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JPMorgan Chase to fund D.C. birthing center as part of \$30B racial equity effort

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JPMorgan Chase & Co. is providing \$20 million to Community of Hope for the purchase, renovation and expansion of a birthing center serving the eastern part of D.C. — part of a \$30 billion commitment to advancing racial equity.

The funding, announced Tuesday, comes from JPMorgan's purchase of a New Markets Tax Credit, where the bank will receive a reduction in its taxes while the resulting money goes toward investments in the local community. In this case, the money will create the birthing center at 2120 Bladensburg Road NE with a community development financial institution (CDFI) or minority deposit institution (MDI) overseeing the funds, giving those organizations fee revenue.



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JPMorgan Chase's Anacostia branch is located at 2200 Martin Luther King Jr. Ave. SE.

Maternal and infant health have been a focus of D.C. Mayor Muriel Bowser and local health officials. Mortality rates for mothers and infants in the District are below national averages. The mortality rates for Black mothers in the District are even higher.

The \$20 million tax credit is in partnership with The Harbor Bank of Maryland, D.C.-based City First Bank and Partners for the Common Good, JPMorgan said. But the \$20 million is just a small portion of a number of programs the bank announced Tuesday.

Those programs included:

A program called "Empowering Change," which includes a money market share class that allows institutional investors to invest funds that will be distributed to MDIs and "diverse-led" CDFIs, the intent of which is to create a positive social impact while generating a return. Google is investing \$500 million in the program as it launches, JPMorgan said. \$40 million in direct equity investments in Black and Latinx-led minority deposit institutions, part of a previously announced pledge to invest \$50 million in those institutions. The bank had already announced the pledge, but has since made an initial round of investments in companies such as Louisiana-based Liberty Bank and Trust, North Carolina-based M&F Bank, New York-based Carver Federal Savings Bank and Los Angeles-based Broadway Federal Bank. \$100 million in new market tax credit financing annually and another \$300 million in additional financing to CDFIs over the next five years.

"The Covid-19 pandemic has only exacerbated the racial inequalities in the U.S., which puts a strain on families' economic mobility and impedes the

continued growth of our economy," Brian Lamb, global head of diversity and inclusion at JPMorgan Chase, said in a statement. "We know these crucial institutions create lasting change for Black and Latinx families and we hope our support will help uplift the people and businesses that are the backbone of our local economies."

JPMorgan's philanthropic and racial equity efforts come as the bank continues to expand its footprint in the D.C. area as part of a plan the bank unveiled years ago to expand locally.

The New York-based bank had 32 branches in the region as of June 30, up from nine as of June 30, 2019 and zero in mid-2018. More than two years after the bank unveiled its plan to expand in the market, Chase appears on track to hit its target of 70 branches and \$4.5 billion in lending between the Baltimore, D.C. and Richmond markets by 2023.

Its deposits have grown too, more than tripling from \$268.9 million in local deposits in 2019 to \$938.9 million in local deposits in 2020, according to the Federal Deposit Insurance Corp.

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