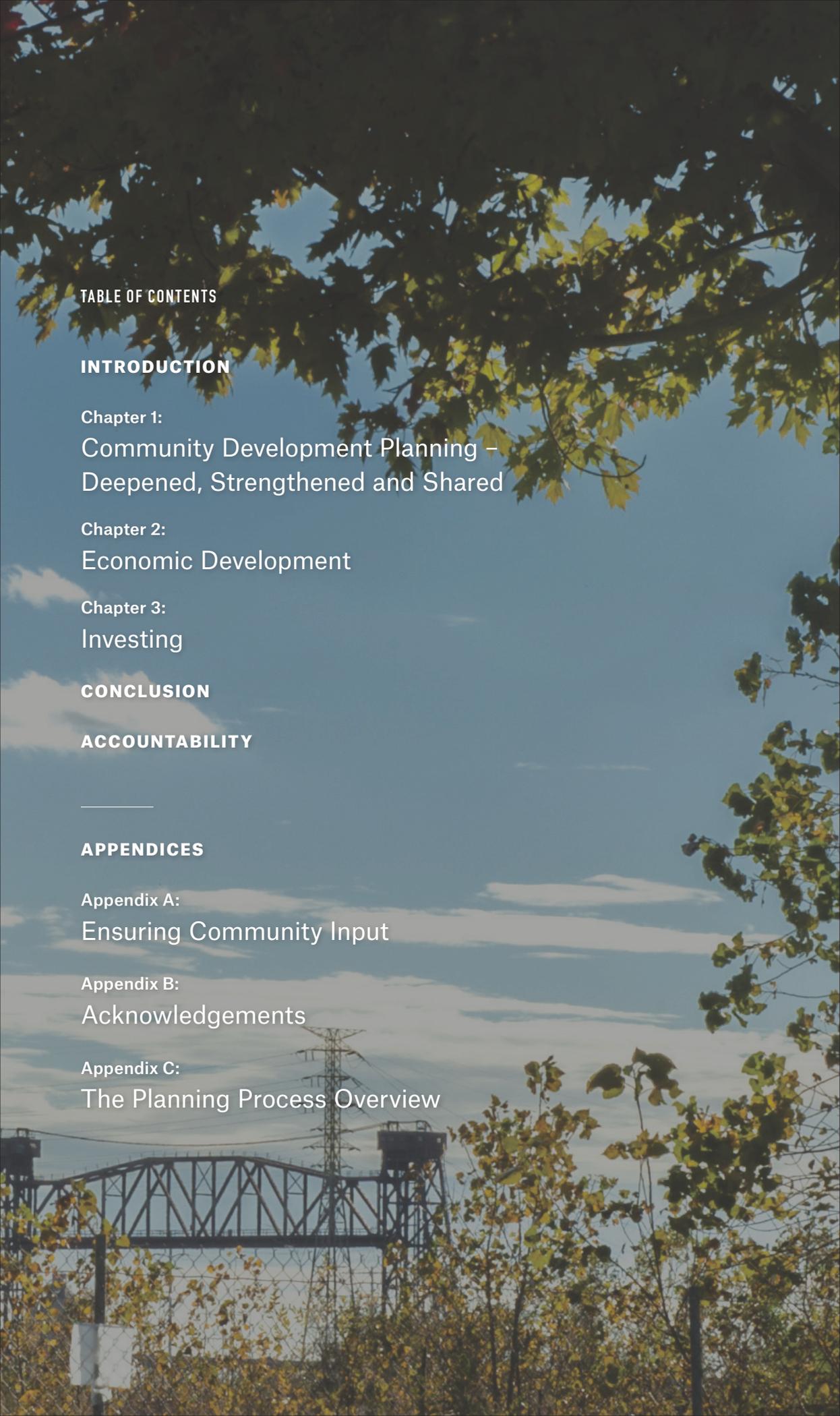


# A NEW MODEL FOR COMMUNITY PROGRESS IN CHICAGO

A background image showing a bridge structure, possibly a truss bridge, with trees in the foreground and a blue sky with light clouds. The image is partially obscured by a green overlay on the right side.

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**INTRODUCTION**

On the basis of a strong foundation, we move forward to further our mission of connecting neighborhoods to the resources they need to become stronger and healthier.

For six months in 2016 the LISC team, with the participation of more than 75 partners and advisors, conducted strategic planning sessions to ascertain what LISC's unique role in the Chicago community development landscape should be and identify opportunities to enhance our impact over the next three years and beyond.

The Strategic Plan that follows reflects that process and mandates LISC to work with our partners to address the fundamental issue of inequity by helping to remove the underlying barriers, whether regulatory, cultural, or financial, that too often impede both individual and community progress. We will focus on equitable development: ensuring that every neighborhood and everyone has the opportunity to benefit from economic transformation especially low-income residents, communities of color, immigrants and others at risk of being left behind, even as parts of the city thrive.

Our collective goal is to create socially and economically vibrant and sustainable neighborhoods, with living wage jobs, local businesses, good schools, quality housing, reliable transportation and needed amenities. As LISC counseled in its founding documents nearly forty years ago, this requires catalytic investments guided by the wisdom of those who know their neighborhoods' needs best. Equally important – we will work to ensure that as neighborhoods improve existing residents can stay – and are not displaced in the process. This requires not only the conscious use of investments to create both connections to economic and ownership opportunities, but also, community planning where residents have a seat at tables where decisions are made that shape their neighborhoods and lives.

Since its founding in 1980, LISC Chicago has been a pioneer in the local and national community development field, best known as a provider of loans and grants for affordable multi-family apartment construction, rehabilitation and predevelopment soft costs. LISC also has been an important generator of ideas and programs that communities needed – innovations such as The Retail Initiative, The Main Street Initiative, and of course the Low Income Housing Tax Credit which changed the way the nation financed affordable housing.



# ENHANCING OUR IMPACT

In the late 1990s, LISC broadened the scope of its lending. With the generous support and partnership of the John D. and Catherine T. MacArthur Foundation, LISC created the New Communities Program (NCP), a groundbreaking, bottom-up comprehensive community planning effort in which LISC supports the development of Quality-of-Life Plans by neighborhood residents. These Plans are visions for a community's future and serve as a guide for investments and actions. During the planning process, LISC provides capacity-building and support to its community partners. Once Plans are completed, LISC continues to provide support and resources for implementation. To date, 23 Quality-of-Life Plans have been created. These plans garnered more than \$600 million in new investments in neighborhoods across the city.

Despite these investments many of these communities remain disadvantaged – a result of fundamental issues of race, income, education and occupation in a changing global economy. Traditional funding of individual projects – of housing developments, of schools and businesses are not enough. We believe what is required are more integrated investments, and as important, changes in the very processes that determine where and how the city's public and private resources are invested. We need to ensure that community voice is not an after-thought but that neighborhood voices and needs are 'in the room where it happens'.

**With our partners, we are well-positioned to engage in changing the very systems that invest in neighborhoods and to mobilize the strong existing network of community-based organizations. Together we will help catalyze systemic change by identifying barriers to community and economic development and help create and advocate for a policy agenda that delivers more equitable change.**

We have intentionally set ambitious milestones by which we can align our outcomes with our strategies and tactics to measure our impact. It is our intention to leverage \$40M in support of Quality-of-Life Plans and \$30M in the 63rd Street Corridor Plan to bring more than 700 living wage jobs to the South and Southwest sides of the city.

We recognize that these achievements alone will not be enough to improve the life in all neighborhoods with concentrated, sustained poverty. However, from what is done and learned in the communities where we do work, we will garner and share knowledge to achieve the broader systems change that is necessary for all to thrive.

**We cannot do this work alone and we are eager to leverage partnerships with Chicago's most innovative community partners, practitioners and thought leaders. We invite you to take part in this movement to build a new model for community progress in Chicago.**

**The following outlines the actions our team will take in each of the priority areas.**





The following priorities will shape LISC Chicago's work over the next three years:

**1. Take comprehensive community development planning to the next level.**

We will build on the foundation created through NCP by providing strategic support to neighborhoods' Plans, investing in comprehensive and integrated neighborhood level projects and programs while aggregating experience and needs that can best be addressed through systems change.

**2. Deepen the focus on economic development.**

Aware that growing economic disparities underlie much of the turmoil that affects communities and that we cannot 'house our way out of poverty', we will strengthen the focus on economic development. We will focus both on generating sustainable, living wage jobs through attracting businesses to targeted neighborhoods and the region; preparing residents to be hired into these jobs and through a robust embrace of local businesses and entrepreneurship which are essential to creating community wealth.

**3. Increase direct investment in neighborhoods.**

We will increase the power of our lending by targeting and expanding our investments in accordance with neighborhood plans with a special focus on economic development. We will develop new and improved lending products and focus LISC's efforts on leveraging additional capital for a broad variety of investments.

**4. Take a more active role in addressing city-wide/system issues.**

With our neighborhood partners, we will both locally model best practices on investment strategies and issues that cut across neighborhoods such as public safety, transportation, economic development, housing and advocate for system changes that impact neighborhoods.

# CHAPTER 1: COMMUNITY DEVELOPMENT PLANNING – DEEPENED, STRENGTHENED AND SHARED

## BACKGROUND

Embedded in its founding, but strengthened over the last two decades, LISC is committed to comprehensive community planning. This planning is essential to effectively invest resources to achieve fundamental change and long-lasting results.

The New Communities Program (NCP), begun in 2001, envisioned and supported a strong city-wide network of organizations and residents which planned for their neighborhoods but simultaneously addressed emerging challenges. Neighborhoods also shared lessons learned from creating, implementing and resourcing their respective plans and agendas. As vibrant today as at its inception, the NCP process is comprehensive, long term, builds from community ideas and relies on residents and their commitment to be active in the improvement of their neighborhoods.

In each neighborhood, through NCP, a designated lead-agency brings together a diverse cadre of organizations and residents to identify custom strategies best-suited to their community that address priorities ranging from better education, housing, broader job choices, safer streets, new economic opportunities and stronger personal finances. LISC invests in, coaches and champions each effort from the earliest building of local relationships, through plan creation, implementation and continual evaluation. NCP empowers neighborhoods by building capacity in existing community organizations and providing a framework through which they can assess and build on unique human, institutional and physical assets while identifying and addressing specific challenges. While the particulars of each community are different, the process in every community is built on strong mutual

trust and shared expectations. When residents and institutions band together they are empowered to change behaviors of both individuals and institutions for the betterment of their communities.

Through NCP, 16 communities engaged in the Quality-of-Life Planning process with technical and financial assistance from LISC. The Quality-of-Life Planning process focuses on addressing a community's top issues. Some issues are to be tackled immediately as small "early action" projects, funded by LISC, during planning to help build momentum; others are slated for longer-term. Each chosen strategy is assigned (voluntarily) an owner (organization or individual) from the community to champion implementation, coordinate initial steps, outreach or resource development necessary.

Over the life of the original program, most communities have been able to attract significant outside investment from existing public and private sources and align them with their goals. In addition, the cross-city network prompts LISC to initiate broader, city-wide programs on issues that are identified by multiple neighborhoods.

External evaluations confirm that NCP is successful in building local capacity to work together towards a common agenda that is empowering neighborhoods. When the demonstration period ended, LISC Chicago adopted the NCP framework as its core operating approach, and LISC offices across the country have applied key lessons from NCP to their neighborhood planning work (known as the "Building Sustainable Communities" program).





### Moving Forward

While NCP neighborhoods are stronger and more organized, positive change has been incremental. There continues to be an uphill battle faced by even well-organized neighborhoods after decades of disinvestment in their residents and landscape. More can and must be done to improve the health of and drive investment in communities in Chicago.

Over the next three years LISC will build on NCP with the following goal:

Communities build strong relationships and collaborative processes for decision-making to successfully access, coordinate and leverage resources to drive equitable change in their communities.

To attain these goals, LISC will improve, strengthen and expand Quality-of-Life Planning and increase support during plan implementation in each community and across the network.

LISC will do so through the following three strategies:

**1. Strengthen neighborhood planning processes to further social cohesion and build power.**

- Engage a broader audience in the planning process so that everyone in the community is included.
- Refine expectations for lead agencies, priorities in Quality-of-Life Plans and benchmarks to measure success and ensure they are clearly defined and communicated to all stakeholders.
- Expand the number of communities engaged in planning while enhancing the chances of successful planning by ensuring that communities have a baseline level of capacity before they enter into the process.

*Note: For communities interested in joining the network, LISC will assess their level of readiness and create clear benchmarks that indicate when a community is ready to undertake the planning process. For communities that are not ready, LISC will ensure programs are in place to build capacity. Once planning begins, LISC will tailor the process to meet communities where they are, maximizing the potential for leadership growth through various supports.*

**2. Enhance neighborhood empowerment by earlier investment in projects and programs for more rapid achievement of tangible results.**

LISC will increase its support for plan implementation in three ways:

- Where possible, connect and align Quality-of-Life Plans to known sources of public and private funding by engaging potential public and private funders earlier in the process. This will include both shovel-ready projects and longer-term strategies with a clear path to make larger investments feasible over time.
- Expand LISC's role to include brokering and investing in real estate deals when invited and appropriate; providing more technical support directly; and, connecting local partners to other advisors or development partners.
- Strengthen community organizations by offering a variety of capacity-building activities (e.g. training, peer learning, coaching) to help advance projects, programs or policy proposals.

**3. Support neighborhood-driven initiatives to change systems that contribute to inequities.**

LISC will serve as a catalyst for system change by convening its neighborhood partners and working with them to create policy agendas.

All NCP organizations belong to LISC's Network and convene regularly. LISC will continue to connect and influence existing advocacy efforts and will:

- Work with the Network to identify issues that require systems-change through the creation of a common policy agenda to benefit Chicago as a whole.
- Communicate the policy agenda to a broad audience. By 2018, LISC will create and host the first annual State of the Neighborhoods event, in conjunction with the Chicago Neighborhood Development Awards. The State of the Neighborhoods event will be an annual event to highlight LISC's networks policy agenda and support in-depth conversations and workshops among community and advocacy partners.

# MILESTONES AND MEASURING OUR SUCCESS

FOLLOWING ARE THE MILESTONES WE WILL ACHIEVE BY 2020.

1. Quality-of-Life Plan communities **access \$2 million to support new plans and leverage \$40 million in additional resources** and investments in support of their plan
2. Quality-of-Life Plan communities **increase their neighborhood's collective efficacy**
3. Quality-of-Life Plan communities **define measurable, equitable change** for their communities
4. **Create the first State of the Neighborhoods Policy Agenda** by 2018; in 2019 make progress on 80% of the issues identified



## CHAPTER 2: ECONOMIC DEVELOPMENT

### BACKGROUND

Perhaps nothing is more critical to creating an equitable city than inclusive economic development. According to the Brookings Institute, Chicago is one of the ten most unequal cities in the U.S. and residential income segregation is on the rise as a result of the change in the global economy and the loss of traditional manufacturing jobs. A recent report by the Corporation for Enterprise Development documents that today the median income of whites is more than twice that of black residents and close to twice for Latinos. The report stresses that the gap is a problem for the entire city as lower incomes for the majority of residents has an effect both on the ability to support businesses and commerce but also impacts taxes and the delivery of city services.

In addition to the significant income gap, the unemployment rate in the neighborhoods we serve is significantly higher than other neighborhoods. These same neighborhoods are also more likely to experience higher rates of crime, particularly violent crimes.

Young people who participated in the City of Chicago Summer Jobs program had a 43% drop in involvement in violent crime compared to youth who did not have employment. Additionally, investments in jobs and economic development in neighborhoods is correlated with a reduction in violent crime. Between 2005 and 2015, Pullman experienced significant economic development investments and, at the same time, over a 50% reduction in violent crime.

While all agree that communities need re-investment and jobs to thrive, the question is how to achieve that goal. Market forces alone are not enough – typically focusing investments in more affluent neighborhoods while leaving others devoid of resources, amenities and jobs. The successes that we have seen in communities like Englewood, Pullman or Woodlawn have required intentional strategies aided by government and other external interventions.

With a clear understanding that there are no quick-fixes or silver bullets, LISC will focus resources and support to increase jobs. We will work with others to increase living wage jobs in the region – helping to ensure that all residents have good public transportation access and the skills that are needed to secure employment. While we will collaborate on regional efforts, we will focus our greatest efforts on more intentionally including well-thought-out economic development strategies that connect human capital to existing or new assets in communities' comprehensive plans.

In each community it is our goal that the economic development planning process will prepare and connect residents to living wage jobs near their home and in the broader regional economy. These plans will also address impediments to neighborhood investment -- particularly the challenges of workforce preparation and neighborhood safety which too often dissuade potential businesses be they large corporations or single entrepreneurs.

In addition to planning and attracting investment, part of LISC's template will be a focus on community residents – working to ensure they have the skills and resources to secure employment, manage the financial resources they accrue and build their own local businesses. In 2005, LISC established its first Financial Opportunity Center (FOC), social service hubs that offer income supports, financial coaching, employment services and digital skills training. During its first decade of operations, FOC clients were mostly placed in low-skill/low-wage industries where there were few opportunities for advancement or improved wages. In 2016 LISC began to focus on targeted job preparation for entry level jobs in industries that had a career path to middle skilled, living wage jobs such as healthcare, manufacturing, IT, retail/customer service and transportation/distribution/logistics. The early outcomes are positive with the FOC network average earnings increasing from \$11.19/hour to \$11.94/hour. Much more work is needed to connect individuals to living wages and more middle skilled jobs.





### Moving Forward

LISC has already begun to advance this new approach. In Fall 2016, LISC announced the Southwest Corridor Collaborative (SWCC), a coordinated effort along 63rd Street from Cottage Grove to Pulaski to produce data-informed, community-led strategies to garner investments that result in living-wage jobs in desired opportunity-rich industries. LISC investments will be made in real estate, housing, small businesses, transit and employment opportunities. LISC will document the processes and results in hopes of replicating the work in other cross-community commercial corridors across the city.

**Building off our experience, over the next three years, LISC will work to:**

Establish a replicable model for effective neighborhood economic development that benefits the current community by increasing neighborhood businesses investment and linking neighborhood residents to the regional economy. Individuals and families in the neighborhoods LISC serves will build their skills, access the jobs created, become economically stable and build wealth.

The SWCC will serve as a pilot helping LISC further develop and refine its model. During 2018 and 2019, LISC will replicate the process in other cross-community corridors.

LISC will implement the following six strategies in pursuit of its economic development goal:

**1. Identify industries and business sectors that provide living wages jobs with potential for advancement and ensure that across communities skill-building occurs that matches the regional job-growth profile.**

While much of Chicago's recovery from the job losses suffered between 2008-2010 has been in the growth of low wage work, there has also been a recovery of skilled-jobs in various well-paying industries. It is estimated that at any moment there are nearly 70,000 job openings for skilled workers in advanced manufacturing and other robust areas of the economy, skills that many in disadvantaged neighborhoods do not possess or have access too.

In order to reduce the income inequality in Chicago's neighborhoods, LISC will identify business and industry sectors that are likely to produce sustainable, living wage jobs, and create a strategy to invest in connecting neighborhood residents to those sectors. This will also include determining the business types that best align with the neighborhoods geographic location within the region, physical assets, workforce potential and transportation access to make the neighborhoods an attractive place for investment.

**2. LISC will assess neighborhood assets and work with communities to create plans that build upon them.**

Be it the existence of rail, river or roads, swaths of available land, institutions of note like hospitals or universities, LISC will help identify community assets and what economic development those assets may spur as part of the community planning process in a single, or in a cluster of neighborhoods.

LISC and community partners will assess the neighborhood infrastructure that currently exists and will analyze what infrastructure improvements are necessary to attract new businesses. LISC will also engage partners in the real estate and development community to create a menu of improvements and financial products to leverage for marketing or invest directly into pre-development of sites or into businesses.

**3. Develop the talent in the neighborhoods and connect them to job and wealth building opportunities created locally and regionally.**

A successful economic development strategy must include investing in and training people to take jobs that are currently available and prepare them for future jobs planned. Understanding the growth clusters, we will work with community partners to assess our FOC network and community assets like schools, colleges, apprenticeships and other learning/training sites to align community members' skills with regional workforce needs.

LISC will expand and strengthen its FOC network to ensure there is a network of providers who perform direct services. Additionally, LISC will expand FOC services to support employers in order to promote increased employee retention and employer satisfaction, which could lead to more job opportunities for FOC clients.

**4. Coordinate and align resources to support local entrepreneurs.**

While jobs are critical to community well-being, so too is the success of businesses that are owned by community members and contribute to overall community wealth. LISC will use existing and create new partnerships to support local entrepreneurs. Building on relationships both through FOCs and with historically active partners, LISC will contribute its FOC capacities to business development agencies, providing clients the one-on-one financial coaching, budgeting and credit-building. Conversely, FOCs will be able to refer clients who are or aspire to be entrepreneurs to business development agencies to receive entrepreneurial support and technical assistance.

LISC will identify, support and invest in entities that have a track record of building a pipeline of neighborhood businesses. Thus, supporting them to create neighborhood entrepreneurship by establishing a robust entrepreneurial ecosystem to catalyze business starts and expansions. So, as regional employers and industry sector investment is occurring, local entrepreneurs will be able to capitalize too.

LISC will also invest in neighborhood businesses to support expansion and connect them to the regional economy. This will include capital access, such as loans, grants and equity deployed through local partnerships; developing affordable and project-ready spaces in the area; facilitating partnerships with business and financial mentors; linkages to sales relationships with anchor and others; and, investments supports like incubators, accelerators and other direct assistance to neighborhood entrepreneurs.

### 5. Align or create incentives for investment in neighborhood economic development.

Once neighborhood economic development plans are developed, LISC will assist with implementation by assembling resources, attracting investment and advocating for the removal of barriers. Examples of the type of implementation support LISC might provide include:

- Coordinate with city- and county-wide organizations focused on business development and investment.
- Identify and align a broad array of financial resources to create an investment portfolio for each targeted geography.
- Identify and align local and state incentives to recruit and leverage businesses and developer investment.
- Encourage units of government to align and simplify processes to make investment more attractive and feasible.
- Identify a pipeline of businesses that could benefit from what is in the economic development plan and encourage public and private investors to invest in parts of the plan.
- Encourage land aggregation and engage potential developers to do master plans for the target areas that could attract retail, or find companies that would move to the area and bring jobs with them.
- Facilitate public safety planning in areas targeted for investment
- Market the target areas to commercial real estate brokers and site selection committees.

### 6. Transform systems that support effective neighborhood economic development models.

Significant barriers on a variety of levels exist when designing and implementing economic development plans in communities suffering from decades of disinvestment. Therefore, LISC will work as a connector, broker and facilitator to advocate for change and remove barriers that can limit a community's economic progress.

At the community level, LISC will build capacity to develop and execute an economic development plan. Creating economic development plans takes a different type of skill and data than traditional community development planning. For example, when developing an economic development strategy, community groups need to obtain and interpret market data, understand the broader regional economy, and know how their neighborhood fits into it.

Just like LISC built capacity in neighborhood organizations to do broad consensus planning around community issues, LISC will build capacity in neighborhoods to engage in economic development planning. Prior to beginning the planning process, LISC will assess a community's capacity to plan and execute. Then, LISC will provide the needed skill- and capacity-building supports during both the planning and implementation phases. In addition, LISC will promote other capacity-building resources for emerging leaders, such as its Business District Leadership Program.

On a systems change level, LISC will seek to influence the workforce development system to be more transparent and include financial capability services. The FOC model blends traditional workforce services with financial capability services. This mix is responsible for the model's success and is distinct from the workforce development system approach, which has historically focused almost solely on employment services. Financial capability goes above and beyond traditional financial education/financial literacy and helps clients access financial information; connects clients to safe, affordable financial products and services to build savings and wealth; and, teaches clients to navigate the financial marketplace. Having basic financial skills – and the support to meet financial goals – is a critical, and often-overlooked component essential to helping clients achieve long-term employment and economic self-sufficiency, which helps stabilize individual households and communities at large. LISC will work together with providers and advocates to help speed wide-scale adoption of financial capability services into workforce development services.

LISC will also convene members of the FOC Network, workforce development providers, policy advocates and policy makers on a regular basis to share information and encourage the spread of best practices in the field. LISC will share findings and the policy agenda at the annual State of the Neighborhoods. LISC will also begin to share key learnings beyond Chicago by drafting papers, attending conferences and hosting training seminars.

On a national level, LISC seeks to provide a replicable model for neighborhood economic development. LISC will document and evaluate the process and outcomes for the SWCC. In addition to making course corrections and process improvements moving forward, LISC will share those findings and distribute them locally and nationally.

# MILESTONES AND MEASURING OUR SUCCESS



FOLLOWING ARE THE MILESTONES WE WILL ACHIEVE BY 2020.

1. **5,000 individuals increase their income**, net worth, or build credit across Chicago
2. **500 small businesses** enter a pipeline for support, growth and investment
3. **750 net living wage jobs created** in our target area
4. **20% reduction in crime** in our target area
5. **25% increase** in number of employers **contributing to workforce program design**
6. **Increase in resources** allocated to **financial capability services** by workforce development systems



## CHAPTER 3: INVESTING

### BACKGROUND

Access to capital is essential to building communities' economic strength. LISC has been a leader in this area, pioneering tools such as the Low Income Housing Tax Credits (LIHTC) or New Market Tax Credits to aid the flow of private capital into non-profit and community-driven endeavors. At the same time, LISC's pioneering of NCP has provided the organization with a unique perspective, allowing LISC to gain great insight into communities' aspirations, assets, needs and potential.

Today, LISC Chicago's active loan portfolio exceeds \$12 million. In 2016, LISC Chicago provided more than \$11.8 million in loans in support of community development projects across the city and \$28.5M was invested in Chicago through NEF. LISC's borrowers include non-profit and for-profit developers and range from large and complex deals with multiple financing layers to small deals that also require capacity-building support.





### Moving Forward

Using existing and creating new products, over the next three years, LISC seeks to increase its loan volume in an effort to support Chicago's communities and is challenging itself to be the most impactful CDFI lender for Chicago's neighborhoods by 2020.

**LISC will work to ensure that:**

Communities have access to a broad range of financial products and tools that meet their unique and comprehensive needs and have an increased ability to leverage private and public capital.

## The approach to investing consists of the following three strategies:

### 1. Offer new products and innovative terms to meet emerging community needs.

The lending market and community needs have changed over time, with both increased competition for ever-more scarce public resources, a growing market of CDFIs, and more active direct lending by traditional financial institutions.

Over the past year, LISC surveyed and met with borrowers and lenders to identify emerging needs in order to innovate and develop new terms and products. Over the next three years, LISC will add new terms and products. Examples of new or expanding products include:

- **Small Businesses Loans:** Small businesses are the driving force for economic development in neighborhoods. In 2016, LISC started offering small business loans across the country. LISC Chicago will begin promoting these products in communities in 2017 as part of its focus on economic development.
- **Project Initiation Loans (PILS):** PILS are early stage loans that enable a potential borrower to incubate the idea of a real estate project. PILS are one of LISC's most critical loan products to community development projects and demand is high for this resource. LISC will raise additional capital in order to expand resources allocated to offer PILS.
- **Financing for Changing Communities:** In order to address the needs of gentrifying neighborhoods, LISC will begin to provide financing for land acquisition so communities can gain control of key sites that increase in value while plans and projects are developed.
- **Sustainability for Community Organizations:** LISC will support community organizations to become equity investors or co-developers in projects they identify as priorities for their community to build capacity and capital for organizations to create their own investment pool and to support operating costs with their own funds.
- **Direct Investment in Community Projects:** LISC will pilot making its own equity investments in projects.

### 2. Develop a marketing and customer development initiative to grow and expand our pool of borrowers and increase loan volume.

LISC will launch a marketing campaign to increase awareness of its lending products and services and will proactively market its lending services to current partners and perspective clients through personal contact and promotional materials. Additionally, LISC will work with traditional and community lending institutions to identify opportunities to work together on projects and products. LISC will educate its staff and partners on LISC's products and services, as well as provide incentives for existing partners to use LISC as its lender.

### 3. Establish LISC as a leader in collaborating with providers of public and private capital to inform and align products and strategies with community needs and opportunities.

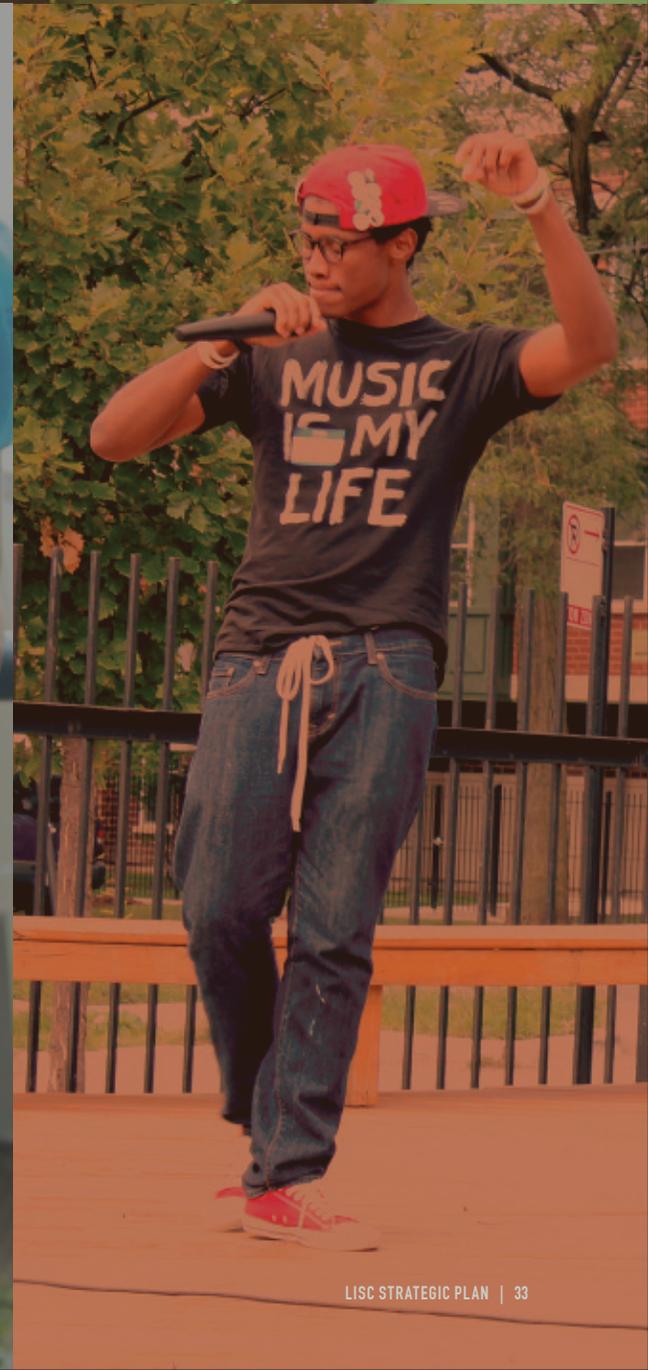
LISC Chicago already collaborates with financial institutions, whether to help a traditional lender meet their Community Reinvestment Act requirements or to participate with a bank or fellow CDFI on a loan. Moving forward, LISC seeks to expand its role as a collaborator to one of a convener, facilitator and broker in order to advance community plans as well as address challenges and opportunities in the community development funding arena. Three examples of LISC's expanded role include:

- **Convener:** LISC will convene annual discussions with financial institutions and development partners around financing challenges and opportunities each faces, as well as how to overcome barriers and take advantage of the opportunities. The findings and recommendations will be presented at LISC's annual State of the Neighborhoods.
- **Facilitator:** LISC will bring together banks, city and state agencies to identify all the financial tools and products that each institution has that can support neighborhood driven plans.
- **Broker:** Many community Quality-of-Life Plans contain complex development projects which require layers of financing and creative terms and products. LISC will help communities identify potential lenders and investors, help structure deals and be an early investor. This enhanced model of lending will come with a committed lending/project support team that understands the neighborhood planning framework, will offer a menu of tailored supports to maximize the project's success, and continue to build upon community capacity.

# MILESTONES AND MEASURING OUR SUCCESS

FOLLOWING ARE THE MILESTONES WE WILL ACHIEVE BY 2020.

1. LISC increases its loan amount by 20% each year to reach **\$20 million annually in loans by 2020**
2. **50% of projects** identified in Quality-of-Life and economic development plans **are financed**
3. **10 community partners obtain a financial stake** in real estate investments in their neighborhoods

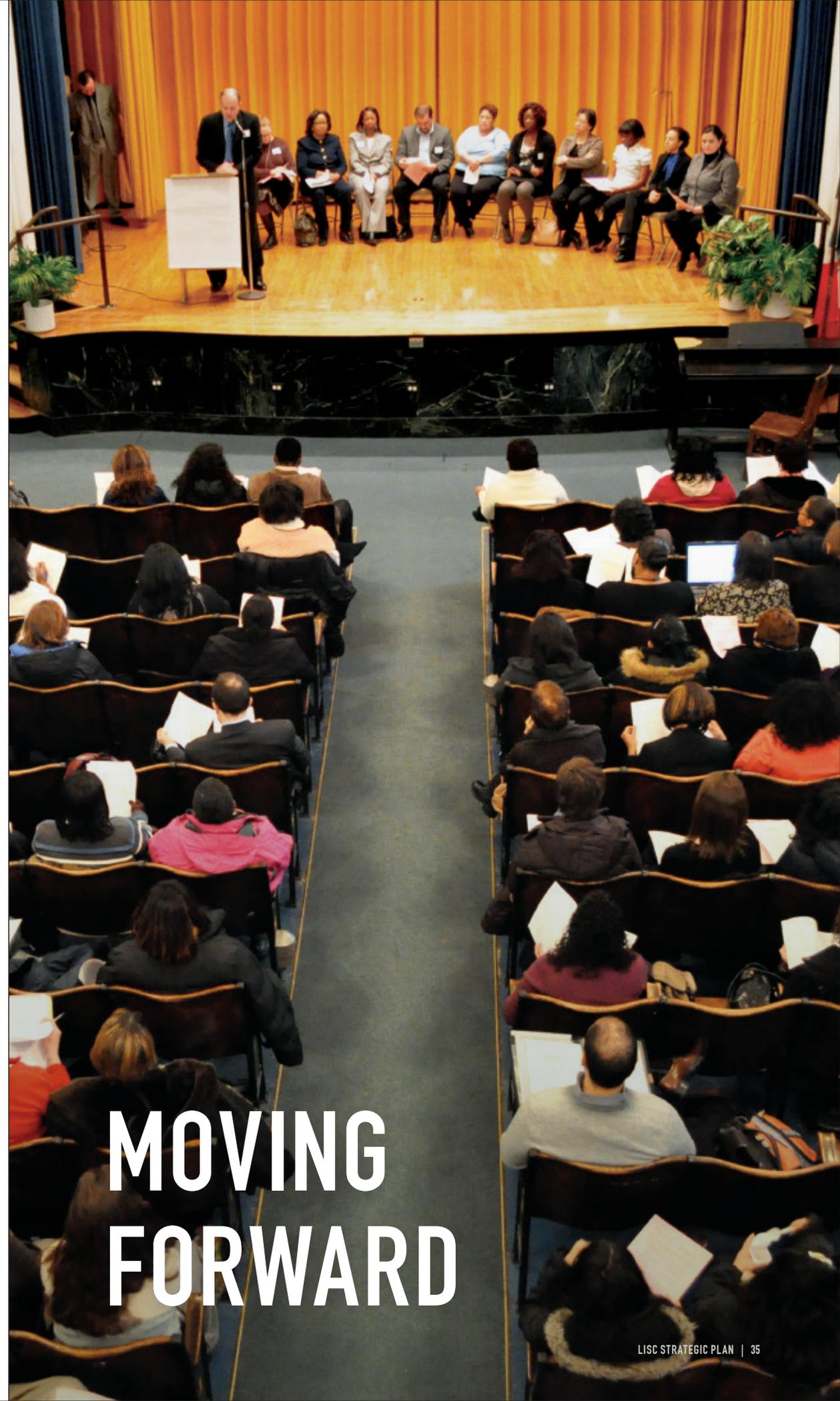


## CONCLUSION

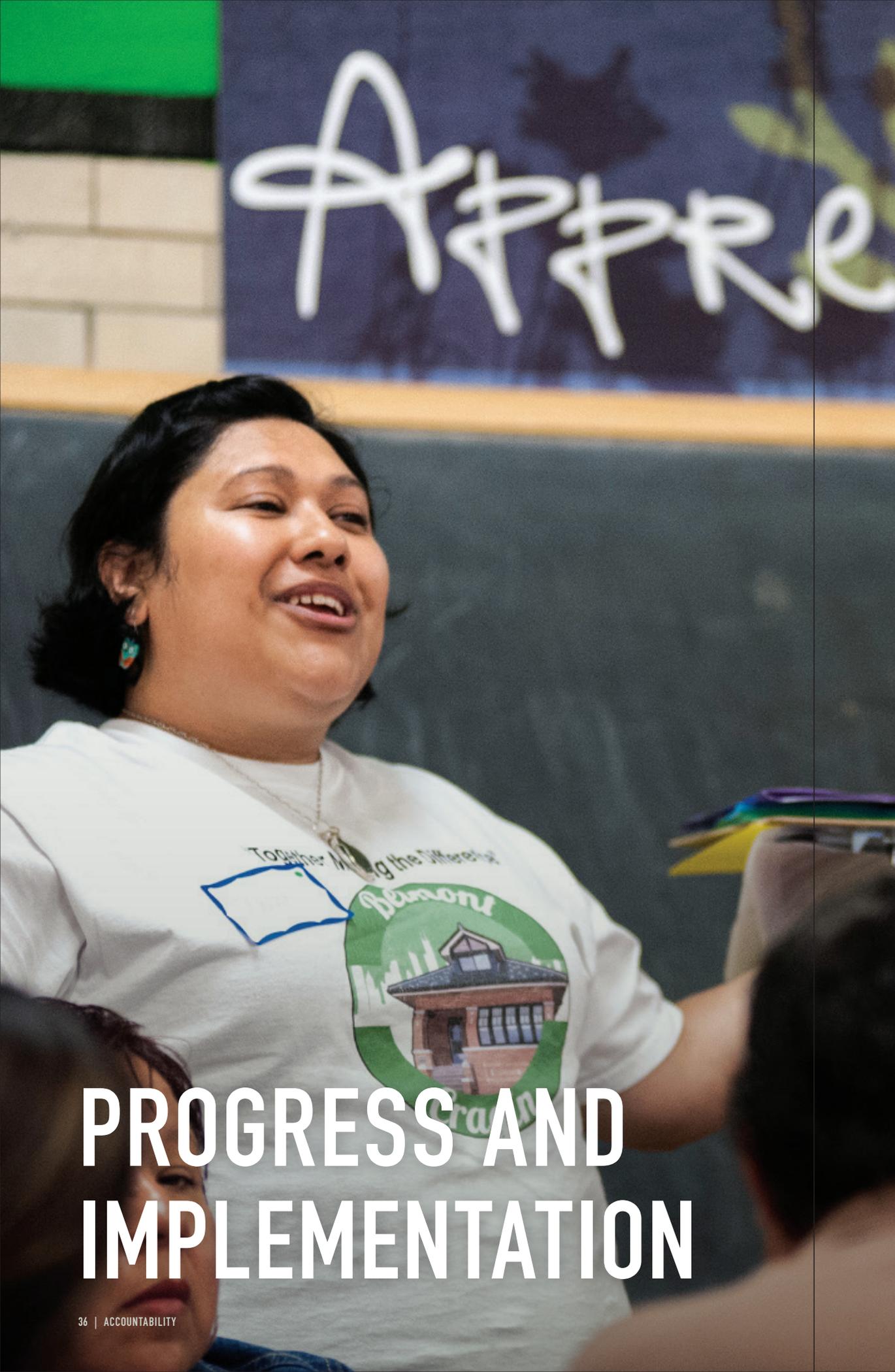
LISC Chicago's Strategic Plan was developed in response to a disturbing reality: despite decades of community development work, due to historic conditions of discrimination and a changing global economy, inequality has worsened. It has become clear that to address these realities a greater emphasis must be placed on economic development and wealth building for both individuals and communities.

This Strategic Plan is LISC's roadmap for moving forward. The most significant focus over the next three years will be to attract and support businesses that provide living wage jobs to targeted communities and the region, while preparing people to fill these jobs. In addition to its jobs focus, LISC will continue to engage in and improve upon comprehensive community development planning and increase its direct investment in neighborhoods to support the plans for housing, safety, recreation, transportation, health and education. Finally, where institutional barriers to community advancement are identified, LISC will convene and facilitate systems change.

Whether you are a member of a non-profit, leader in a neighborhood seeking to improve your community, a lender looking to invest in an economic development strategy, a business seeking a place to do good, or a government leader, LISC encourages you to join in this effort to make Chicago a better, more equitable place for all its residents.



# MOVING FORWARD



# PROGRESS AND IMPLEMENTATION

## ACCOUNTABILITY

Upon the plan's adoption, LISC will monitor progress on its implementation and impacts immediately. LISC will track the following on a quarterly basis:

- Progress toward goals in each of the three priority areas (metrics)
- Completion of strategies including activities, tactics and milestones in the work plans

Progress on these metrics will be shared in LISC's annual impact report which is shared publicly.

## APPENDIX A: ENSURING COMMUNITY INPUT

Integral to the development of the strategic plan has been LISC's commitment to listening to community partners and stakeholders. The planning process provided multiple ways for community leaders, lenders, LISC staff and experts to provide guidance and feedback. The contributions from these key stakeholder groups have been critical to the development of a strong and effective plan that reflects the desires, issues and concerns of the communities LISC serves.

The following five outreach and engagement activities helped maximize the number of people who were able to voice their opinions so the plan could capture diverse perspectives of all LISC stakeholders.

**1. Listening Tour:** When Meghan Harte became Executive Director, she spoke with more than 30 partners, lenders and other stakeholders. This initial listening tour resulted in the creation of the initial priority areas for this plan.

**2. Working Groups:** LISC assembled four working groups, one for each of the strategic priority areas - Comprehensive Community Development, Economic Development and Investing, as well as one focused on Individual Economic Stability. Due to the interconnectedness of the two working group priorities, the Economic Development and Individual Economic Stability working groups' merged into the Economic Development chapter. The working groups helped the LISC team create goals, strategies and action steps. More than 40 people served on the working groups.

LISC also convened an Advisory Committee, consisting of 35 community and civic leaders, representing multiple perspectives and areas of expertise. The group met several times during the development of the plan to provide feedback and guidance.

**3. Focus Groups:** LISC held two focus groups to discuss the Financial Opportunity Centers, attended by five people. One was held for clients and one was held for providers.

**4. Individual interviews:** Working group members held six individual interviews with local and national subject matter experts on a variety of topics relevant to each working group.

**5. Surveys:** Several working groups issued surveys to their constituents to better understand how clients experienced services and programs. Specifically, LISC created:

1. An online survey open to non-profit and for-profit lenders and borrowers engaged in community development from July through August 2016. It included seven questions, soliciting opinions on a wide range of topics. 16 institutions responded to the survey.
2. An on-line survey open to FOC Executive Directors and Program Directors from August 2, 2016 through August 11, 2016. It included a variety of questions, soliciting opinions on a wide range of topics. Seven people responded to the survey.

## APPENDIX B: ACKNOWLEDGEMENTS

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\*Indicates LISC Chicago Board of Advisors

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## APPENDIX C: THE PLANNING PROCESS OVERVIEW

The planning process was divided into four phases, spanning seven months. As described below, the goal of each phase was to create a transparent, inclusive and adaptive process.

### 1. Set the stage

### 2. Recommend goals and strategies

### 3. Create milestones and indicators of success

### 4. Vet and edit the plan

#### PHASE 1. Setting the stage

LISC staff, board members, a planning committee and an External Advisory Committee worked together to:

- Finalize the planning process and structure
- Identify stakeholders who needed to be engaged or consulted and decide how they would be involved in the planning process
- Select priority areas for the plan
- Identify key questions the plan would answer and address

Based on the feedback, documents and processes were revised and finalized.

#### PHASE 2. Recommend goals and strategies

Working groups each drafted one goal and at least three strategies for each of the priority areas: community development, economic development and investing.

Each working group was comprised of 10-15 members, including one chair. All working groups had at least one LISC employee, community partner and subject matter expert. The working groups met independently and participated in three working group mini retreats between July and October 2016.

Working groups engaged in the following process:

- Committee members agreed upon key questions that needed to be answered to guide their work. They researched the questions and presented their answers to the group. After thoughtful discussion, they agreed on the draft answers.

- Based on those answers, committee members and staff identified a list of possible goals and strategies. Working groups then met to review and select a draft goal and brainstormed possible strategies that would enable LISC and its partners to meet that goal.
- Draft strategies were then presented to an External Advisory Group for feedback.

#### PHASE 3. Create milestones and success indicators

The goal of this phase was to develop milestones for each strategy and metrics for each goal. Milestones indicate the completion of a major deliverable or phase of a project. The success indicators presented in this plan are the high level metrics LISC will review regularly to ensure they are making progress on their goals.

#### PHASE 4. Vet and editing the plan

A draft of the plan was shared with LISC stakeholders for feedback. In addition to the final plan, a summary version was created. LISC will hold several events to unveil and discuss the Strategic Plan.



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