



Build Healthy  
Places Network



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# Community Development Financial Institutions: Catalysts for Healthy Communities

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Community Development Financial Institutions (CDFIs) are critical partners in multisector collaborations with public health, healthcare, and government to build healthier, more inclusive and thriving communities. CDFIs ensure historically disinvested communities have the resources necessary to prosper. They provide access to capital and technical assistance for homeownership, small business growth, healthcare facilities, schools, disaster relief, green energy, and affordable housing.

Federal funding cuts are impacting both CDFIs, public health, and healthcare while support for disinvested communities is shrinking. In this changing environment, CDFIs are more essential than ever—stepping in as first responders during crises and continuing to build long-term community wealth.

Understanding the role of CDFIs is vital for public health agencies, healthcare systems, and policymakers who share an interest in increasing community health investment.

## Why CDFIs Are Essential for Thriving Communities

CDFIs are mission-driven organizations certified by the U.S. Treasury, managing \$222 billion across over 1,400 institutions nationwide. They provide crucial financing and development services to communities often overlooked by traditional financial systems. By channeling funds from diverse sources—public, private, and philanthropic—they support projects that drive economic growth and directly address social drivers of health like education, jobs, and housing.

CDFIs offer strategic loans for infrastructure development and enhance local initiatives with essential technical assistance. As first responders, they amplify their activity during economic downturns, providing critical support after events like natural disasters and the COVID-19 pandemic.

### CDFI's Multisector Impact

#### Who Partners with CDFIs



Government



Public Health



Healthcare

#### What CDFIs Can Achieve with Multisector Partners



Economic Development and Jobs



Affordable and Healthy Food



Affordable Housing

#### Shared Goals Among Partners



Multisector collaboration with CDFIs powerfully impact health—driving economic prosperity and strengthening community well-being



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*As a public health practitioner, I see CDFIs as essential partners in improving community health. Their investments in housing, healthy food access, and climate resilience directly shape health outcomes for our residents. By aligning our efforts, we can drive lasting change and ensure all communities can thrive.”*

—AZ Snyder

Public Health Director/Health Officer, Pierce County Public Health Department

## Investing in Community: The Multifaceted Roles of CDFIs in Action

Building on their crucial partnerships with health and government sectors, CDFIs strategically direct capital to local priorities, accelerating progress toward healthier, more equitable communities. They go beyond traditional finance to expand access, drive innovation, and invest precisely where funding is needed most to achieve community well-being.

- **Maximizing investment impact:** CDFIs amplify the reach of public and private funds. By combining diverse capital streams—including government appropriations, philanthropic grants, and bank contributions—they extend the reach and affordability of financial services into underserved communities. Their efficiency is remarkable: For every dollar of public funding received, CDFIs attract \$8 in private sector investment, significantly multiplying impact and demonstrating their effectiveness as stewards of public resources.
- **Catalyzing community prosperity and health:** CDFIs foster continuous economic development and improve well-being by recycling loan repayments back into the community. This sustained reinvestment supports new borrowers and initiatives, building a virtuous cycle that strengthens local economies and promotes healthier living environments for all residents.
- **Pioneering specialized funding for community health:** CDFIs are leaders in creating innovative financing mechanisms by partnering with foundations, healthcare systems, and traditional banks. Initiatives like the Housing for Health Fund exemplify these collaborations, directly addressing community health needs. They fund integrated health centers, affordable housing with wraparound services (like job training and childcare), community real estate ownership, and initiatives promoting financial stability and small business growth—all vital components of a comprehensive healthy ecosystem.



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*We grow our own financial champions and cultivate healthier economic opportunities in places banks fear to tread.”*

—Dave Castillo

CEO, Native Community Capital

## The Critical Absence: What Happens Without CDFIs?

To underscore the vital role of the CDFI sector, Build Healthy Places Network (BHPN) asked partners across health and community development sectors: 'What would be the consequences if the CDFI sector were to significantly diminish or disappear?' Their answers are clear: The loss would be devastating, undermining the very foundations of health and prosperity we strive to build.

If CDFIs were to disappear from the disinvested communities they serve, these areas would face severe setbacks. Small businesses, especially those in low-income areas or owned by people of color, would lose crucial capital and financial education, pushing them toward predatory lenders, reducing local jobs and innovation, and hurting the local economy. Families would struggle to secure affordable housing and would lose access to essential services like childcare, healthcare, and mental health support. This absence of patient, early-stage capital would widen existing disparities, "effectively erasing years of progress" and taking away key resources and tools that communities can use to bolster economic growth and health.

CDFIs have spent decades advancing community health and economic opportunity, demonstrating their unique and impactful approach. We must build on these successes, protecting the very capacity that makes this impact possible.

### Partnering for Health:

#### How CDFIs and Health Systems Create Impact Funds

In 2018, Kaiser Permanente committed up to \$200 million through its Thriving Communities Fund to support stable housing and improved health. This initiative included the Housing for Health Fund, launched with Enterprise Community Partners, a national CDFI, to invest up to \$85 million in Northern California housing. Kaiser Permanente seeded the fund with \$15 million. The fund's initial \$6 million investment enabled East Bay Asian Local Development Corporation to acquire and restore the Kensington Gardens apartment building in Oakland, stabilize rents, pursue subsidies to convert the property to income-restricted housing, and develop a community health action plan.

Through 2023, CDFIs (OFN members) have provided \$124 billion in financing helping to create or maintain more than...



**15,000**  
Community Facilities



**1 million**  
Small Businesses



**3.4 million**  
Jobs



**3 million**  
Housing Units

(Sources: OFN Impact Report, CDFI Impact)

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*CDFIs lead to more healthy, equitable communities because they provide financial resources directly to communities to create the things they need, like small businesses, affordable homes, childcare facilities, and healthcare centers. CDFIs operate in every state across the country, and direct resources and investments to the places they are needed most.”*

—Chloe Gurin-Sands  
Program Officer, Robert Wood Johnson Foundation

## CDFIs in Action:

### Partnering for Health and Community Impact

#### Protecting Homes in Fruitvale:

How CDFI-Health Partnerships Secure Affordable Housing

A successful initiative centered around a 55-unit apartment building in the Fruitvale neighborhood of Oakland, California, exemplifies the critical role of CDFIs in preserving vital community resources in partnership with the health sector.

Built in 1959, the building faced disrepair that threatened to displace long-term residents. In 2020, The Unity Council, a local community development corporation, turned to Enterprise Community Partners, a leading CDFI, to secure financing to acquire the building. Enterprise provided a \$3.3 million mezzanine loan from Preservation Funds (via the Health for Housing Fund) and a \$3.8 million loan (via the Bay Area Preservation Pilot Fund) to enable purchase and revitalization of the property. This pivotal intervention ensured rents remained about 65% below market rates.

The project created sustained affordable housing, community spaces, and resident services including health clinics, food distributions, and support for children and families. A [Health Action Plan](#), developed in partnership with public health



professionals, provided a framework for integrating health into housing design and rehabilitation based on resident needs, informed by data analysis and community engagement.

This project stabilized the community, prevented displacement, and significantly improved residents' quality of life, showcasing the vital role of CDFIs in safeguarding affordable housing and fostering healthy communities. In 2023 alone, Enterprise's \$8 billion in capital investments created or preserved 60,000 homes, demonstrating substantial impact despite economic challenges.

#### The Power of Multisector Collaboration:

Building Healthier Communities with CDFIs

Hope Credit Union, a CDFI, plays a vital role in addressing Deep South disparities through mission-driven finance and strong local partnerships. In rural communities like Drew, Mississippi, where traditional banks are absent, HOPE fills critical service gaps.

When Drew's only grocery store closed, nearly 2,000 residents lost access to healthy, affordable food. Traditional retail solutions weren't viable, but HOPE recognized the urgency and stepped in. Partnering with local leaders and the nonprofit We2gether Change, HOPE funded feasibility studies and co-developed an innovative solution: the Grocery Online Ordering Delivery Service (GOODS).

Using an online platform, cold storage in a repurposed National Guard armory, and a refrigerated van, GOODS delivers groceries from 16 miles away. Additionally, the HOPE Catalyst Fund provided financing to modernize the armory and prepare it to house cold storage and shelving. HOPE's flexible, early-stage investment made this tech-enabled, community-driven model possible.



The program has improved food access and health in Drew and expanded to nearby Shaw, showcasing how CDFIs like HOPE, through multisector partnerships, can catalyze regional cooperation, restore essential services, and build resilient communities where traditional markets fall short.

In 2023 alone, HOPE reached close to 140,000 people across the Deep South, demonstrating how CDFIs do more than lend; they drive solutions that prioritize community needs.



## Investing in Whole Communities:

### How CDFIs Advance Health, Housing, and Economic Mobility

The 7th Ward in Washington, DC, is home to a vibrant community driving efforts to expand access to health, housing, and economic opportunity. In a powerful demonstration of multisector partnership, the \$90 million Conway Center in DC's 7th Ward was launched by the nonprofit So Others Might Eat, Unity Health Care, and three CDFIs.

The Conway Center provides nearly 200 affordable housing units (including housing for substance abuse recovery), job training, and healthcare under one roof. Since 2020, 212 people have graduated from its programs, with 141 securing jobs averaging over \$19 an hour, and over 91% maintaining employment for a year or more. The center boasts strong housing stability, with over 95% of residents remaining housed.

CDFIs played a pivotal role: Capital Impact Partners and Nonprofit Finance Fund each contributed \$2.55 million to support the health center's development. Crucially, the Local Initiatives Support Corporation (LISC), through its innovative Healthy Futures Fund, spearheaded significant financing, leveraging \$20.4 million in Low-Income Housing Tax Credits for the residential component, \$13.5 million in New Markets Tax Credits for the health center, and an additional \$275,000 in grants, while also providing substantial guidance on the financial capital structure. This project demonstrates the vital role of CDFIs in partnering with community organizations and the health sector, leveraging complex financial tools to drive comprehensive community well-being and pioneering developments that unite housing, health, and economic opportunity.



### Healthy Futures Fund

The Healthy Futures Fund is a \$200 million initiative by LISC, Morgan Stanley, and The Kresge Foundation to improve health in underinvested communities by financing Federally Qualified Health Centers and supporting affordable housing with integrated health services. The Healthy Futures Fund builds multisector partnerships to address factors that influence health: housing, care access, and neighborhood conditions.

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*CDFIs are indispensable partners in building healthy communities. Their unique ability to direct flexible capital into critical infrastructure—from affordable housing and health clinics to job training. We've seen firsthand how CDFIs don't just provide funding; they foster resilient communities by investing where it's needed most and in alignment with community needs and priorities.”*

—Kendra Smith

Vice President, Community Health at Bon Secours Mercy Health

## Act Now:

### Drive Health Impact with CDFI Partnerships

To bolster the critical work of CDFIs in building healthier, more prosperous communities in partnership with healthcare and public health, you can advocate for sustained federal funding, invest directly or indirectly through CDFI-friendly financial institutions, and partner with CDFIs on local initiatives to address the drivers of health. Your support can help these essential first responders continue to drive vital investments and create lasting community impact.

## Explore, Learn, Act:

### Resources to Get Started

#### BHPN Newsletter:

Subscribe to the [BHPN newsletter](#) to delve deeper into how you can support CDFIs and multisector partnerships.

#### Find CDFIs:

Use our [Partner Finder](#) to locate CDFIs in your community.

#### Demystify Jargon:

Our [Jargon Buster](#) simplifies industry terms, fostering cross-sector communication.

#### Partner for Health:

BHPN's [Primer](#) guides public health leaders in collaborating with community development and CDFIs to advance health and opportunity.

#### BHPN Playbooks:

Explore [our playbooks](#) that provide practical advice on navigating partnerships between community development and healthcare.

#### Resource Menu:

Explore [our PDF](#) overview of articles, case studies, and tools on CDFIs and multisector partnerships.

#### CDFI Survey Insights:

Explore early findings from the [Federal Reserve's 2025 CDFI Survey](#), capturing how CDFIs nationwide are meeting demand, scaling operations, and navigating challenges.

#### National League of Cities:

[Discover more how](#) CDFIs bridge gaps in access to capital and services and how to support the sector's efforts in building healthier, thriving communities.

We are grateful to our partners for sharing their expertise and insights for this brief.

African American Alliance of CDFI CEOs

Avanzando Juntos

Bon Secours Mercy Health

East Bay Asian Local Development Corporation (EBALDC)

Enterprise Community Partners

Fund for Housing and Opportunity

Hispanic Interest Coalition of Alabama (HICA) and Camino Loan Fund

Hope Credit Union

Housing Trust of Silicon Valley

Kaiser Permanente

Local Initiatives Support Corporation (LISC)

Native Community Capital (NCC)

National Community Reinvestment Coalition (NCRC)

Nonprofit Finance Fund (NFF)

Opportunity Finance Network (OFN)

Pierce County Public Health Department

Reinvestment Fund

SOME (So Others Might Eat)

The Unity Council



**Build Healthy  
Places Network**

[BuildHealthyPlaces.org](https://BuildHealthyPlaces.org)

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