

RANDAL J. HERNANDEZ

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Honorable Mayor Robert Garcia & Members of the City Council
City of Long Beach

RE: Council Agenda Item 17 – OCC Efforts to Modernize CRA Regulatory Framework

Dear Mayor & City Council members:

As chairman of the Economic Development Commission, I want to extend my personal support for the proposal to ***“Request the City Manager to engage regional stakeholders...regarding [federal] efforts to modernize the Community Reinvestment Act (CRA) regulatory framework.”*** The recommendation proposed by Council members Rex Richardson and Roberto Uranga, is consistent with key aspects of the Long Beach Economic Blueprint including advancing Economic Inclusion opportunities.

CRA provides a framework for financial institutions and community organizations to work together to promote the availability of credit and other banking services in low- and moderate-income communities. And, to encourage banks to help rebuild and revitalize communities through sound lending that benefits the banks and the communities they serve. The Blueprint reflects CRA objectives including increasing access to banking services through “innovative strategies” as well as “working with lenders to achieve greater access to capital among business owners of color and woman in low-income areas.” Like the CRA, the Blueprint recommends developing partnerships to bring new financial resources to the city.

While it is important for the City to offer comments regarding needed revisions to the future direction of the Community Reinvestment Act, at its core “CRA” is in place to encourage collaboration between financial institutions and local communities. To this end, it is imperative we further engage financial institutions today in cooperative efforts to increase access to capital for small business, expand financial empowerment in low-income communities and in assisting in advancing aspects of the Blueprint including the establishment of a Long Beach Economic Development Corporation. As a former bank leader in corporate social responsibility divisions, I know that the industry would welcome opportunities to work collaboratively with local partners in the city’s overall community development goals.

Please know that I and your Economic Development Commission stand ready to assist in advancing this effort to modernize the federal CRA and engage financial institutions further in the city of Long Beach.

Sincerely,



Randal J. Hernandez