field of commercial real estate. BCC works in close coordination with the Minority Developers Association and African American Real Estate Professionals.

BCC has more than 500 members in its network, which is primarily comprised of developers and investors, brokers, attorneys, and architects. Some members are established at larger companies or agencies and want to start their own development. BCC hopes to attract more general contractors. The developers participating in BCC include: 1/established developers building ground up construction and/or are doing 30-50 unit acquisition rehabs, 2/ developers working on 1-2 investment properties of 2-10 units at a time who want to do more and are figuring out how to do that, 3/ those developers just starting with a 2-family. Most of the developers are working in Dorchester, Roxbury, Mattapan, Springfield, or are North of Boston in Lowell, Dracut, Lawrence. Age-wise membership is diverse ranging from 22-70, although tend to draw 25-40 y/o's to events. Event topics are derived from membership requests and feedback.

Events draw in the range of 50-100 members. BCC does a variety of events. Dave touched on two types: 1/developer walking tours and 2/financing forum. The most recent developer walking tours took place in August in the City of Brockton with MassDevelopment and the City of Brockton’s Chief Planner, Chief Economic Development, and Mayor.

The financing forum was hosted in April. BCC partnered with MassHousing, MassDevelopment, Federal Home Loan Bank of Boston and MCBC. BCC hears from its members that access to development and access to capital are key barriers. The financing forum address such issues as: Topics raised during the panel discussion focused on strategies for accessing financing including:

- 1/ Managing through an economic downturn;
- 2/ Loan terms and expectations regarding personal guarantees, collateral and recourse vs. nonrecourse language;
- 3/ Different avenues to capital and different outcomes/affordability depending on what capital utilized



Massachusetts Community & Banking Council

Feedback on the forum was positive; attendees would like to see a day-long program with tracks that align with development experience and industry. Participating banks also had a positive response and offered to host seminars and webinars for members.

As an organization, BCC is funded through corporate and individual sponsorships which sustains the organization's programming, event organization, and jobs board. Business support to make programming possible.

Questions were asked if gentrification and displacement were a topic amongst BCC's members. BCC engages in those questions - what is being developed and what is the outcome on communities - in the course of its work. BCC helps its members how to think about community interests in private development in order to humanize the field of commercial real estate development. Still, gentrification and displacement are not its primary focus. BCC's foremost focus is wealth building and access to development.

## 5. Capital Impact Partners

[Equitable Development Initiative](#) ("EDI") launched in 2015 to catalyze inclusive growth in select neighborhoods and corridors of Detroit. EDI was championed and sponsored by JP Morgan Chase, Detroit's CDFI community, city government, and the National Development Council.

In 2016, three research studies helped to inform the work: 1/Baseline study of displacement trends and responses, 2/ Place based strategy evaluation looking at diversity and density and 3/a market study of six neighborhoods to assess demand for multifamily housing.

The density and diversity strategy looked at trends across Capital Impact's lending activity in Detroit and found that 81% of all loans were to experienced and very experienced developers, most of whom were high wealth developers with a net worth of over \$2 million. A 2016 survey established the demand in the market for development financing and support for more developers of color, lower net worth developers and less-experienced developers.

As a result, Capital Impact created the EDI program to support local minority developers with formalized technical assistance and development financing to ensure minority developers are able to participate in Detroit's revitalization. Ultimately, the EDI program aims to support wealth building for local real estate developers of color while also encouraging mixed-income neighborhood development throughout the city.

The program connects participants with the technical assistance, mentorship, and the capital necessary to engage in small- to mid-scale multifamily and mixed-use real estate development projects in Detroit.

In 2018 & 2019, the program had 200 emerging real estate developers apply, of which 47 were selected to attend 30 training and technical assistance sessions. Free Urban Land Institute conference attendance and membership was also provided. Currently there are 2 development projects in the early stages of predevelopment.

## 6. MCBC Lending Report -Timeline & Resources, & RFP Review

MCBC plans to issue an RFP at the end of the month for both lending reports. The effort to consolidate the reports under one relationship are driven by a number of factors:

- One voice – branding and presentation
- Increased value - fewer redundancies

- IT back-end
- Mapping
- Graphic design
- Larger contract to attract broader audience of respondents
- Coordinated platform provides holistic view of access to capital

The timeline set forth in the RFP aims to have a Mortgage Lending Report issued and a Forum hosted in the first quarter of 2020.

The meeting adjourned at 11:30 AM.