



## Expanding Who is at the Table

**Jorge Cruz**

Executive Director – New Jersey Office, Local Initiatives Support Corporation (LISC)

**Ashley McLoed**

Senior Program Director, Enterprise's Equitable Path Forward Initiative  
Enterprise Community Partners

Housing as a Human Right: Exploring Partnerships, Innovation, and Equity

October 6, 2022

LISC's 2021 [Annual Report](#) is now live

# Expanding Who's At the Table

*Housing as a Human Right:  
Exploring Partnerships, Innovation, and Equity*

MONARCH HOUSING ASSOCIATES  
CONFERENCE 2022

## MISSION

*TOGETHER with residents and partners, LISC forges **resilient and inclusive** communities of opportunity across America— great places to live, work, visit, do business and raise families.*

LISC



# Our Reach

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## 2,100 Partners

Our national network includes nonprofits, businesses and government agencies in both rural and metropolitan areas

## 3 National Affiliates

National Equity Fund  
[www.nefinc.org](http://www.nefinc.org)

New Markets Support Company  
[www.newmarkets.org](http://www.newmarkets.org)

immito  
[www.immito.com](http://www.immito.com)

## 39 Office Locations

Atlanta, GA  
Boston, MA  
Buffalo, NY  
Charlotte, NC  
Chicago, IL  
Cincinnati, OH  
Denver, CO  
Detroit, MI  
Duluth, MN  
Flint, MI  
Greenville, SC  
Hartford, CT

Honolulu, HI  
Houston, TX  
Indianapolis, IN  
Jacksonville, FL  
Kalamazoo, MI  
Kansas City, MO  
Los Angeles, CA  
Louisville, KY  
Memphis, TN  
Milwaukee, WI  
Minneapolis/  
St. Paul, MN  
Newark, NJ

New York, NY  
Norfolk, VA  
Oakland, CA  
Peoria, IL  
Philadelphia, PA  
Phoenix, AZ  
Providence, RI  
Richmond, VA  
San Antonio, TX  
San Diego, CA  
Seattle, WA  
Toledo, OH  
Washington, DC

# Our Model

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LISC is an investor, capacity builder, convener and innovator.



## Pool Public and Private Dollars

We raise funds from philanthropies, corporations and financial firms, federal, state and local governments and through the capital markets.

We also generate income from consulting, and lending services.



## Work With Local Partners

Through a network of local offices and community-based partners across the country, we provide grants, loans, equity and technical assistance.

We also lead advocacy efforts on local, regional and national policy.



## Support People and Places

By investing in housing, businesses, jobs, schools, public spaces, safety, youth, health centers, grocery stores and more, we catalyze opportunities in communities nationwide.

# Our Impact

We create opportunities for people to thrive.



**419,339** affordable homes for more than a million people



**456** schools and early childhood centers for **112,000+** students



**406** fields and recreational spaces for more than **745,000** kids



**100** financial opportunity centers serving **25,000** people annually



**194** food and health-related projects serving thousands of families

Plus 100s of other retail, arts and community projects

# Our EQUITABLE ECOSYSTEMS Framework

*Operating within an explicit racial justice lens and a shared inclusive recovery agenda, LISC seeks to support a robust ecosystem-building pathway comprised of customized technical assistance, navigational and broader community capacity-resiliency efforts to not only access essential financial capital, but also important intellectual and technical capital necessary for developers & communities of color to survive and thrive.*

**INVESTING IN COMMUNITIES OF PRACTICE**

## What is a CDFI?

*Community Development Financial Institutions (CDFIs) are mission-driven financial institutions that take a market-based approach to supporting communities that have historically lacked access to capital*

### **Who CDFIs serve:**

According to the Opportunity Finance Network (OFN)--the nation's primary CDFI trade association--*84% of CDFI loans made by their members are in low-income communities; 60% are to people of color; 50% are to women; and 28% are in rural areas.*

### **Market Adaptability:**

Broadening appeal due to the CDFI model's viability, resilience and versatility in performing in *rural markets along with small, medium and large urban centers.*

**Market Response:** CDFIs are countercyclical, meaning that even in the most dire market conditions--inclusive of market chaos and disaster--*CDFIs accelerate their activity given their deep experience in times of crisis.*

### **Market Performance:**

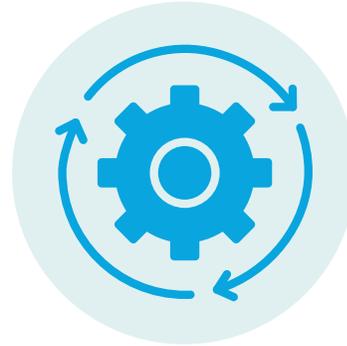
*CDFIs perform on par with regulated financial institutions when it comes to managing risk, despite the fact that they serve what many consider "higher risk" projects & markets.* Data from OFN shows that in 2020, surveyed CDFIs had an average delinquency ratio of only 1.2% and a charge-off rate of a mere one-half of one percent – and this includes performance through the height of the pandemic.

# Equitable Ecosystem Building Platform



## PEOPLE-DRIVEN

- DEIJ-based review & underwriting (racial equity lens in engaging & investing in diverse developers and nonprofit organizations)
- Investing in structured individual and group technical assistance, coaching & mentoring



## PRODUCT-BASED

- Full suite of diverse & flexible capital that is tailored to the needs of the communities, projects and markets we serve
- Leverage additional public & private investment
- Enterprise/fund-level investments to build capacity of sister CDFIs (or CDFI-like entities)



## PLACE- and PROJECT-DRIVEN

- Place-based focus (typically in distressed neighborhoods & housing corridors) that leverages both the resources and relationships of a community
- Full range of real estate inventory (no deal 'too big or too small')



# Equitable Ecosystem Building Platform



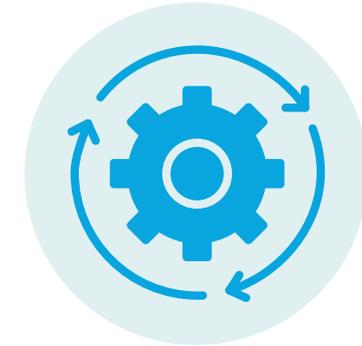
## POPULATION-DRIVEN

- Full range of income-levels and housing continuum
- Framed within financial distress to financial independence
- Special needs populations



## POLICY- TO SYSTEMS-BUILDING

- Convening/collaboration building
- Access to LISC-National's Housing; Community Research & Impact; and Field Excellence teams
- Support evidence-based & innovative site acquisition & development models



## PLATFORM SUPPORTS

- Institutional/Systems connections (supplier/procurement diversity)
- Business certification
- Bonding/surety access
- Media relations/communications (uplifting their stories)

# Strategic Priorities & Programs

## CAPITAL ACCESS

### *Fund Deployment*

- Minimum loan deployment objective of \$7.5MM – Stretch of \$15MM

### *Fund Creation*

- Affordable Housing Ecosystem Building Fund
- Equitable Site Acquisition Fund\*\*

## COMMUNITY CAPACITY-BUILDING

- Housing Development Training Institute/Diverse Developers Initiative
- Thriving Neighborhoods Initiative/TNI Impact Fund
- AmeriCorps Leadership Engagement & Placement
- HUD Section 4 Capacity Building Program

## INCOME & WEALTH BUILDING

- Financial Opportunity Centers

## ECONOMIC DEVELOPMENT

### *Capital Access for Diverse-Owned Small Businesses*

- Entrepreneurs of Color Fund – Greater Newark Enterprise Corporation as local market lead
- BIPOC Women Child Care Fund/New Jersey Child Care Facilities Fund\*\*

### *Building the Capacity of Mission-Aligned Business Development Organizations*

- Community Navigator Pilot Program
- Disaster Resiliency Program
- Small Business Digital Recovery Program

\*\* Denotes new Funds under development and schedule for launch in 2023.

# Geographic Distribution/Strategic Streamlining

## Target Communities *(refer to note below)*

*Newark (Essex County)*

*Orange (Essex County)*

*Jersey City (Hudson County)*

*Elizabeth (Union County)*

*Perth Amboy (Middlesex County)*

*Camden (Camden County)*

*East Orange (Essex County)*

*Irvington (Essex County)*

*Paterson (Passaic County)*

*Plainfield (Union County)*

*Trenton (Mercer County)*

## Additional Communities *(refer to notes below)*

*Strategic growth into 8-12 additional urban aid communities, with initial focus of South Jersey footprint stretching from Cumberland to Cape May Counties*

*NOTES: First, while our communities of focus are stated here, our mission brings us to every region of the Garden State -- from New Jersey's dense urban cities to its pastoral heartland and numerous coastal enclaves. The project, borrower and/or grantee needs to meet minimum CDFI Investment Area eligibility criterion. Second, the target timeframe to engage additional target communities is approximately September, 2023.*

# Capital Access- Financing Products



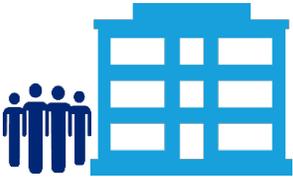
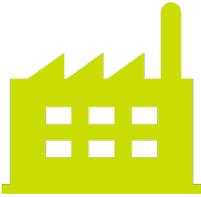
# LISC Products & Projects

## Loan Products

-  Predevelopment
-  Acquisition
-  Construction
-  Mini-Permanent
-  Permanent
-  Bridge
-  Lines of Credit (includes Working Capital, Project Based and Revolving)
-  Working Capital



## Project Categories

-  Community Facilities
-  Mixed Use
-  Commercial / Industrial Development
-  Affordable Housing  
*(Multifamily rental and single-family homeownership)*
-  Charter Schools
-  Economic Development

# Affordable Housing

## Example: Urban League of Essex County

Newark, NJ

The Urban League of Essex County (ULEC) was established in 1917 to provide for unmet basic needs faced by the citizens of Essex County, including food, clothes, shoes, and jobs. Today, ULEC maintains its same drive and geographic focus, but has expanded to offer a wide variety of social, economic, and community development services to improve the quality of life for those within the surrounding community.

LISC provided ULEC with \$1,856,771 in construction financing to aid in the development of 8 two- and three-family homes, totaling 21 units of housing. Located in the Fairmount neighborhood in the City of Newark, each new home will contain either 2 or 3 stories with approximately 2,100 to 3,600 square feet of living space, and will be designed to follow Enterprise's Green Communities Standards by incorporating numerous sustainable and efficient features. Enterprise Green Communities, considered to be the "standard for sustainable futures," is the nation's only national green building program designed explicitly for green affordable housing construction. Green building practices lead to healthy, efficient and environmentally responsible affordable homes.



**\$1.86 million**

Construction financing

**\$2.76 million**

Total Development Costs

**21**

Units of for-sale homes

# Healthy Food Financing Initiative (HFFI)

LISC was awarded **\$2.75MM** from CDFI Fund to support healthy food financing in 2021 (3 years to deploy)

- HFFI Eligibility: projects must be located in a food desert or food desert adjacent designated based on the USDA or CDFI census tract.
- Interest rate may be lower than LISC's standard rate based on the amount of HFFI funding allocated.
- Project Types:
  - Prioritize healthy food retail outlets, including grocery stores and farmer's markets, as well as community kitchens, mobile food vendors and urban agriculture and food business incubators.
- Loan Types:
  - Construction, Mini-perm & Permanent Loans



# Contact

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Office – 973-624-6676  
Cell – 732-979-8274

[www.lisc.org](http://www.lisc.org)

Paving the Path to Equity – <https://report.lisc.org/2021-annual-report/>





# Home Is Where Life Happens and Futures Begin

An Introduction to  
Enterprise Community Partners



## OUR APPROACH

# A coordinated approach with unmatched impact

**We support community development organizations**  
on the ground.

- 700+ housing and community development partners
- Innovate and scale best practices
- Advisory services and technical assistance
- In all 50 states + Puerto Rico and the Virgin Islands

**We aggregate & invest capital for impact**  
in homes and communities.

- \$54 billion invested since 1982; 873,000 homes and counting
- Invest across full capital stack – tax credits, debt and equity
- Led creation of the Housing Tax Credit
- Leading, A+ rated CDFI

**We advance nonpartisan housing policy**  
at every level of government.

- Largest housing policy team in U.S.
- Federal, state and local levels, including Puerto Rico and the Virgin Islands

**We build & manage communities ourselves**  
and everything we do is informed by the residents we serve.

- Fully-integrated developer, owner and operator
- 18,000 affordable homes in Mid-Atlantic
- 23,000+ residents

## OUR APPROACH

Unmatched **breadth, scale and expertise** across the entire spectrum of affordable housing...

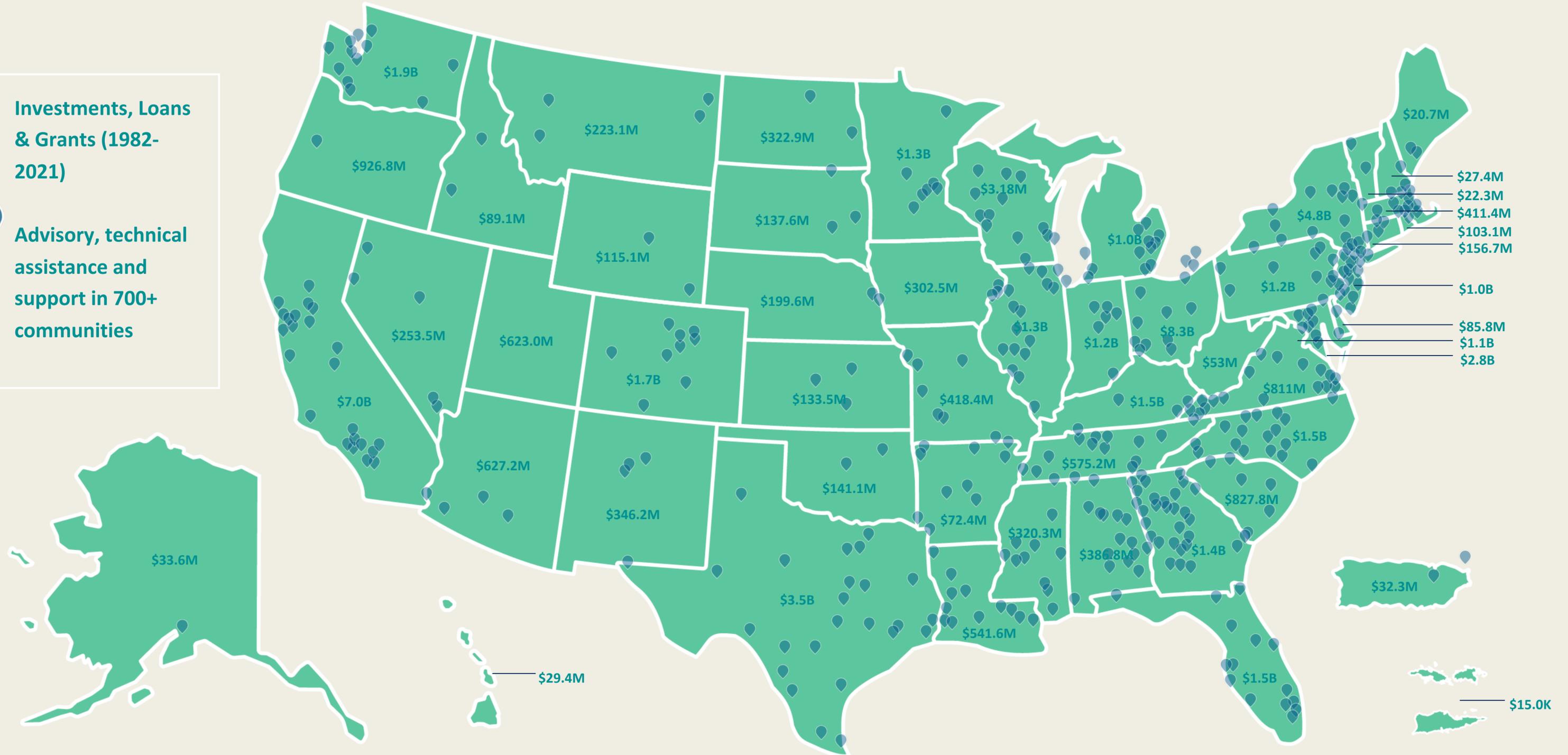


...creating a positive feedback loop that does it **all under one Enterprise roof.**

# We've invested deeply in communities since 1982

**\$** Investments, Loans & Grants (1982-2021)

**●** Advisory, technical assistance and support in 700+ communities



OUR IMPACT

# Leading national nonprofit with a proven record of success

Enterprise has exceptional breadth, scale and expertise across the country, with 40 years of experience and thousands of local partners.

TO DATE

873K

HOMES CREATED ACROSS THE U.S.

\$54B

INVESTED IN COMMUNITIES

50

STATES + DC, PR, VI

2021 RESULTS

\$9.9B

CLOSED INVESTMENTS

92K

AFFORDABLE AND WORKFORCE  
HOMES CREATED OR PRESERVED



# EQUITABLE PATH FORWARD

**A \$3.5 BILLION INITIATIVE TO COUNTER  
RACIAL INEQUITIES IN HOUSING**



**THE CHALLENGE**  
**RACIAL INEQUITIES**  
**IN REAL ESTATE**  
**PERPETUATE RACIAL**  
**DISPARITIES IN**  
**COMMUNITIES**

## THE CHALLENGE

# RACIAL WEALTH GAP AND UNDER-REPRESENTATION

## Inequities in Communities

- Black households comprise nearly **50%** of HUD assisted housing, yet only **13%** of the nation's population
- **21%** of Black Americans, **25%** of Indigenous peoples, and **18%** of Hispanic Americans are under the poverty line, compared to **10%** of whites (all pre-COVID)
- The median white household has over **8x** the net worth of the median Black household and over **5x** that of the median Hispanic household



## Inequities in Real Estate

- **2%** of real estate management firms are minority-owned
- **1%** of total Assets Under Management are controlled by minority-owned firms
- **Only 16%** of community development corporations (CDCs), who explicitly serve low-income communities of color, are minority-led



# **OUR PLAN** **REBALANCE POWER** **AND PROFIT IN THE** **REAL ESTATE SECTOR**

**CAPITAL IS POWER, AND POWER SHAPES COMMUNITIES**

HOW WE'LL GET THERE

# OUR STRATEGY

- 1. Fill the capital gap in housing created by decades of systemic racism by investing directly in diverse developers**
- 2. Strengthen BIPOC and historically marginalized housing providers through advisory services and other support**
- 3. Create new career pathways in real estate that will diversify leadership in the industry**

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\* In recognition of the Equal Credit Opportunity Act, EPF will support developers, without regard to race, who have traditionally been denied access to capital and who devote significant effort to supporting disadvantaged communities.

OUR STRATEGY

# A THREE-PRONGED APPROACH

## EQUITABLE PATH FORWARD



**\$350 million**  
**Growth Fund**

to provide debt, equity, grants and innovative credit enhancement that together will attract an additional **\$3.1 billion of capital**

- CDFI entity-level working capital as well as project lending
- Small dollar loans and grants to build developer balance sheet strength
- Credit enhancements through a Standby Guarantee Facility
- Project-level equity from Enterprise’s business lines



**\$15 million**  
**Developer Advisory Services**

program for cultivation of local development organizations and small businesses

- **Comprehensive consulting**, networking facilitation, business services and evaluation support
- **Local, state and federal policy** development and advocacy



**\$10 million**  
**Leadership Program**

two-year leadership program – modeled after the distinguished rotational programs at major industrial and financial firms

- **Original leadership program**, to include experience in different business lines, mentorships and job placement opportunities
- **Partnerships** with HBCUs and other institutions to advance a pipeline of future leaders

# **GROWTH FUND** **CATALYTIC CAPITAL**

FILLING THE CAPITAL GAP

# CATALYTIC CAPITAL

With Enterprise’s ability to leverage further capital through each dollar invested, our \$350 million total investment will attract an additional \$3.1 billion of debt, equity and grants to provide BIPOC-led and other historically marginalized housing providers both entity-level and project-level capital.

\* Leverage assumptions based on historical data of leverage resulting from loans, grants and equity investments across Enterprise business lines.

## EQUITABLE PATH FORWARD



**\$350 million**  
 Growth Fund  
 Grants, Debt and Equity



**\$900 million**  
 Project-level financing  
 through the Enterprise platform to support diverse developer-led projects



**\$2.3 billion**  
 Project-level leverage\*  
 from other financing partners (i.e., non-Enterprise financing including conventional commercial equity and debt)



**\$3.5 billion**

## SELECTION CRITERIA

# DEVELOPERS CHOSEN BASED ON CREDIBILITY, NEED AND POTENTIAL

### Partner Selection Characteristics

- BIPOC-led (>50 percent of board members OR CEO/ED/Managing Partner self-identified BIPOC)\*
- Completed ≥3 successful RE projects
- Mission Aligned (i.e affordable / workforce residential housing)
- History with Enterprise is preferred / typical
- Track record of engagement with target market and community
- Experience with requirements of private and public financing
- Adequate staffing and organizational capacity for growth
- Challenged by traditional liquidity or guarantee requirements

### Sample Profile: XYZ Development, LLC

- 5 years development experience
- Atlanta market
- Track record of affordable housing development, including 370 rental units and 11 single family homes
- Partners with for-profit developers to “compete” effectively for LIHTC allocations
- Partnerships favor for-profit partner for fee splits, economics
- Active pipeline of \$25mm, 450 units
- Needs balance sheet capital to begin guaranteeing its own financing, fill gaps in predevelopment and retain quality staff

\*In recognition of the Equal Credit Opportunity Act, EPF will support developers, without regard to race, who have traditionally been denied access to capital and who devote significant effort to supporting disadvantaged communities.

**DEVELOPER  
ADVISORY  
SERVICES**  
**THE FULL  
ENTERPRISE  
PLATFORM**

THE FULL ENTERPRISE PLATFORM

# BIPOC DEVELOPER SUPPORT PROGRAM

## DEVELOPMENT CONSULTING SERVICES



## EPF PEER NETWORK





THE FULL ENTERPRISE SPECTRUM

# DEVELOPER ADVISORY SERVICES PROGRAM

## \*Example of Need

We need access to professional business support and consulting. We are businesses that have the same issues and concerns that all businesses have. This includes IT and management information systems, insurance coverage, human resource management, facilities management, general counsel/ legal support, executive coaching. Enterprise’s EPF vision is an appropriate response to all these needs.

- Brooklyn, NY BIPOC-led organization

\*Feedback is a real-time example from a current developer

## Sample Consulting Menu of Support Delivered by Enterprise

General Topic Area	Specific Consulting Areas of Expertise
<b>Asset Management</b>	LIHTC and federal subsidy compliance, investor and lender relations, insurance/operations best practice, Fair Housing requirements
<b>Property Management</b>	Building safety and maintenance, income qualifications and certifications, tenant relations and communications, energy savings
<b>Operational Sustainability</b>	Business, IT, finance planning services, building reserves, shared services
<b>HR and Workforce</b>	Assessments of current staffing levels and expertise vs. best practice, attracting quality staff, staff retention and growth, executive coaching, succession planning, HR policies and procedures
<b>IT Strategy</b>	IT needs for current operations, property management and staff management, security, IT expansion and needs with growth
<b>Board development and Succession Planning</b>	Building a high-quality board, board management, board education, advise on expertise needed (i.e. legal, lived expertise, accounting), diversity considerations

# EPF PEER NETWORK OVERVIEW

The EPF Peer Network is a subset of EPF Grantees that provides a venue for....

<b>CONSENSUS BUILDING &amp; POLICY RECOMMENDATIONS</b>	<b>CAPITAL NEEDS DEVELOPMENT</b>	<b>NETWORKING</b>	<b>PROFESSIONAL DEVELOPMENT</b>	<b>EPF PROGRAM FEEDBACK</b>
<ul style="list-style-type: none"> <li>• Develop consensus on shared barriers to growth and impact and access to capital</li> <li>• Develop proposals for common solutions via policy recommendations</li> </ul>	<ul style="list-style-type: none"> <li>• Learn about gaps in needed capital products, underwriting policies and other system elements with connections to the development of new capital sources, products, and systems where applicable</li> <li>• Develop ideas on new capital products</li> </ul>	<ul style="list-style-type: none"> <li>• Facilitate the development of new partnerships and cross-market relationships amongst members</li> </ul>	<ul style="list-style-type: none"> <li>• Professional development/education for the Network’s members</li> </ul>	<ul style="list-style-type: none"> <li>• A source of feedback for Enterprise on the overall Equitable Path Forward Initiative, what it does well, and where it is less effective</li> </ul>

**FELLOWSHIP  
PROGRAM  
DIVERSIFYING  
LEADERSHIP IN  
THE INDUSTRY**

## DIVERSIFYING THE INDUSTRY

# FELLOWSHIP PROGRAM

## CONCEPT

Cultivate an upstream pipeline of talent through a training program for men and women interested in real estate finance, development, asset management and private equity.

## ACTIVITIES

1. Two-year program consisting of three 8-month rotations, which will offer 20 emerging leaders varied exposure to different community development products, services and business lines.
2. Direct compensation during program experience.
3. Outplacement support by hiring directly or connecting Fellows with our 2,000+ network of developers, investors and vendors in the real estate development sector.

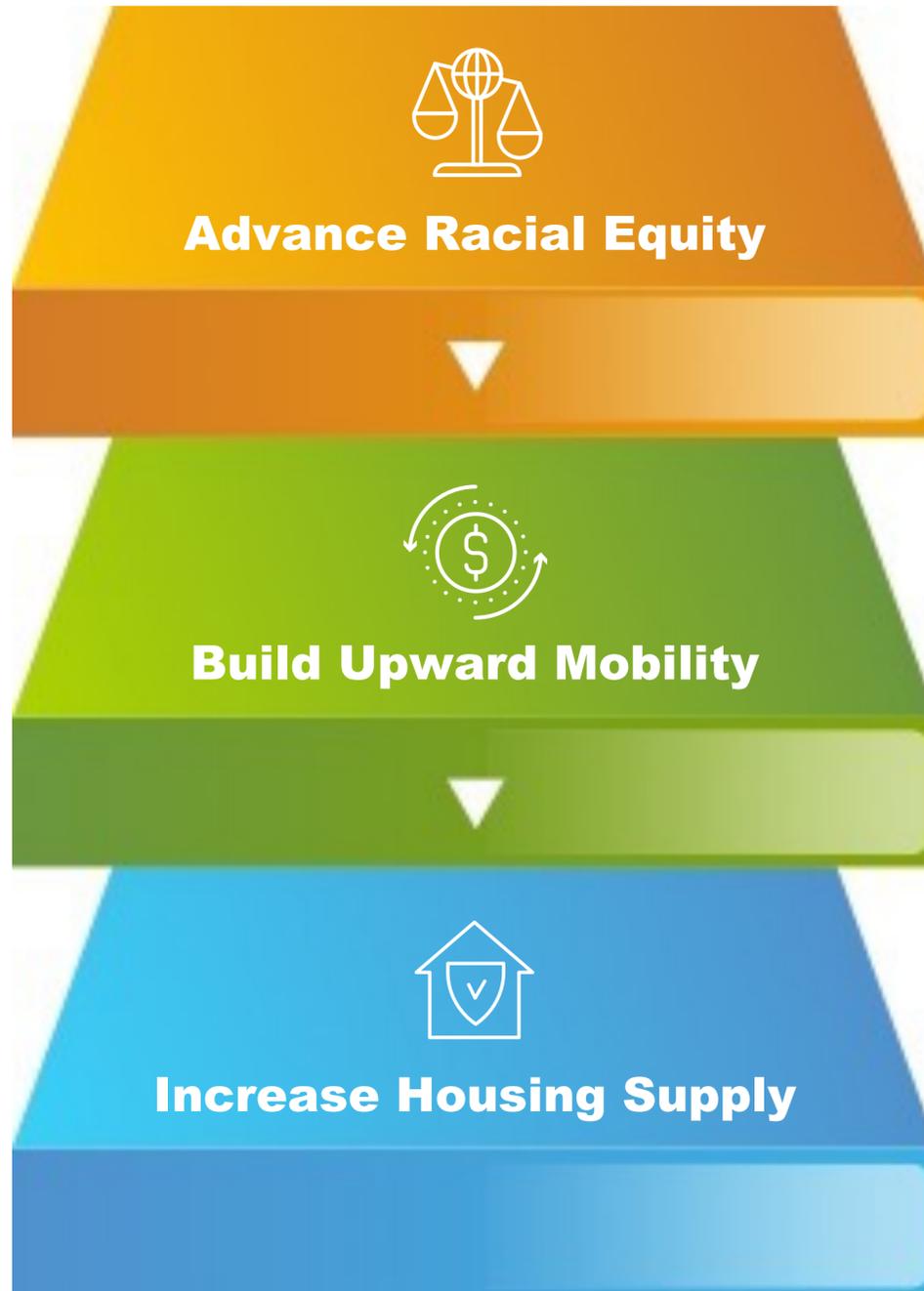
## GOAL

**90% placement rate for graduates following program's conclusion**

# **OUR PARTNERS** **DEVELOPERS AND** **INVESTORS**

## OUR IMPACT

# WHAT SUCCESS WILL LOOK LIKE




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## Rebalance power & foster wealth creation for BIPOC businesses in the real estate industry:

- Provide advisory support services to EPF Grantees
  - Train and place 20 early career BIPOC leaders
  - Invest operating grants and flexible loans in 50 BIPOC-led organizations to build balance sheet strength and capacity
- 

## Invest in 100 BIPOC-led development projects, leveraging \$3.5 billion in total development costs:

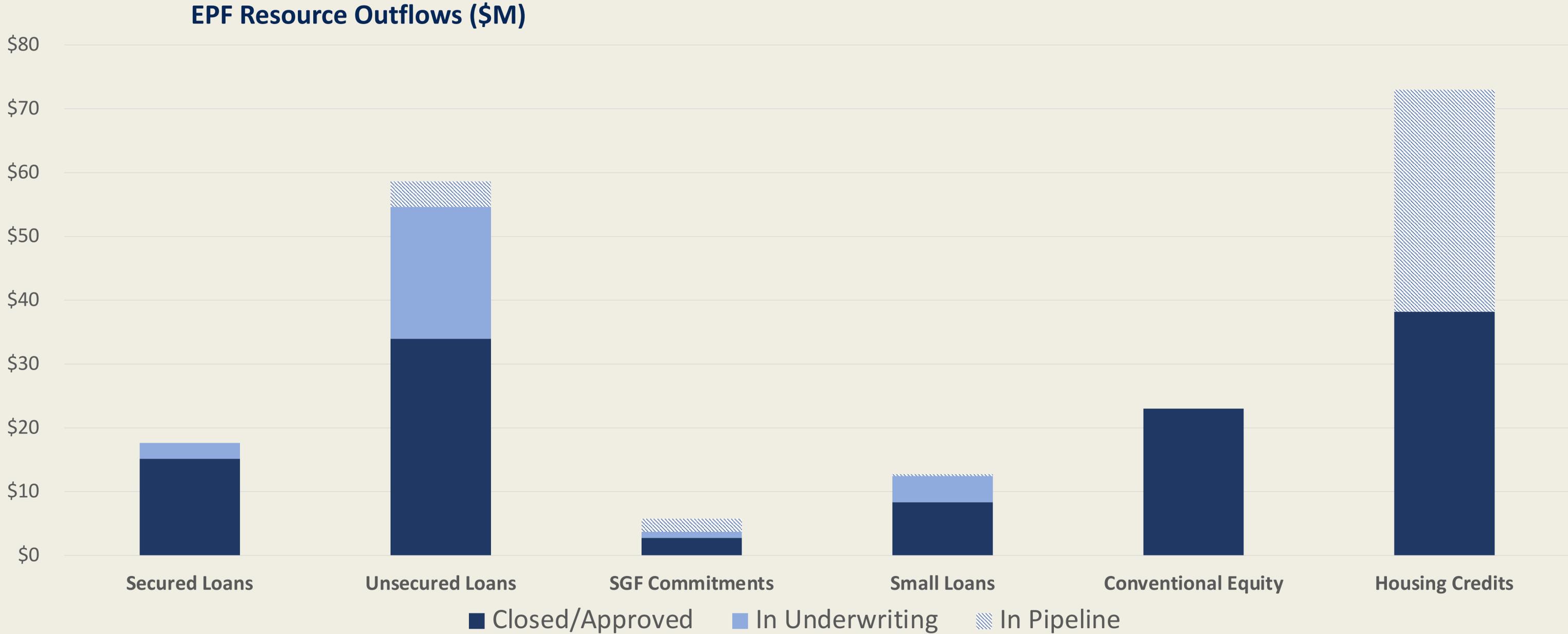
- Track growth, employment and neighborhood impact
- 

## Support development of 15,000 housing units, including:

- Affordable, workforce and market rate housing
-

# EPF CAPITAL DEPLOYMENT UPDATE

As of July 2022



# CURRENT PROGRESS AS OF Q1 2022



3

REAL ESTATE  
ANALYSTS STARTED  
IN JULY 2022



45%

OF EPF PARTNERS ARE  
NON-PROFITS

29+

TA ENGAGEMENTS  
ARE IN PROCESS OR  
COMPLETED

51

EPF PARTNERS  
TOTAL





# GROVE PLACE GROUNDBREAKING

## Sibling developers break ground on city-backed Hollygrove affordable housing project

The \$14.3 million project will create 32 affordable-housing units.



Paul Irons, center, and Marseah Delatte, right, of New Orleans Restoration Properties, speak at a podium as New Orleans Mayor LaToya Cantrell listens during a groundbreaking ceremony for Grove Place in New Orleans on Tuesday, July 19, 2022. (Photo by Brett Duke, NOLA.com | The Times-Picayune | The New Orleans Advocate)

STAFF PHOTO BY BRETT DUKE

## EPF PARTNER HIGHLIGHT: NEW ORLEANS RESTORATION PROPERTIES

### Grove Place Deal Challenges...

- Property Insurance
- Developer Financials
- Developer LIHTC Inexperience
- Two years of set-backs

### EPF / Enterprise relationship supported...

- LIHTC equity and provided stand by guaranty facility

# GROVE PLACE GROUNDBREAKING



## Grove Place Project Details

- Total Development Cost: \$14.3M
- 32 units on one contiguous city block
- Unit mix: 16 one-bedroom, 11 two-bedroom, and 5 three-bedroom units.
- Affordability ranges between 20% and 60% AMI
- Timeline: Complete by Summer 2023

OUR DIFFERENTIATED APPROACH

# DRIVEN BY BIPOC LEADERSHIP



**PRISCILLA  
ALMODOVAR**

President and  
Chief Executive Officer



**LORI  
CHATMAN**

President, Capital Division



**JACQUELINE  
WAGGONER**

President, Solutions



Expanding Who is at the Table

# Questions?

Thank you for attending the panel!

Housing as a Human Right: Exploring Partnerships, Innovation, and Equity

October 6, 2022