

JPMORGAN CHASE & Co.

Advancing Cities | **PRO** NEIGHBORHOODS 2020 Annual Progress Report



**BOLD
THINKERS
DRIVING
REAL-WORLD
IMPACT**



JPMORGAN CHASE & Co.

JPMorgan Chase is one of the oldest financial institutions in the United States. JPMorgan Chase invests millions of dollars each year to enable more people to contribute to and share in the rewards of a growing economy. PRO Neighborhoods is a \$125 million initiative designed to support communities with the capital and tools they need to drive local solutions to address key drivers of inequality. *AdvancingCities* is a \$500 million, five-year initiative to drive inclusive growth and create greater economic opportunity in cities across the world.

Abt Associates is an international policy and research organization with a 50 year history of conducting rigorous evaluations and supporting implementation of housing and community development initiatives. In 2018, JPMorgan Chase selected Abt Associates to be the national evaluator of PRO Neighborhoods and *AdvancingCities*.

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Unless otherwise specifically stated, the views and opinions expressed in the report are solely those of Abt Associates and do not necessarily reflect the views and opinions of JPMorgan Chase & Co. or its affiliates.



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Executive Summary

The benefits and hardships that result from changing economic conditions accrue unevenly; some communities, neighborhoods, and individuals thrive while others are left behind. To help more people benefit from a growing economy, JPMorgan Chase created two initiatives, the *AdvancingCities* Challenge and the Partnerships for Raising Opportunity in Neighborhoods (PRO Neighborhoods) Competition, to support cross-cutting projects that enact creative, sustainable solutions to local challenges. Winners are collaboratives, comprising two or more local organizations from among the nonprofit, government, and business sectors. Collaborative partners work together to develop a shared understanding of goals and priorities, build strong leadership among a diverse set of actors, and apply innovative approaches to solve complex local challenges.

In PRO Neighborhoods, which began in 2014, community development financial institutions (CDFIs) partner to form collaboratives and receive capital grants to provide targeted financing to meet the needs of underserved communities. Through the collaboratives, CDFIs align their talent, technology, and balance sheets to meet a common financing challenge; for example, developing or preserving affordable housing, providing affordable and accessible loans to minority and woman-owned businesses, or supporting community services such as clinics and child care centers in distressed neighborhoods.

In the *AdvancingCities* Challenge, which began in 2019, collaboratives of private, public, and nonprofit partners are implementing solutions that promote systemic change in cities. Collaboratives are working across sectors and realigning systems in order to address significant local challenges, such as employment barriers, financial insecurity, and neighborhood disinvestment.

Each year, Abt Associates (Abt) produces an annual report on behalf of JPMorgan Chase to document the collaboratives' progress. This report reviews the achievements of PRO Neighborhoods and *AdvancingCities* since their inception, with a focus, in particular, on the activities and accomplishments of collaboratives that were active in calendar year 2019.

For More Information

A companion report, *PRO Neighborhoods and AdvancingCities Collaboratives 2014-2020*, provides a short overview of each grantee. Past years' reports document the work of earlier grantees. Both can be found at <https://www.abtassociates.com/projects/evaluating-jpmorgan-chase-cos-advancingcities-challenge>




Program Accomplishments

Through the *AdvancingCities* Challenge and PRO Neighborhoods grant programs, JPMorgan Chase has invested more than \$146 million to support locally driven innovations that address inequality in neighborhoods and cities across the country. These funds, allocated in 2014 through 2019, have collectively provided grants to 37 collaboratives, consisting of 130 partner organizations in 15 states. Collaboratives conduct work in multiple focus areas, targeting their approaches to their communities' needs. Their initiatives span small business expansion, affordable housing, real estate development, financial health, jobs and skills, and other focus areas.

In 2020, PRO Neighborhoods and the *AdvancingCities* Challenge were combined into a single grant program. Collaboratives received funding in two tracks of the 2020 *AdvancingCities* Challenge—the place-based track and the systems-change track—taking different approaches to effecting change.

Place-based collaboratives invest and leverage capital to meet diverse community needs.¹ In recent years, these collaboratives have increasingly focused on supporting strategies identified in neighborhood equitable development plans. From 2014 through 2019, JPMorgan Chase provided grants totaling \$131.8 million to 32 collaboratives. These collaboratives made more than 35,000 loans and other investments totaling nearly \$552 million through the end of 2019. Collectively, the collaboratives' loans and investments created or preserved more than 14,650 jobs and nearly 3,800 housing units.

¹ The PRO Neighborhoods competition awarded grants from 2014 to 2019. Throughout this report, historical PRO Neighborhoods grantees will be referred to as “place-based collaboratives.”



Systems-change collaboratives work to strengthen policies and practices to address barriers to opportunities and better align fragmented systems within communities. In 2019, five collaboratives made up the inaugural cohort of the systems-change track. Though the collaboratives primarily focused in the first year on designing and operationalizing their strategies, they nevertheless achieved some meaningful outcomes. The collaboratives collectively enrolled more than 2,600 participants in job training programs, with nearly 60 participants completing these programs. The collaboratives assisted 32 small businesses that serve low- and moderate-income or vulnerable populations and provided financial coaching to 43 people.

Key Findings

Drawing on interviews and conversations Abt conducted with grantees and an analysis of the quantitative data and white papers prepared by the grantees' local evaluators, this report highlights the ways that collaboratives in both tracks are advancing four key objectives that align with JPMorgan Chase's overarching goals for the AdvancingCities Challenge.

1. Collaboratives are working to drive equitable development in neighborhoods and cities. For example:

- Collaboratives are using innovative strategies—such as Community Land Trusts and financing of Accessory Dwelling Units—to develop and preserve affordable housing in gentrifying neighborhoods.
- To promote and expand the scope of equitable development initiatives, some collaboratives are institutionalizing and strategically extending their partnerships beyond their grant terms, to new policy initiatives, and across cities.
- Collaboratives often have to be nimble, adjusting their initial strategies to respond to rapidly changing neighborhood conditions. The strongest collaboratives regularly assess how their programs are operating and make changes when they encounter barriers to progress, such as when the COVID-19 pandemic arose.
- Many collaboratives rely on residents as experts in articulating their neighborhoods' needs and priorities across diverse areas, such as affordable housing, community services and amenities, small business growth, and employment opportunities.

2. Collaboratives are implementing strategies that provide opportunities for people of color. For example:

- Collaboratives are targeting training, technical assistance, and financial counseling to first-time homebuyers and entrepreneurs of color.
- To address historic and systematic inequities, collaboratives are tailoring their products and services to the unique needs of people and communities of color.



- Recognizing the trauma and erosion of trust caused by past discriminatory practices, collaboratives work hard to empower and build trust with communities of color.
 - Collaboratives are working to improve local systems to provide economic opportunities for diverse populations and recipients of services.
- 3. Collaboratives are implementing multifaceted approaches to provide holistic support to individuals and communities. For example:**
- Collaboratives are implementing lending strategies that address small businesses' multiple and interrelated financing needs.
 - To help start and nurture small businesses, some collaboratives are pairing loan and investment strategies with technical assistance.
 - Collaboratives are using new technology solutions to coordinate services and simplify complex systems.
- 4. Mounting cross-cutting systems-change and place-based initiatives in communities is not easy work. The collaboratives are generating important lessons about planning and implementing innovative solutions, including:**
- Intensive planning to develop a shared vision helps collaborative partners work together successfully to tackle longstanding local challenges.
 - In planning and executing grant activities, collaboratives often revisit their partnership structures, carefully clarifying roles and expectations for each partner organization.
 - Several collaboratives are expanding successful programs and practices to local neighborhoods not included in their initial plans. Others have broadened their partnerships beyond the timeframe and scope of the grant period or disseminated tools and strategies they developed to other communities.
 - To maximize impact, collaboratives work to ensure their activities and programming are responsive to community needs.

In addition to discussing these key themes, this report documents how two of the collaboratives adapted their activities to help their communities respond to the COVID-19 pandemic and associated economic crisis. These mini case studies are representative of the flexibility and creativity that many of the collaboratives exhibited in responding to COVID-19—a topic Abt will address in more detail in a forthcoming report.






Overview of PRO Neighborhoods and *AdvancingCities*

In 2014, JPMorgan Chase launched the Partnerships for Raising Opportunity in Neighborhoods (PRO Neighborhoods) Competition. In the program, community development financial institutions (CDFIs) partner to form collaboratives and receive capital grants to provide targeted financing to meet the needs of underserved communities. Through the collaboratives, CDFIs align their talent, technology, and balance sheets to meet a common financing challenge; for example, developing or preserving affordable housing, providing affordable and accessible loans to minority and woman-owned businesses, or supporting community services such as clinics and child care centers in distressed neighborhoods.

In 2019, JPMorgan Chase launched *AdvancingCities*, a \$500 million, five-year initiative to drive inclusive growth and create greater economic opportunity in cities across the world. As part of this commitment, the

AdvancingCities Challenge was created to source and seed creative, collaborative, and sustainable solutions that address cross-cutting challenges to help more people benefit from a growing economy. *AdvancingCities* collaboratives of private, public, and nonprofit partners design and implement solutions that promote systemic change in cities. Collaboratives are working across sectors and realigning systems in order to address significant local challenges, such as employment barriers, financial insecurity, and neighborhood disinvestment.

Through *AdvancingCities* and PRO Neighborhoods, JPMorgan Chase has invested more than \$146 million to support locally driven innovations that address inequality in neighborhoods and cities across the country. These funds, allocated in 2014 through 2019, have collectively provided grants to 37 collaboratives, consisting of 130 partner organizations in 15 states.



In 2020, JPMorgan Chase relaunched the grant competition to combine these two existing initiatives. As outlined in its 2020 Request for Proposals, the new competition provides three-year grants of up to \$5 million to collaboratives along two tracks:

- The **place-based track** supports collaboratives to implement “a capital strategy to advance a housing-driven equitable neighborhood plan that addresses documented challenges within neighborhoods.”²
- The **systems-change track** supports “cross-sector partnerships to address barriers to opportunity, or complex issues at the root of economic inequality, by altering entrenched policies and practices in cities.”³

Twenty-five collaboratives were actively working on their projects, or received grants, in 2019. As shown in **Exhibit 1**, the active collaboratives implemented initiatives across various areas that are the focus of JPMorgan Chase’s philanthropic investments. Among these 25 collaboratives, the most common focus area is small business expansion (19 collaboratives). The next most common focus areas are affordable housing (15 collaboratives) and real estate development (11 collaboratives).

² 2020 AdvancingCities Challenge RFP, JPMorgan Chase, <https://www.cybergrants.com/jpmc/s/2020AdvancingCitiesRequestForProposals10.08.2019.pdf>

³ Ibid.

Exhibit 1. 2016-2019 *AdvancingCities* Challenge and PRO Neighborhoods Collaboratives, by Focus Area

					
Collaborative	Financial Health	Jobs and Skills	Real Estate Development	Affordable Housing	Small Business Expansion
2016 PRO Neighborhoods Grantees					
Detroit Strategic Neighborhood Initiative				•	•
Equity Atlanta			•		•
Neighborhood Retail - Chicago Collaborative			•	•	•
North Miami Dade CDFI Collaborative			•		•
NYC Local Lending					•
2017 PRO Neighborhoods Grantees					
Equitable Development at the 11th Street Bridge Park		•		•	•
Rental Housing Innovations in Crisis Areas of Orlando MSA				•	
San Francisco Entrepreneurs of Color Fund					•
Small Housing, Big Impact				•	
2018 PRO Neighborhoods Grantees					
Brew City Match			•		•
Claiborne Corridor Community Development Plan			•	•	
Fresno Community Capital Collaborative for Economic Mobility			•		•
Kensington Lending Partnership			•	•	•
2019 PRO Neighborhoods Grantees					
The 614 Linden		•		•	•
Dallas Collaborative for Equitable Development		•	•	•	•
Equitable Wilmington			•	•	•
Memphis CDFI Network			•	•	•
Opportunity CLE Neighborhoods			•	•	
Purple Line Equitable Transit-Oriented Development			•	•	•
South Florida Housing Link Collaborative				•	
2019 AdvancingCities Grantees					
Advancing San Diego		•			•
Digital Inclusion and Economic Resilience	•	•			
Resilient 305		•			•
Syracuse Surge		•			•
West Side United		•			•





Program Accomplishments

This chapter highlights the activities and outcomes of collaboratives that had active grants in 2019³, which includes those that received grants between 2016 and 2019. The chapter provides an overview of the collaboratives' work and presents their key accomplishments.⁴ Abt gathered data from quantitative and qualitative reporting and interviews with collaborative partners.

Place-Based Track Accomplishments

Place-based collaboratives are promoting *equitable development* in neighborhoods by supporting the development of affordable housing in neighborhoods experiencing gentrification, investing in local small businesses so that they can take advantage of broader

economic development trends and infrastructure investments, and assisting low- and moderate-income individuals and businesses to revitalize commercial corridors. Examples of collaboratives' efforts to promote equitable development include:

- Forming community land trusts to ensure long-term residents can remain in their neighborhoods and to safeguard permanently affordable housing,
- Expanding the availability of affordable homes by supporting residents to construct Accessory Dwelling Units and providing financing and technical assistance to developers of housing that is unsubsidized yet affordable, and
- Helping local residents and small business owners benefit from the economic potential

3 Seven place-based collaboratives received their grants late in 2019. These grantees were just beginning their programs in 2019. Their activities are discussed in Chapters 2 through 4, but their outputs are not included in the data reported in these chapters.

4 For detailed case studies documenting the impact of three recent PRO Neighborhoods' collaboratives, see Abt Associates' 2020 report, "Building Organizational Capacity and Deepening Impact with PRO Neighborhoods Grants," available at: https://www.abtassociates.com/files/Projects/PDFs/2020/building-organizational-capacity-and-deepening-impact-report_10-08-20-sxf.pdf

of new transportation infrastructure by providing financing and technical support to entrepreneurs and affected small businesses.

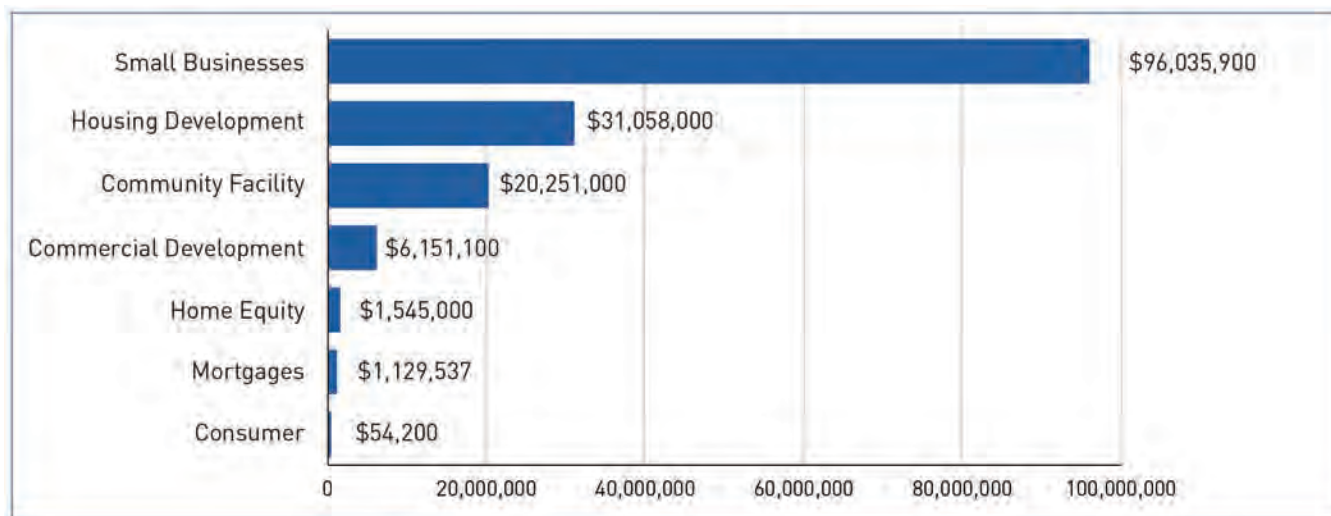
The collaboratives are *investing and leveraging capital* in ways that generate wealth for low- and moderate-income individuals, promote the development and preservation of safe and affordable housing options, and enable testing and scaling of self-sustaining financing models and innovative financing tools and products by CDFIs. Examples of collaboratives' efforts to invest and leverage capital include:

- Lending to owners and small developers to support them in renovating existing and developing new affordable housing units,
- Providing equity or near-equity investments to entrepreneurs of color, who tend to have less wealth to invest in their own businesses, and

- Combining investments in commercial real estate development with small business lending in order to fully support the multifaceted needs of local businesses, which include the need for physical space to conduct business as well as a need for working capital, equipment and inventory, and lease-hold improvement financing.

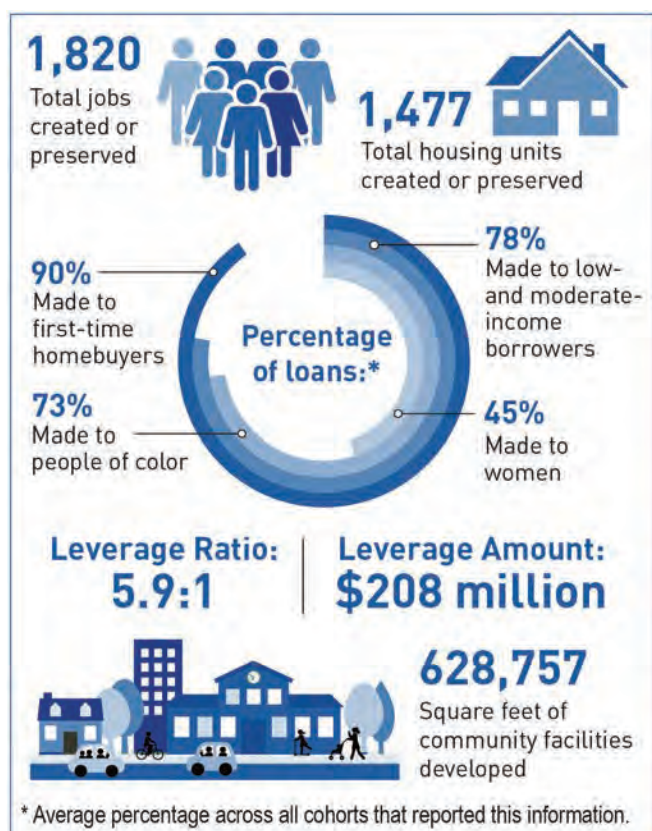
Between 2016 and 2019, JPMorgan Chase made grants totaling \$83.7 million to 20 place-based grantees. The funded collaboratives leveraged their grants at a 5.9:1 leverage ratio,⁵ generating more than \$208 million in additional funds to support their projects, organizations, and communities. Through the end of 2019, these collaboratives together had made 2,018 loans and other investments totaling more than \$156 million. The largest share of dollars invested by

Exhibit 2. Loans and Other Investments, 2016-2019



⁵ Leverage ratio is calculated as additional capital raised by collaboratives divided by the total JPMorgan Chase investment deployed to date.

Exhibit 3. Outcomes of Place-Based Grantee Activities



these collaboratives—\$96 million, or 61 percent of total investments—were small business loans, including microloans (Exhibit 2). The next largest investment categories were more than \$31 million (20 percent of total) in housing development loans and more than \$20 million (13 percent of total) in community facility loans.

Outcomes. Through their investments, the place-based track collaboratives affected their communities in significant ways. Collectively, the collaboratives' loans created or preserved


more than 1,800 jobs and nearly 1,500 housing units. The loans led to the development of almost 630,000 square feet of community facilities space. On average, the collaboratives made 45 percent of their loans to women, 73 percent to people of color, and 78 percent to low- and moderate-income borrowers. The vast majority of mortgages (90 percent) were made to first-time homebuyers.

Systems-Change Track Accomplishments

Over the past year, systems-change collaboratives made important progress in launching their plans to strengthen and align their respective communities' systems for supporting the economic growth and well-being of individuals, small businesses, and communities. The collaboratives are implementing both internal and external systems changes.

Internal systems changes are “behind the scenes” changes between the organizations involved in the collaborative. Examples of the 2019 cohort's internal systems changes include:

- Organizing and chairing a steering committee to ensure that different providers are aligned in the types of services and supports they offer to small businesses,
- Changing training providers' certificate and degree requirements to improve alignment with local employers' needs, and
- Improving the coordination of job skills services across different providers to reduce the duplication of offerings.



External systems changes are policy and programmatic changes to how opportunity systems function from the perspective of the individuals, communities, and small businesses the collaborative aims to impact. Examples of collaboratives' efforts to implement external systems changes include:

- Expanding the availability of services tailored to local businesses' needs,
- Building more cohesive career pathways programs for allied health students and workers, and
- Making it easier for participants to access wraparound services by implementing systems for more fluid referrals between service providers.

In their first year of grant activities, the collaboratives took important initial steps to implement systems change, including:

- Increasing potential recipients' awareness of the initiative or program services or activities,
- Establishing new partnerships and enhancing existing ones,
- Providing more accessible, improved, or coordinated services,
- Increasing client satisfaction,
- Aligning strategies across focus areas,
- Conducting strategic planning and research, and
- Obtaining new funding.

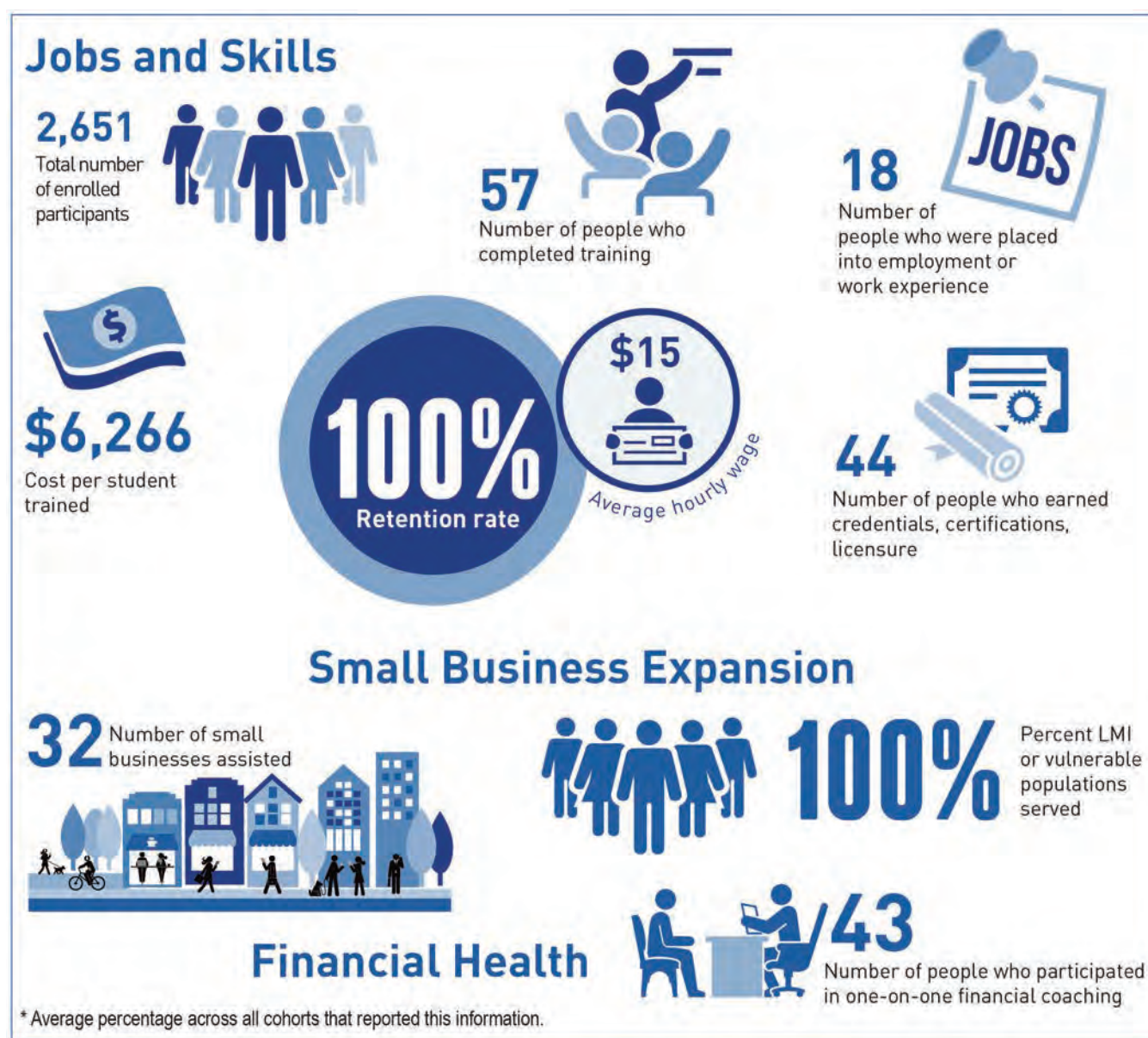
Outcomes. The systems-change track collaboratives primarily focused in the first year on designing and operationalizing their strategies, but they nevertheless achieved some meaningful outcomes (**Exhibit 4**). The collaboratives enrolled more than 2,600 participants in job training programs, with nearly 60 participants completing these programs. Eighteen participants were placed into employment or work experiences such as apprenticeships, and 44 earned credentials, certifications, or licenses. Participants placed



into employment earned an average hourly wage of \$15, which is substantially above the federal minimum wage of \$7.25 per hour. The collaboratives assisted 32 small businesses, with

100 percent of these businesses serving low- and moderate-income or vulnerable populations. Forty-three people participated in one-on-one financial coaching.

Exhibit 4. Outcomes of Systems-Change Grantee Activities, 2019







Spotlight: Addressing the COVID-19 Pandemic

Many collaboratives are adapting their programming to address the formidable challenges created and exacerbated by the COVID-19 pandemic. This spotlight describes the way that two collaboratives, Claiborne Corridor Community Development Collaborative and Advancing San Diego, are pivoting to meet the day's challenges.

Claiborne Corridor Community Development Collaborative

Collaborative, led by HousingNOLA, is supporting community revitalization and addressing the challenges of displacement by helping low- and moderate-income families and small business owners, including many people of color, to build wealth.

The challenge. “One of the biggest problems here in New Orleans is the lack of housing security.... It was deeply rooted in centuries of racial inequality, and COVID exacerbated all of that,” said a leader in the collaborative. Nationwide, the Housing Choice Voucher (HCV) program has been successful in providing stable housing to low-income, Black and Latino families. Around the time that the pandemic began, however, 1,100 New Orleanian families who had been offered vouchers were unable to use them, despite a 20 percent local vacancy rate. The collaborative attributes the inability of some families to secure housing with their vouchers to racist and anti-voucher sentiments among landlords. Ensuring that families with vouchers can use them will help low- and moderate-income families stay safe and healthy during the COVID-19 public health crisis.

Pivoting to address the challenge. Initially, the collaborative planned to focus its lending activities on emerging and large, established developers. Instead, in order to increase HCV lease-up rates and ensure that families are safely housed during the pandemic, the collaborative has pivoted to focus on lending to smaller “mom and pop” landlords and engaging in a new partnership with the Housing Authority of New Orleans (HANO). The collaborative determined that many of the city’s property owners need to make small to modest improvements to their properties—ranging from \$20,000 to \$60,000—to pass the HCV program quality inspections. HousingNOLA and its partners are therefore issuing loans to smaller developers, property owners, and landlords to enable them to improve their properties. The collaborative is coordinating with HANO to connect the property owners issued loans with HCV recipients who need safe and affordable housing.



Unanticipated benefit of the pivot. The change in lending activities has helped the collaborative address the needs of and build capacity among a more diverse set of borrowers, including smaller landlords and developers. They expect these broader investments to yield downstream benefits, especially building the wealth of smaller property owners and providing safe and affordable housing to low-income individuals.

Advancing San Diego is led by San Diego Economic Development Corporation, which seeks to more strongly connect training providers and educational institutions that prepare students for jobs with local employers in high-growth industries that are seeking skilled workers. A key component of the initiative is the development of an internship program that links students at select schools to local employers, thus paving the way for future employment.

The challenge. In March 2020, the collaborative had just started recruiting local businesses to host interns. An information session for businesses was scheduled for March 13th—the same day the federal government declared the COVID-19 pandemic a national emergency. The pandemic made in-person internships infeasible.



Pivoting to address the challenge. In light of this challenge, the collaborative has pivoted in three important ways:

- The collaborative switched to remotely recruiting and training the businesses that would host interns.
- The collaborative switched the internships from in-person to remote.
- The collaborative changed the types of supports it offered to the interns (from transportation supports to technology stipends) and increased their hourly pay.

Unanticipated benefits of the pivot. The online internship program has had several unexpected benefits. Moving internships online has broadened the pool of potential employers willing to participate and has helped bridge geographical constraints. San Diego County covers 4,526 square miles—larger than the state of Delaware or Rhode Island. Before the program became remote, many students were limited to selecting nearby employers. Now students can select employers that best align with their interests, even if they are farther away. Because of the successful pivoting and unanticipated benefits of a fully online program, the collaborative will likely continue to offer remote internships in the future.



Driving Equitable Development

Public and private investments to (re)develop homes, commercial properties, and neighborhoods sometimes result in displacement and gentrification, disrupting existing residents, businesses, and cultures. Collaboratives seek to ensure that the benefits of local economic development and growth flow to those who do not typically benefit from such investments or who have been, or are at risk of being, displaced.

This section outlines four themes that emerged from Abt's analysis of how collaboratives are driving equitable development and shared opportunity. To examine the four themes, identified in the box above, this section highlights the work of three collaboratives: Equitable Development at the 11th Street Bridge Park; Small Housing, Big Impact; and West Side United.

Key Themes

- Collaboratives are using innovative strategies—such as Community Land Trusts and financing of Accessory Dwelling Units—to develop and preserve affordable housing in gentrifying neighborhoods.
- To promote and expand the scope of equitable development initiatives, some collaboratives are institutionalizing and strategically extending their partnerships beyond their grant terms, to new policy initiatives, and across cities.
- Collaboratives often have to be nimble, adjusting their initial strategies to respond to rapidly changing neighborhood conditions. The strongest collaboratives regularly assess how their programs are operating and make changes when they encounter barriers to progress.
- Many collaboratives rely on residents as experts in articulating their neighborhoods' needs. To respond to these needs and build upon existing neighborhood assets, collaboratives are delivering technical assistance to help small businesses participate in and benefit from neighborhood development, catalytic events, and infrastructure improvements.



Using Innovative Strategies to Develop and Preserve Affordable Housing


Collaboratives are using innovative strategies—such as Community Land Trusts and financing of Accessory Dwelling Units (ADUs)—to address the need for affordable housing in gentrifying neighborhoods.

For example, as one component of its project, the *Equitable Development at the 11th Street Bridge Park* collaborative (Washington, DC, 2019 grantee) is addressing the need for long-term affordable housing surrounding the planned 11th Street Bridge Park. The park, expected to be completed in 2023, will cross the Anacostia River, connecting the predominantly White and upper-income neighborhoods north and west of the river with the predominantly Black and lower-income neighborhoods to the southeast. To ensure that affordable housing is available in the neighborhoods around the Bridge Park, the collaborative formed the Douglass Community Land Trust (DCLT). DCLT is a nonprofit organization that aims to avoid the displacement of long-term Southeast DC residents by purchasing and safeguarding permanently affordable housing. Since forming in 2019, DCLT has been developing a pipeline of properties to include in the land trust; by the end of 2019 it had already identified 252 units for future inclusion. In addition, the collaborative partners made one equity investment, of \$500,000 in a housing development project that will preserve

65 units of affordable rental housing for households earning 60 percent or less of area median income.

In Los Angeles and Silicon Valley, CA, *Small Housing, Big Impact* (2017 grantee) is working with local housing organizations and lenders to develop products to finance and support the development of affordable housing in high-cost housing markets. Its approach to addressing the need for affordable housing includes supporting residents to construct ADUs, constructing affordable multifamily housing, and providing financing and technical assistance to developers of small multifamily affordable housing.

For example, in Los Angeles County, collaborative partner Genesis LA is implementing the Backyard Homes project to finance the construction of ADUs that would be rented by Housing Choice Voucher recipients for at least five years. For homeowners interested in building an ADU, Backyard Homes serves as a one-stop shop through which they can receive assistance with designing, permitting, building, leasing, and financing a unit. Self Help, an external financing partner, developed a new mortgage product to enable homeowners without significant equity in their home to finance construction of an ADU by accounting for the rental income it is expected to generate in the underwriting calculations. A key element of the project, given that the financing model is untested, is Genesis LA's provision of a guaranty to mitigate Self Help's financing risk.



In addition to supporting the construction of ADUs, Genesis LA works to support affordable rental housing development as part of an evolving focus on naturally occurring affordable housing (NOAH). Typically, NOAH refers to existing housing that is unsubsidized yet affordable due to its age, location, size, or other characteristics that hinder market demand. Genesis LA recognized that due to the high demand for housing in Los Angeles, nearly all NOAH in the county is at risk for redevelopment and that preservation of those units would not be feasible without sizable public subsidies. In response, Genesis LA shifted to a new approach to developing affordable housing, RETHINK, which finances the development of new housing that is similar to NOAH in that it is located in lower-cost areas, with increased density of units, and without amenities such as lobbies, recreation centers, and parking lots to create construction cost savings that allows for lower rents and/or purchase prices. In 2019, Genesis LA developed one RETHINK project and acquired or began predevelopment work on five additional properties.

Strategically Expanding Partnerships to Promote Equitable Development

To address the challenges posed by gentrification and displacement, collaboratives need to learn from one another and work together on multiple fronts simultaneously. To promote equitable development, some collaboratives

are strategically expanding their partnerships beyond their grant terms, to new policy initiatives, and across cities. Though located hundreds of miles apart, the two CDFIs in the **Small Housing, Big Impact** collaborative have found opportunities to learn from each other and strengthen their financial products. Genesis LA reported learning from Housing Trust Silicon Valley about homeownership lending, how to design lending products, and the importance of supporting predevelopment work, such as feasibility assessments. Similarly, Housing Trust Silicon Valley reported learning from Genesis LA about how to target potential borrowers for ADU loan products and how to structure the relationship between a borrower and the professionals hired for the design and construction of ADUs.

Partnerships established for one purpose can foster collaboration in other areas as well, as demonstrated by the **Equitable Development at the 11th Street Bridge Park** collaborative. In 2019, partners working on small business financing and affordable housing development joined forces to advocate for local policy solutions to reduce the displacement of local businesses. The partners have also identified opportunities for businesses trained by one partner to serve as subcontractors when another partner begins construction of affordable housing. As the partners gain familiarity with each other's work and experience working together, they plan to investigate other opportunities to work together in the future.



Adjusting Strategies to Respond to Changing Conditions

Collaboratives often have to be nimble, adjusting their initial strategies to respond to rapidly changing neighborhood conditions. For example, the partners in the **Small Housing, Big Impact** collaborative shifted to financing new affordable multifamily developments without long-term subsidies using cost-saving strategies such as building denser housing on lower-cost land. Housing Trust Silicon Valley pivoted to reconfiguring existing single-family homes as shared transitional housing and reusing a former motel as housing, supported by short-term financing and permanent loans.

Over time, Housing Trust Silicon Valley has also altered its approach to supporting the development of ADUs, based in part on learning from Genesis LA. Housing Trust Silicon Valley initially focused on providing education to homeowners interested in constructing an ADU and piloting loan products to finance ADUs. Through August 2019, the organization had held six training events with 350 attendees interested in learning about ADUs. Seeing that interested homeowners struggled to access financing and recognizing the potential to learn from Genesis LA's financing experience, for the remainder of 2019 Housing Trust Silicon Valley shifted its focus to launching an ADU construction bridge loan product with help from finance and banking consultants. The loans will provide up to \$200,000 in financing to qualified borrowers and require a two-year affordability restriction.

The strongest collaboratives regularly assess how their programs are operating and make changes when they encounter barriers to progress. In Chicago, life expectancy for residents of the city's West Side, who are predominantly low-income people of color, is 14 years less than that of residents of nearby wealthier neighborhoods. **West Side United** (Chicago, IL, 2019 grantee) is tackling this gap in life expectancy through a multipronged approach that focuses on the intersection of health and economic vitality. The collaboratives' six partner hospitals are working to leverage their hiring, purchasing, and investment decisions to benefit local residents and small businesses. Rapid assessments provide the collaborative with critical feedback to help it strengthen its programs.

In its first year, West Side United used rapid assessment approaches to identify two program areas in need of adjustment. In one case, when applicants for the Medical Assistant Pathway Program were having difficulty meeting the entrance exam requirements, the collaborative initiated a readiness program that enabled 21 participants to be admitted earlier than otherwise would have been possible. In another case, West Side United used data from a pilot period to adjust its marketing and outreach strategies for the small business grant pool, which it believes contributed to an increase in applications received. Over 460 applicants applied for grants during the 2019-20 cycle, which was a fourfold increase over the previous year.



Seeking and Acting on Resident Input and Expertise

Many collaboratives rely on residents as experts in articulating their neighborhoods' needs. They also seek to provide capital, technical assistance, and services that respond to articulated needs and build upon existing community assets. **West Side United**, which includes six partner hospitals, seeks to enhance the health and well-being of West Side residents by providing workforce training to low-wage hospital employees and by supporting business growth via a grant accelerator pool. The collaborative sees residents in its target neighborhoods as experts in their individual needs and the needs of the neighborhood as a whole. To elicit their expertise and guidance, the collaborative includes residents on its steering committee and in working groups for its small business and career pathways programs, ensuring that the project is "grounded in community needs and expand[s] upon existing community assets."

Some of the collaboratives are implementing plans developed by their communities and codified in local equitable development plans. For example, the **Equitable Development at the 11th Street Bridge Park** collaborative is implementing an equitable development plan that was created in partnership with hundreds of residents and stakeholders to address concerns about equity and displacement in neighborhoods near the future park. The equitable development plan

focuses on affordable housing, workforce development, small business development, and arts and culture.

Partners in the collaborative are building upon the vision outlined in the plan to support Southeast DC residents and business owners in capitalizing on the development of the Bridge Park and the increased economic activity it is expected to generate. For example, the collaborative's small business efforts focus on preparing local businesses to benefit from the park opening, including businesses that might operate inside the park and in adjacent neighborhoods. For entrepreneurs in those neighborhoods, the collaborative also supports an accelerator for small and medium-size businesses, which provides a 12-week training program with technical assistance, networking opportunities, information about financial opportunities, and professional services.

Recently Awarded Grantees Drive Equitable Development in Maryland and South Florida

Two collaboratives received awards in 2019 to address equitable development concerns in response to planned rail development in low- and moderate-income communities.

Purple Line Equitable Transit-Oriented Development (Prince George's and Montgomery Counties, MD, 2019 grantee) is helping local residents and small business owners benefit from a new light rail's economic potential by providing targeted loan capital and resources towards the development of high-quality affordable housing and to assist affected small businesses.

To help low-income residents gain transportation access to jobs and retail, the **South Florida Housing Link** Collaborative (Miami-Dade, Broward and Palm Beach Counties, Florida, 2019 grantee) is developing affordable, climate-resilient housing near three current and proposed transit stations.





Providing Opportunities to People of Color

In cities across the United States, people of color face systemic barriers to economic mobility. To address this challenge, collaboratives are implementing programs and services aimed at improving economic opportunities for people of color. To help address the racial wealth gap, for example, some collaboratives are targeting lending products, coupled with technical assistance and training, to Latinx and Black entrepreneurs and homebuyers. Others are addressing skills gaps by delivering job training, technical assistance, and financial health services to people of color.

This section outlines four themes that emerged from Abt's analysis of how collaboratives are expanding opportunities for people of color. To examine the four themes, identified in the box to the right, the section highlights the work of three collaboratives: Kensington Lending Partnership, San Francisco Entrepreneurs of Color Fund, and Syracuse Surge.

Key Themes

- Collaboratives are targeting training, technical assistance, and financial counseling to first-time homebuyers and entrepreneurs of color.
- To address historic and systematic inequities, collaboratives are tailoring their products and services to the unique needs of people and communities of color.
- Recognizing the trauma and erosion of trust caused by past discriminatory practices, collaboratives work hard to empower and build trust with communities of color.
- Collaboratives are working to improve local systems to provide economic opportunities for diverse populations and recipients of services.



Targeting Training, Technical Assistance, and Counseling to People of Color

Collaboratives are targeting their training, technical assistance, and financial counseling to first-time homebuyers and entrepreneurs of color. **Kensington Lending Partnership** (Philadelphia, PA, 2018 grantee) makes loans to meet the capital needs of the Kensington neighborhood, where 65 percent of residents are Latinx and 17 percent are Black. Through 2019, some 79 percent of the collaborative partners' loans were made to Latinx borrowers. The collaborative recognized the need to support emerging businesses owned by people of color to move from a business concept to a viable business with a clear plan for growth. Collaborative member FINATA is helping residents qualify for small business loans by providing financial counseling, including workshops, one-on-one sessions, and assistance with financial planning.


FINATA also makes small consumer loans to help recipients build or improve their credit readiness. In 2019, FINATA made 25 loans totaling \$54,200, all to Black and Latinx Kensington residents. Affinity groups were established for loan recipients—one for consumers only, a second for entrepreneurs only, and a third for both consumers and entrepreneurs. Through the affinity groups, participants have provided one another with peer support; FINATA also hopes the groups

encourage borrowers to repay their loans in a timely fashion. More than 60 percent of participants in an affinity group increased their credit scores, and those who had no previous credit history achieved an average score of 680, which is high enough to qualify for many loan products from traditional lenders.

To promote homeownership opportunities for Kensington residents, CDFIs in the partnership are purchasing or financing the purchase of properties for rehabilitation and sale to low- and moderate-income buyers. FINATA is offering a 30-year loan and exploring the option of a lease-to-purchase product. Through 2019, the collaborative made four loans to first-time Black and Latinx homebuyers. Prospective homebuyers also participate in the financial counseling and affinity groups to help them prepare for buying a home.

Tailoring Products and Services to the Needs of People of Color

To address historic and systemic inequities, many collaboratives are tailoring their products and services to the unique needs of people and communities of color. For example, the **San Francisco Entrepreneurs of Color Fund** (San Francisco, CA, 2017 grantee) seeks to increase the number of entrepreneurs of color who receive capital and technical assistance and are able to “launch, grow, stay, and hire” in the city, particularly to capitalize on the economic opportunities created by the Chase Center sports and entertainment arena.



Entrepreneurs of color in San Francisco have faced historical, systematic barriers to fully benefitting from the city's present-day, dynamic economy. To remedy this, the three members of the collaborative aligned their distinct but related work into a common mission through the collaborative:

- Working Solutions provides microloans (up to \$50,000) and business consulting services to entrepreneurs of color;
- Pacific Community Ventures provides business loans (\$50,000-\$200,000) to early-stage entrepreneurs of color; and
- ICA Good Jobs Fund advises companies owned primarily by people of color and women on growth strategies that will contribute to quality jobs for local residents, and provides entrepreneurs with equity-like investments (\$250,000-\$1 million).

The collaborative recognizes that products and services provided to entrepreneurs of color should be tailored to their unique needs. Businesses owned by entrepreneurs of color tend to be smaller than those owned by White entrepreneurs. This may mean that the thresholds that lenders typically use to help determine whether a business is ready to scale, such as its revenues or number of employees, should be lower. Furthermore, equity or near-equity investments are important tools for these firms.

Entrepreneurs of color tend to have less wealth to invest in their own businesses than White

entrepreneurs because of past inequities.

This may result in the businesses owned by entrepreneurs of color being overly leveraged yet still in need of capital to scale. Collaborative partners adjusted their lending products to meet the needs they identified. Through 2019, the collaborative made 29 loans totaling nearly \$1.2 million. One hundred percent of loans went to borrowers who are Black, Latinx, Asian/Pacific Islander, Native American, or multiracial.

Empowering and Building Trust with Communities of Color

Residents can experience stress and trauma associated with living in distressed neighborhoods and from historic racism, classism, and other longstanding inequities. Some collaboratives center these concerns by collaborating with neighborhood residents and providing services through methods that empower residents and promote cohesion.

The *Kensington Lending Partnership* works to help implement a subset of recommendations from a participatory neighborhood revitalization strategy—the *Heart of Kensington* plan—that was developed in close collaboration with Kensington residents, anchor organizations, and other key community stakeholders before the grant term. The plan, and its implementation, adopted a trauma-informed approach to community development to combat both individual and collective trauma within the community. Trauma is prevalent because the neighborhood has

been a center of regional drug trade for several years.⁶ The approach recognized that stress associated with living in Kensington limited residents' sense of empowerment to reshape the neighborhood to promote social cohesion, build upon and enhance residents' skills, and attract investment. Kensington Lending Partnership's work is a direct reflection of the community's input. To help address the business financing and skill deficiencies Kensington residents identified, the collaborative originated business loans to local small business owners and provided them tailored technical assistance.


Recognizing the erosion of trust caused by past discriminatory practices, collaboratives work to build trust with communities and people of color. For example, entrepreneurs of color have disproportionately been excluded from access to mainstream financial services or harmed by discriminatory or predatory practices of financial institutions. To address these challenges, each CDFI member of the *San Francisco Entrepreneurs of Color Fund* has staff with cultural and linguistic skills that enable the organizations to connect and build trust with people of color. Staff work closely with entrepreneurs of color, helping entrepreneurs find appropriate lending and investment products and obtain training and technical assistance necessary to build a successful business.



Improving Systems to Provide Opportunities for Diverse Populations

Many collaboratives are working to improve systems that provide opportunities for diverse populations. *Syracuse Surge* (Syracuse, NY, 2019 grantee) is focused on advancing local economic growth, particularly among Black and Latinx residents and businesses. The collaborative partners are working to increase job opportunities for people of color by improving the readiness and ability of Syracuse residents to attain jobs in high-tech industries. At the same time, the collaborative is seeking to attract new technology businesses owned by people of color

⁶ See, for example, Percy, Jennifer, "Trapped by the 'Walmart of Heroin,'" *New York Times Magazine*, October 10, 2018.



to Syracuse and helping existing businesses grow. Hack Upstate, an organization that focuses on supporting the region's technology community, provides workforce training for adults interested in digital technology jobs and Erie 2, a program spearheaded by Le Moyne College, offers computer coding training to middle and high school students. The collaborative also seeks to strengthen connections between the city's secondary schools and community colleges to enhance training and career pathways. Building these pathways will help ensure that new small businesses, especially those owned by people of color, are able to attract and retain skilled local employees for in-demand technology jobs.

In addition to supporting workforce training, the collaborative is also planning to develop a task force to support businesses owned by people of color by organizing networking opportunities; providing market research, strategic planning, and real estate services; and making loans,



grants, and equity investments. The collaborative has been in operation for only one year, but early small business efforts have included working to recruit a technology company owned by people of color to Syracuse and providing strategic planning to a second firm to help it identify growth opportunities.

Recently Awarded Grantee Provides Opportunities for People of Color in Memphis, Tennessee

Memphis CDFI Network (Memphis, TN, 2019 grantee) received an award in late 2019 to deploy loan products and develop a comprehensive referral system designed to improve access to affordable housing, small business development, and other wealth-building activities for residents of two predominantly Black neighborhoods. To advance resident goals, the collaborative is providing individualized counseling and financing to households and entrepreneurs. They are also working with residents to revitalize vacant commercial spaces.

An advisory council of residents and partners are helping ensure investments achieve the neighborhoods' priorities and monitor outcomes of the collaborative's lending.





Implementing Multifaceted Approaches to Provide Holistic Support



Many collaboratives have adopted multifaceted approaches that combine two or more coordinated services and lending strategies to help individuals, businesses, and communities. For example, one collaborative is matching financing for property owners seeking to renovate and expand their facilities with assistance to help small businesses expand and occupy these spaces. Another is implementing job training and internship programs that connect small businesses to both training providers and residents in need of employment. Some collaboratives are pairing supportive services, training, and technical assistance with lending programs to address multiple aspects of the financing needs of individuals and businesses.

This section presents three themes that emerged from Abt's analysis of how collaboratives are implementing multifaceted approaches to provide holistic support. To examine the three themes, identified in the box above, the section highlights the work of three collaboratives: Brew City Match, Neighborhood Retail–Chicago Collaborative, and Resilient 305.

Key Themes

- To help start and nurture small businesses, some collaboratives are pairing loan and investment strategies with technical assistance.
- Many collaboratives are implementing lending strategies that address small businesses' multiple and interrelated financing needs.
- Collaboratives are using new technology solutions to coordinate services and simplify complex systems.

Pairing Loan and Investment Strategies with Technical Assistance

Many collaboratives recognize that borrowers and communities benefit from a combination of training and technical assistance plus capital investment. For example, **Brew City Match** (Milwaukee, WI, 2018 grantee) aligns its services and investments to support businesses and improve commercial corridors. The collaborative takes a unique approach to identify businesses to support. Biannually, it holds open-call competitions to choose qualified entrepreneurs looking to start a business, or existing small businesses looking to expand to a new area, and commercial landlords seeking to renovate or lease pop-up stores. Competition winners receive tailored supports to increase their likelihood of success and promote the revitalization of the targeted commercial corridors. Winners in the business-owner track receive tailored financing

and services that can include design assistance, grants and financing to build out commercial space, and start-up financing. Winners in the building-owner track receive a combination of grants and financing to help them improve vacant spaces, as well as assistance to find tenants.

When feasible, Brew City Match makes connections between winners from the separate tracks. These matches might lead, for example, to a winning landlord with vacant commercial space being paired with a winning small business in need of additional space to expand. Additionally, businesses that may not be ready to scale or move into a new commercial space can apply to receive business planning assistance rather than the additional site selection and improvement assistance.

Likewise, recipients of loans from **Neighborhood Retail–Chicago Collaborative** (Chicago, IL, 2016 grantee) have unique needs that the collaborative



is addressing via the provision of technical assistance. More than half of those who received loans had never applied for a traditional business loan product in the past, and more than half of those who had applied were denied a loan. The collaborative believes that, in addition to providing capital, it is important to nurture and guide its loan recipients to execute business plans and grow their businesses. The technical assistance provided, typically 12 hours per project, has included financial and marketing guidance and credit counseling. Recipients of the technical assistance reported that it improved their business plans or operations and enabled them to more effectively use the loans they received.

Addressing Small Businesses' Multiple Financing Needs

Many collaboratives are implementing coordinated lending strategies that address small businesses' multiple and interrelated

financing needs. The **Neighborhood Retail–Chicago Collaborative's** loan and investment strategies have focused on a mix of small business endeavors and multi-tenant commercial real estate projects located in blighted areas of the city marked by a lack of quality jobs and services and limited opportunities for wealth creation. The collaborative recognized that the business communities in these neighborhoods have two interrelated financing needs—first, they need financing to support the physical development of commercial spaces; second, they need operating loans for tenant businesses to occupy these spaces and grow. The collaborative addressed the first need by providing two commercial real estate loans to support a retail and restaurant cluster strategy in a transit-accessible neighborhood. The collaborative addressed the second need by providing small business microloans with flexible underwriting terms. Through 2019, among the collaborative's 31 total business loans, 23 were microloans ranging from \$10,000 to \$50,000.

Similarly, **Brew City Match** takes a multifaceted approach to supporting businesses in the commercial corridors it focuses on. The collaborative is targeting lending and technical assistance to investment-ready entrepreneurs, small businesses, and commercial landlords. Each of the five partner organizations contributes to the effort by screening applicants, providing technical assistance, underwriting small business loans, managing loan loss reserves, providing business planning and support services, or originating real estate development





loans. These related but distinct activities provide holistic support to entrepreneurs, small businesses, and landlords in the target corridors. Through 2019, Brew City provided assistance (including business planning assistance, location selection support, design assistance, grants, and loans) to 50 businesses and nine landlords. Ninety-two percent of those assisted were entrepreneurs of color and 80 percent were woman-owned businesses.

Using Technology Solutions to Facilitate Access to Multifaceted Services

Collaboratives are using new technology solutions to better coordinate and assist recipients to access multiple services. **Resilient 305** (Miami, FL, 2019 grantee) aims to improve the region's workforce development pipeline and enhance opportunities for small businesses. Collaborative partners plan to implement a number of strategies to train and connect

workers to living wage jobs and help small businesses grow. To support the strategy, the collaborative is developing the Workforce Asset Map web portal, which will serve as a one-stop resource for job seekers, individuals participating in workforce training, and businesses. The portal will enable job seekers to identify career pathways, access career readiness resources, and link to businesses in need of skilled labor. Employers will also be able to search for qualified individuals for open positions through the portal.

Resilient 305 partners recognize that providing additional support services will help participants take full advantage of the collaborative's programming. The Workforce Asset Map portal is still in development, but early feedback from partners about potential portal capabilities has helped the collaborative learn that it needs to ensure the portal has resources specifically targeted to youth and adult learners. The collaborative has also learned that some users

of the portal could need guidance to understand that certain types of assistance, such as building a resume and improving soft skills, are important to employers.

Similarly, partners in the **Brew City Match** collaborative are streamlining their tools, processes, and guidelines across their organizations to ease the burden on individuals

and businesses that apply for support through its combined funding competition. For example, the collaborative created a shared brand and website with materials in English and Spanish. The partners also worked together to create common loan documentation and grant resource guidelines for the building and business owner tracks of its competition.

Recently Awardee Grantees are Implementing Multifaceted Approaches in Ohio

Opportunity CLE Neighborhoods (Cleveland, OH, 2019 grantee) is providing flexible loans and real estate development technical assistance in Cleveland's Glenville, Clark-Fulton, and Buckeye/Kinsman neighborhoods. The collaborative is seeking to attract private capital, including Opportunity Zone equity and other traditional sources, to partner with local nonprofits. Partners are encouraging the private market to return to these neighborhoods to aid in their transformation and provide job opportunities for residents.

The 614 Linden (Columbus, OH, 2019 grantee) received an award in late 2019 to make comprehensive capital investments (such as loans to businesses, individuals, and developers; grants; and equity investments) in the Linden neighborhood of Columbus. The partners are focused on preserving affordable housing for low- and moderate-income residents, providing rapid rehousing to individuals and families who are at risk of homelessness, and providing technical assistance and microloans to small businesses. The collaborative is also focused on improving residents' health by funding prenatal and maternal services through partner Nationwide Children's Hospital and seeking to fund a business that would provide access to healthy food options.







Hitting the Ground Running: Planning for Innovative Solutions




Mounting cross-cutting systems-change and place-based initiatives in communities is not easy work. The collaboratives are generating important lessons for the field about the planning and implementation of such initiatives. This section summarizes key themes from the initial phases of collaboratives' projects. The four themes are identified in the box to the right and detailed below.

Developing a Shared Vision

When beginning to implement multifaceted local initiatives, it is important that partners agree on the scope and nature of the problems to be addressed and how they will work together to address those problems. Deep and intensive planning to develop a shared vision will ensure that the partners can successfully work together to deal with intractable local challenges.

Key Themes

- Intensive planning to develop a shared vision helps collaborative partners work together successfully to tackle longstanding local challenges.
- In planning and executing grant activities, collaboratives often revisit their partnership structures, carefully clarifying roles and expectations for each partner organization.
- Several collaboratives are expanding successful programs and practices to local neighborhoods not included in their initial plans. Others have broadened their partnerships beyond the timeframe and scope of the grant period or disseminated tools and strategies they developed to other communities.
- To maximize impact, collaboratives work to ensure that their activities and programming are responsive to community needs.



One collaborative, **Fresno Community Capital Collaborative for Economic Mobility** (Fresno, CA, 2018 grantee), initially found it difficult to coalesce around a shared vision and activities due to the large number of partners involved, which included 30 community-based organizations. To address this challenge, shortly after launching grant activities, the collaborative hired a project manager, who has helped coordinate work across the partner organizations and focus the collaborative's efforts. The collaborative also strategically reduced the number of community-based organization subgrantees it was planning to fund so that each community-based organization would receive more funding. The collaborative used this reduction to improve coordination across the organizations and to prioritize funding organizations that most closely aligned with the initiative's goals. Over time, the partners have developed a shared vision of their plans for the initiative by meeting monthly, developing common definitions of key activities and areas of impact, and using similar strategies to collect longitudinal data and measure impact.

Another collaborative, **Digital Inclusion and Economic Resilience** (Louisville, KY, 2019 grantee) spent the first six months of its grant ensuring the partners were on the same page, with a shared understanding of key grant activities and goals. The partners developed this shared vision by taking their time and talking to one

"Sometimes you go slower intentionally to go faster later."

– Collaborative Partner, Digital Inclusion and Economic Resilience

another, recognizing that, according to one team member, "Sometimes you go slower intentionally to go faster later." During this planning stage, the partners developed and signed off on a set of roles and responsibilities of each partner organization in the collaborative. These roles and responsibilities were developed in alignment with the overall vision for the initiative. The partners built trust by being honest yet respectful with one another about what was working well in their burgeoning partnership and about concerns they had—in addition to suggestions about how to address the concerns.

Clarifying Roles and Expectations

Collaboration is a core element of the *Advancing Cities* Challenge initiative but partnering can be complicated at times. While planning and executing grant activities, collaboratives often examine their approaches to partnership, carefully clarifying roles and expectations for each partner organization.

NYC Local Lending (New York City, NY, 2016 grantee) provided loans, financial services, and technical assistance to small businesses in

low-income neighborhoods. At the beginning of the grant period, the three CDFI partners determined clear roles and responsibilities for each organization, based on their preexisting and complementary strengths:

- Accion East would focus on offering microloans and business assistance in Spanish,
- Renaissance Economic Development Corporation would focus on offering middle-tier loans and training and professional services in Chinese and Korean, and
- Excelsior Growth Fund would offer large-size loans as well as in-depth financial management and consulting.

The CDFIs divided other tasks according to the specific skillsets and areas of expertise they brought to the collaboration. For example, the CDFI that had the most experience with community outreach took the lead in planning outreach efforts. Over the grant term, the three CDFIs evolved and shifted somewhat in their underwriting criteria and organizational strategies. Because the partners had established clear and complementary roles and expectations for themselves at the outset, however, they were generally able to work in complementary ways and achieve the grant's overall goals and plans. At the end of the grant term, the partnership between the three CDFIs was strong, and likely to be sustained in the future.

In San Diego, local partners of *Advancing San Diego* (San Diego, CA, 2019 grantee) saw a lot of benefit to mounting a collaborative effort, but



also noted that collaboration can be unwieldy if not thoughtfully organized. The collaborative is a multisector training, workforce, and small business initiative headed by the San Diego Economic Development Corporation. When the grant was first awarded, the partners had a general understanding of their respective roles, but their scopes of work needed refinement. During the initial months of the grant period, the organizations worked closely to refine and finalize their respective scopes of work. Early in the initiative, some of the partner organizations experienced staff turnovers, which required the organizations to hold several onboarding meetings and explain the division of labor to the new staff. This startup period and onboarding of new staff meant that the partners had to be “increasingly clear with each other about expectations and deliverables,” including laying out detailed scopes of work and meeting regularly to discuss progress.



Building Upon and Scaling Successful Programs and Practices

Several collaboratives are expanding successful programs and practices to local neighborhoods beyond their initial plans. Others have broadened their partnerships beyond the timeframe and scope of the grant period or have disseminated tools and strategies they developed to other communities. Similarly, several collaboratives are borrowing, building upon, and scaling tools and strategies that have worked in other contexts or locations.

By the end of its grant term, **Equity Atlanta** (Atlanta, GA, 2016 grantee) began collaborating with organizations beyond metropolitan Atlanta, which was the focus of its grant application. During the grant term, the collaborative had accelerated economic development by combining focused investment on commercial retail development and tenant businesses. To extend this work, Equity ATL hosted a convening of CDFIs that served the entire state of Georgia so that the collaborative could network and share resources with a larger group of organizations. Two of Equity ATL's three partner CDFIs formalized a partnership with three new partners. With the new partnership, the five CDFIs plan to provide \$8 million in low-cost capital for affordable housing throughout Georgia.

United Community, a city-wide shared data platform, developed by **Digital Inclusion and**

Economic Resilience (Louisville, KY, 2019 grantee) allows partner providers to refer individuals to services across sectors and facilitates “warm handoffs” between different service providers. Because United Community was built from a prototype launched elsewhere, the Louisville collaborative was able to develop and integrate the system into service delivery systems quickly. This illustrates how successful strategies and tools can be adopted from other local communities and refined to meet the local context and needs. Likewise, the **Advancing San Diego** collaborative applied an existing strategy, the U.S. Chamber of Commerce's Talent Pipeline Management Initiative, to their local challenge of growing a local workforce that can meet the talent needs of small businesses. The collaborative established a framework and working groups that could apply the existing talent pipeline framework to a new domain.

Giving Local Residents a Voice

In order to ground their initiatives in the community's needs, all of the collaboratives included resident input into and feedback on their activities and programming during planning and implementation phases. Collaboratives give residents a voice through regular communication and outreach, by including residents on project leadership teams, and by creating mechanisms through which residents can share their concerns.



Over the course of its initiative, ***Detroit Strategic Neighborhood Initiative*** (Detroit, MI, 2016 grantee) has expanded its communication with local residents and increasingly built trust. The collaborative, a partnership of three CDFIs, provides capital to underserved neighborhoods in Detroit to spur economic growth, launch new small businesses, and increase population density. Communication efforts have been geared at listening and being responsive to residents' concerns regarding neighborhood character, composition, and cost of living. The collaborative has sought continuous input and feedback from residents to achieve a balance between developing economically self-sustaining neighborhoods and protecting long-term residents and businesses.

West Side United (Chicago, IL, 2019 grantee) views community members as authorities on the needs and well-being of the community. The collaborative therefore sought community input and feedback on the initiative's direction from the beginning of the grant term. Residents sit on a Community Advisory Council and also serve on the collaborative's Steering Committee. On these groups, residents provide oversight and also have a role in designing, implementing, and overseeing the collaborative's core programming in healthcare career pathways and small business grants. In the first year of the grant program, community residents publicized information sessions about the small business grant program and assisted in selecting small businesses to fund through the grants.





Conclusion

By encouraging collaboration and providing funding to implement multifaceted initiatives, the PRO Neighborhoods Competition and AdvancingCities Challenge support creative place-based and systems-change solutions to expand opportunities for people and places that are often left behind.

The collaboratives discussed in this report invest in and support their communities to achieve impact through innovative and diverse capital strategies and systems changes. The collaboratives have leveraged capital to promote housing-focused equitable development plans in neighborhoods. They have altered policies and practices in cities to address barriers to opportunities and to better align fragmented opportunity systems. They have

worked to form cross-sector partnerships in such areas as financial health, jobs and skills, real estate development, affordable housing, small business expansion, health, education, environmental resilience, and economic development. The impressive range of activities and accomplishments highlights the value of collaborative, locally led initiatives.

Each community faces unique challenges, but all are reeling from the COVID-19 pandemic, suffering from the effects of systemic racism, and experiencing economic and social uncertainty. In a forthcoming report, Abt will examine how collaboratives are adapting their programming to address the challenges of COVID-19 and promote racial equity and community resilience.





The 2020 Winners

JPMorgan Chase announced eight new *AdvancingCities* Challenge winners in the fall of 2020, including four place-based and four systems-change collaboratives, hailing from six different states. Because the competition occurred in the midst of the COVID-19 pandemic, applicants were encouraged to integrate solutions that would respond to the public health crisis and its social and economic consequences. The 2020 grantees, described below, will build on the program's impact in coming years.


- ***Boston Medical Center Corporation*** (Boston, MA; partner organizations: Boston Children's Hospital, Brigham and Women's Hospital, Dudley Street Neighborhood Initiative, Action for Equity, Jewish Vocational Services, Health Resources in Action) will create a flexible capital fund for affordable housing preservation and development for low- and moderate-income residents and create new neighborhood-based training strategies to connect more residents of color to quality jobs.
- ***CRAFT3*** (Portland, OR; partner organizations: Network for Oregon Affordable Housing, Community Housing Fund) will provide financing products that increase the affordable housing supply near a proposed light rail expansion project, including accessory dwelling units; provide capital and technical assistance to entrepreneurs of color and women, immigrant, and veteran business owners; and secure commercial real estate to stabilize small businesses and increase local ownership.
- ***East Baton Rouge Redevelopment Authority*** (Baton Rouge, LA; partner organizations: TruFund Financial Services, MetroMorphosis, New York University's Co-City Baton Rouge Initiative) will focus on revitalizing the Plank Road Corridor by creating and preserving new high-quality affordable housing and commercial real estate through a Community Land Trust and Land Bank, developing vacant and blighted lots into community amenities, and strengthening entrepreneurs of color by providing capital and technical assistance.
- Taking advantage of a new local zoning policy, ***Family Housing Fund*** (Minneapolis, MN; partner organizations: Greater Minnesota Housing Fund, Land Bank Twin Cities, Hope Community, Minnesota Home Ownership Center) will develop innovative financing tools to assist long-term residents to purchase multifamily buildings as homeowners and landlords, and provide technical assistance to complement these tools.

- Leveraging public investments in local blue and green infrastructure, **NOLA Business Alliance** (New Orleans, LA; partner organizations: City of New Orleans, YouthForce NOLA, Delgado Community College, University of New Orleans, Good Work Network, Propeller, NewCorp, Water Collaborative of Greater New Orleans, Thrive New Orleans, Urban League of Louisiana) will assist local low-income adults and opportunity youth in obtaining well-paying jobs, provide technical assistance and capital to small businesses to boost their competitiveness for infrastructure contracts, and better align blue/green investments and policies across sectors.
- Building on a large capital investment in Philadelphia's parks and recreation infrastructure, **PIDC Community Capital** (Philadelphia, PA; partner organizations: Rebuilding Community Infrastructure, Philadelphia Works) will connect women and people of color to jobs and apprenticeships in the construction sites, provide flexible capital to build small contractors' capacity to compete for public works contracts, and change local hiring and contracting policies to diversify workforce and contractor pipelines.
- **The Resurrection Project** (Chicago, IL; partner organizations: Back of the Yards Neighborhood Council, Peace and Education Coalition of the Back of the Yards – New City, Precious Blood Ministry of Reconciliation, The Capital Good Fund) will develop a suite of financial products and counseling for first-time homebuyers and long-term homeowners in the city's Southside, as well as acquire vacant lots to build modular housing.
- Leveraging the federal SNAP 50/50 grant program, **Worksystems** (Portland, OR; partner organizations: Mt. Hood Community College, Oregon Department of Human Services, Oregon Joint Office of Homeless Services) will align disconnected workforce, childcare, and housing systems and provide expanded resources for workforce training and childcare expenses for low-income families of color.



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A blue-tinted photograph of the Chicago skyline, featuring numerous skyscrapers and buildings, serves as a background for the top portion of the page.

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