



CITY OF GRAND RAPIDS

Administrative Guidelines

For

**City Commission Policy 400-01, Section 3
Investing to Encourage Community Lending, Banking and
Employment**

**City of Grand Rapids
Equal Opportunity Department**

October 2015

**CITY OF GRAND RAPIDS
ADMINISTRATIVE GUIDELINES FOR
CITY COMMISSION POLICY 400-01, SECTION 3
INVESTING TO ENCOURAGE COMMUNITY LENDING, BANKING AND
EMPLOYMENT**

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**ADMINISTRATIVE GUIDELINES FOR CITY COMMISSION POLICY
400-01, SECTION 3
INVESTING TO ENCOURAGE COMMUNITY LENDING, BANKING AND
EMPLOYMENT**

SECTION 1: FOREWORD

1.1 AUTHORITY, PURPOSE AND APPLICABILITY

These Administrative Guidelines are promulgated by the City Treasurer pursuant to authority granted to the City Treasurer or his designee under the Investment Program and Policy 400-01 (hereafter, Investment Policy) adopted by the City Commission on the 16th day of September 2008.

In support of the City of Grand Rapids' Mission Statement and City Commission's Sustainability Plan, the purpose of these Administrative Guidelines is to:

- A. Encourage financial institutions with which the City deposits \$10,000 or more in surplus funds to engage in practices that further the city Commission's Sustainability Plan with regard to social equity, prosperous economy and enriched lives.
- B. Encourage financial institutions to employ Grand Rapids residents.
- C. Discourage predatory lending by encouraging financial institutions to utilize equitable lending practices when making residential and commercial loans.
- D. Encourage financial institutions to better serve low- and moderate-income households by engaging in community education, community partnerships and community investments activities.

SECTION II: DEFINITIONS

2.1 DEFINITIONS

As used in these Administrative Guidelines, the following terms are defined as indicated:

- A. Bonus Basis Points: A unit that is equal to 1/100th of 1%, and is used to denote the change in a financial instrument. Bank investment options will be evaluated with regard to the efforts made by each financial institution in meeting certain community needs as defined by a four tier bonus basis points system.
- B. Community Based Agencies: Organizations located within the City of Grand Rapids that serve low- moderate income households.

- C. Community Education: Efforts made by financial institutions to provide training, workshops and seminars within the City of Grand Rapids in areas that include but are not limited to, financial literacy, credit counseling, predatory lending, home-buyer education to low- and moderate-income households.
- D. Community Investments: Efforts made by financial institutions to provide contributions, grants and technical assistance to community based agencies and non-profit organizations located within the City of Grand Rapids that serve low- and moderate-income households.
- E. Community Lending: Residential and commercial loans made by financial institutions to assist low- and moderate-income households within the City of Grand Rapids General Target Area. Examples of such residential loans include making mortgage loan products available to financially challenged customers that include first time or low income home buyers, creating alternative loan products that counteract high interest and unaffordable mortgage loan products, providing loans to create businesses, affordable single family housing developments, multi-family rental housing developments, mixed income projects, senior housing and special needs housing.
- F. Community Partnerships: Efforts made by financial institutions to work collaboratively with community based agencies and non-profit organizations located within the City of Grand Rapids on programs addressing homelessness, creating racism-free communities, eliminating barriers to fair housing, creating summer employment for young people, increasing recreational and cultural experiences for at-risk youth, providing summer employment opportunities for at-risk youth, opening up access to health care and eradicating health disparities among the poor and underserved populations, enhancing employment opportunities for those who have been incarcerated and providing mentoring opportunities for students within the Grand Rapids Public Schools.
- G. Equitable Lending Practices: For purposes of these Administrative Guidelines, equitable lending practices are those practices listed below in which financial institutions have engaged during the preceding twelve (12) months:
1. Participating in activities to discourage predatory lending;
 2. Making residential and commercial loans within the City of Grand Rapids General Target Area; and
 3. Establishing a physical presence within the City of Grand Rapids General Target Area.
- H. Financial Institution: An institution (public or private) that receives funds (from the public or other institutions) and invests them in financial assets.

- I. General Target Area: The General Target Area (GTA) is a geographic area of the City targeted for housing and community development activities. The GTA includes nonresidential areas and deteriorated residential neighborhoods where program services for home maintenance, emergency repairs, homebuyer assistance, economic development, and code enforcement are provided. The GTA is established by the Department of Housing and Urban Development and the geographical areas are identified and mapped by the City.
- J. Low-income: Income at or below 50% of the area median income adjusted for family size, based upon U.S. Department of Housing & Urban Development (HUD) income guidelines.
- K. Moderate-Income: Incomes at or below 80% of the area median income, adjusted for family size, based upon U.S. Department of Housing and Urban Development (HUD) income guidelines.

SECTION III: CRITERIA FOR BONUS BASIS POINTS AWARDS

3.1 CRITERIA

Bank investment options shall be evaluated with regard to the efforts made by each financial institution in meeting certain community needs as defined by a four tier bonus basis point system. The City Treasurer will annually establish the specific total number of bonus basis points to be awarded in an annual report to the City Commission. The number of bonus basis points established may be adjusted at any time during the year by noting the revised bonus basis points award in a Fiscal Committee report submitted to the City Commission.

Upon approval by the City Commission as a depository of City surplus funds, the financial institution shall execute a depository agreement and receive a copy of the Investment Policy and these Administrative Guidelines from the City Treasurer's Office. The criteria and distribution whereby bonus basis points are awarded shall be as follows:

A. COMMUNITY REINVESTMENT ACT

1. In August of each year, the City Treasurer's Office will review the CRA ratings of all financial institutions with which the City deposits surplus funds. The information will be obtained from the appropriate federal regulating agency.
2. A Community Reinvestment Act (CRA) rating of "outstanding" will provide for 40% of the total basis points to be awarded.

3. The City Treasurer's office shall notify the financial institution of the decision to award bonus basis points within ten (10) calendar days of making a determination.
4. A financial institution may at any time notify the City Treasurer's Office that its CRA rating has been changed to outstanding. The institution will then be awarded the 40% total bonus basis points upon confirmation of the new CRA rating.

B. LOCAL WORKFORCE EMPLOYMENT

Financial institutions that show their commitment to the City Commission's Sustainability Plan by employing Grand Rapids residents and/or residents of the City of Grand Rapids GTA shall be eligible for up to 20% of the total bonus basis points awarded.

1. Financial institutions shall be awarded up to one half the bonus basis points (10%) in this category in 1% increments for each percentage of their workforce in the Grand Rapids MSA who are residents of the City of Grand Rapids.
2. Financial institutions shall be awarded up to one half the bonus basis points (10%) in this category in 1% increments for each percentage of their workforce who are residents of the City of Grand Rapids GTA.
3. Financial institutions seeking to obtain bonus basis points for local workforce employment must complete a Request for Bonus Basis Form and provide the following:
 - (a) A copy of their current EEO 201 form and any substantiation required to verify residency; or
 - (b) Any other documentation that would meet the requirements of 3(a) above.
4. The Diversity and Inclusion Office shall review and determine the appropriate bonus basis points to be awarded. This information will be forwarded to both the City Treasurer and the financial institution within ten (10) calendar days of making a determination.

C. EQUITABLE LENDING PRACTICES

1. Financial institutions shall be eligible for up to 20% bonus basis points awarded for engaging in the following practices:
 - (a) Participating in activities to discourage predatory lending;
 - (b) Making residential and commercial loans within the City of Grand Rapids GTA; and
 - (c) Establishing a physical presence within the City of Grand Rapids GTA.

2. Financial institutions shall document their evidence of equitable lending practices by completing Section B of the Request for Bonus Basis Points Form (attached) which requests the following documentation:
 - (a) A list of activities undertaken to discourage predatory lending;
 - (b) Documentation of residential and commercial loans made within the City of Grand Rapids GTA in the preceding twelve (12) months; and
 - (c) A list of the type and addresses of facilities (i.e. branch locations) located within the City of Grand Rapids GTA.
3. The Community Relations Commission shall review any financial institution's request to receive bonus basis points under Equitable Lending Practices at a special meeting where the financial institution shall have the opportunity to make a presentation. Such a review must demonstrate that the financial institution has undertaken the initiatives during the preceding twelve (12) months.
4. The Community Relations Commission shall notify the financial institution of its decision and submit the same to the City Treasurer's Office within ten (10) calendar days of making a determination.

D. OTHER INNOVATIVE PROGRAMS

1. Other innovative programs undertaken within the City of Grand Rapids may be eligible for up to 20% bonus basis points if they involve community education, community partnerships or community investments with community based agencies or non-profit organizations that serve low to moderate-income households.
2. Financial institutions must complete Section C of the Request for Bonus Basis Points Form (Attached). This form, along with any other documentation, must be returned to the Equal Opportunity Department in order for the request for bonus basis points to be processed.
3. The Community Relations Commission shall review any financial institution's request to receive bonus basis points under Innovative Programs at a special meeting where the financial institution shall have the opportunity to make a presentation. Such a review must demonstrate that the initiatives were undertaken during the preceding twelve (12) months.
4. The Community Relations Commission shall notify the financial institution of its decision and submit the same to the City Treasurer's Office within ten (10) calendar days of making a determination.

SECTION IV: APPEALS

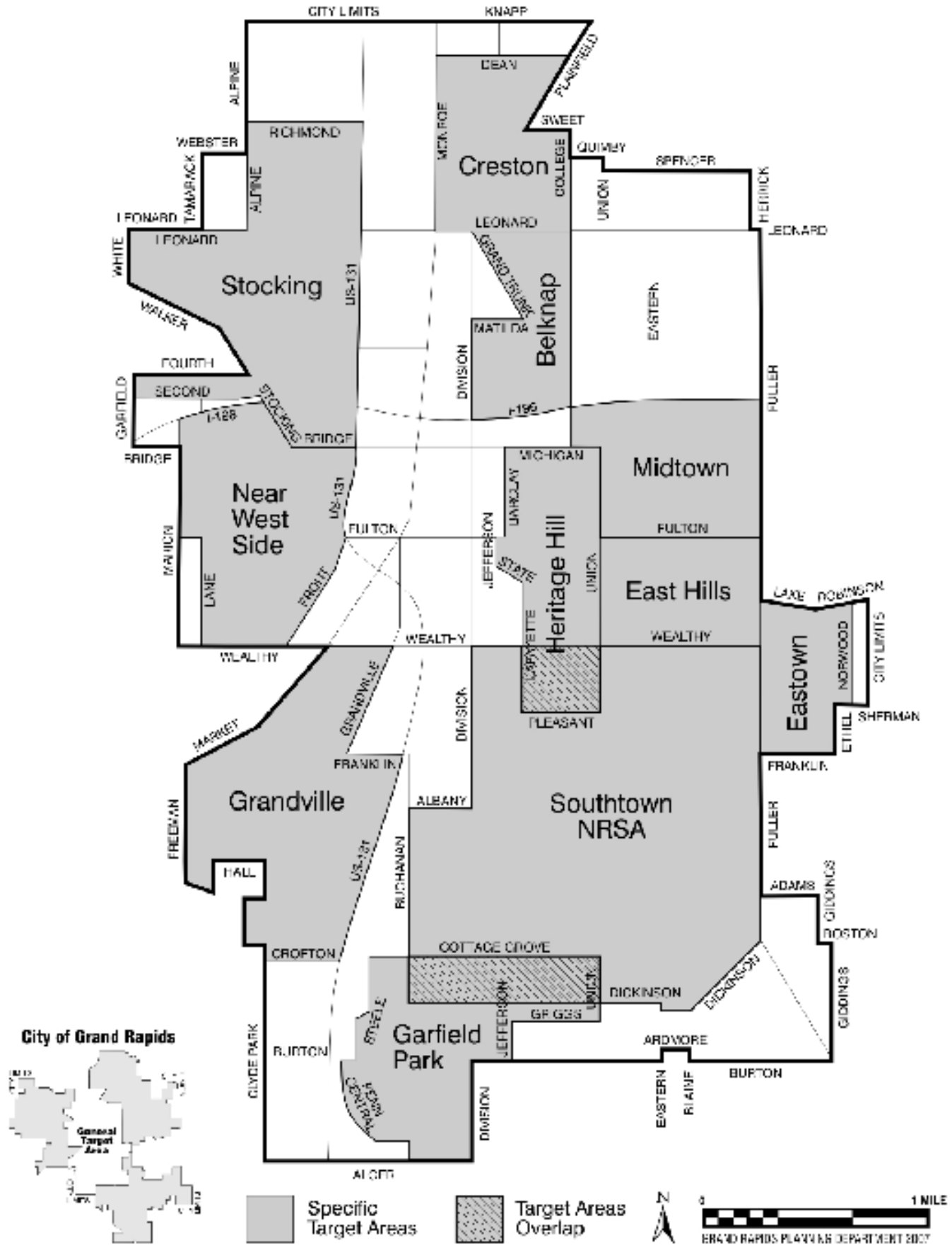
4.1 APPEALS

- A. Financial institutions wishing to appeal a decision regarding the award of bonus basis points for Equitable Lending Practices or Other Innovative Programs must do so within ten (10) calendar days of the administrative decision. Any request for an appeal must be submitted in writing to the City Treasurer and make specific reference to the action or actions at which the appeal is directed. The appeal of decisions awarding bonus basis points will be heard by a committee consisting of one (1) representative each from the City Treasurer’s Office, Equal Opportunity Department, City Attorney’s Office and two (2) representatives from the Community Relations Commission. The decision of the committee shall be final.

Promulgated this _____ day of _____ 2015, by the City Treasurer under the authority of City Commission Policy 400-12

John Globensky
City Treasurer

City of Grand Rapids General Target Area



**City of Grand Rapids
Investing to Encourage Community Lending,
Banking and Employment**

Bonus Basis Points Request For Local Workforce Employment, Equitable Lending Practices and Other Innovative Programs

If you are requesting bonus basis points in the areas of Local Workforce Employment, Equitable Lending Practices or Other Innovative Programs this form must be completed and returned to the Equal Opportunity Department in order to process your request. Only those activities that have occurred within the preceding (12) months will be considered for bonus basis points.

Please check the box(es) of the bonus basis points for which you are applying.

- Local Workforce Employment**
- Equitable Lending Practices**
- Other Innovative Programs**

Financial Institution: _____

Contact Person: _____

Address: _____ City/State: _____

Zip: _____ Phone: _____ Fax: _____ E-Mail: _____

- A. Local Workforce Employment – Please provide the following information substantiating local workforce employment:**
 - (a) A copy of your current EEO 201 form and any substantiation required to verify residency, or**
 - (b) Any other documentation that would meet the requirements of (a) above.**

- B. Equitable Lending Practices – Fill out the information requested and provide appropriate substantiation of efforts.**

1. List activities that the financial institution has undertaken to discourage predatory lending.

2. Identify and document residential and commercial loans made within the City of Grand Rapids General Target Area (GTA).

3. List the type and address of all facilities (i.e. branch locations) located within the City of Grand Rapids GTA.

C. Other Innovative Programs – Fill out the information requested and provide appropriate substantiation of efforts.

1. List innovative program(s) undertaken within the City of Grand Rapids that involve community education, community partnerships or community investments with community based agencies or non-profit organizations that serve low- moderate income households.

2. Describe how your innovative program(s) have impacted low- moderate income households within the City of Grand Rapids.

3. Provide contact information for representatives of community based or non-profit organizations where your financial institution engaged in innovative program(s) as described above.

<u>Name</u>	<u>Organization Name</u>	<u>Address</u>	<u>Phone No.</u>
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Authorized Signature

Title

Date

Please return this form to:
City of Grand Rapids
Diversity and Inclusion Office
300 Monroe NW, Suite 840
Grand Rapids, MI 49503

Phone: (616) 456-3027
Fax: (616) 456-3199

For further information regarding the City's Investment Policy and Guidelines, please visit the City's website at www.grcity.us.



EEO 201

(Please complete all sections of this form to ensure compliance.)

Company Name:	Federal Taxpayer ID:	
Address:		
Phone Number:	Fax Number:	Type of Service Provided:
General Manager: Phone:		EEO Officer: Phone:
Relative MSA:		Are You Applying for a Tax Abatement? YES or NO (Circle)

EEO JOB CATEGORY	Total	Current Permanent Workforce											
		WM	WF	BM	BF	HM	HF	AM	AF	NAM	NAF	M/O M	M/O F
Officials/Managers													
Professionals													
Technicians													
Sales Workers													
Administrative Support													
Craft Workers													
Operatives (Semi-Skilled)													
Laborers (Unskilled)													
Service Workers													
Total Workforce													

Workforce within Grand Rapids City Limits	_____	_____ %
	Number	Percentage
Employees who are City of Grand Rapids Residents	_____	_____ %
	Number	Percentage
Employees who are City of Grand Rapids Residents AND who are GTA Residents	_____	_____ %
	Number Of City residents	Percentage
Veteran Employees	_____	_____ %
	Number	Percentage
Disabled Employees	_____	_____ %
	Number	Percentage
		Of total workforce

WM = White or Caucasian Male
 WF = White or Caucasian Female
 BM = Black or African American Male
 BF = Black or African American Female

HM = Hispanic Male
 HF = Hispanic Female
 AM = Asian Male
 AF = Asian Female

NAM = Native American or American Indian Male
 NAF = Native American or American Indian Female
 M/O M = Multi Racial & Other Race Male
 M/O F = Multi Racial & Other Race Female

