

LLSC ATLANTA

Working on the Dream

Closing the
Racial Wealth Gap
in metro Atlanta



STRATEGIC PLAN

2022-2025



LISC ATLANTA

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Letter from Executive Director



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When I enter a room, I like to listen before I speak. In part, it is a way to be respectful. But, perhaps more important, I find it a way to be more impactful. It allows time to understand where the conversation is going and how to contribute to move it forward.

The same is true for LISC in Atlanta. When Local Initiatives Support Corporation (LISC), the nation's leading community development investment organization, hired me to open its new local office in the Atlanta area, I knew that my first job would be to listen. Given that LISC invests \$2 billion annually in community development nationwide, I needed to listen to determine how LISC can direct its grants, loans and equity investments to be a relevant and effective organization in the Atlanta metro area. Taking time to listen is exactly what this three-year strategic plan is all about.

And what a time to listen! From Black Lives Matter, to the COVID-19 pandemic, to new voters finding their voices, I heard clearly that Atlanta's success depends on tackling its biggest challenge: racial economic inequality. Our city, known for its historic dream for racial justice, must now work towards economic justice, a new dream!

In this moment, many of Atlanta's corporations and foundations have made commitments to support racial equity. However, local communities are insisting on long-term solutions, not just quick fixes. I strongly believe this is exactly where LISC can step in and speak up. LISC Atlanta can direct investments to projects and partners that will have long-term impact by reducing the racial wealth gap and providing generational wealth for people of color. To that end, this strategic plan directs LISC Atlanta to prioritize things like:

- Entrepreneurship
- Homeownership
- Financial stability
- Healthy systems to support opportunities

With this strategy, we will measure success not simply by counting millions of dollars invested, but by seeing dozens of lives transformed. Read this plan for more details.

Dale Royal
Executive Director
LISC Atlanta

Executive Summary

LISC Atlanta will invest \$43 million to drive bold ideas and resources to close the racial wealth gap in Metro Atlanta over the next three years.

This investment will come by way of loans, grants, and equity in combination with key support programs and services over the next three years. We will strategically invest these resources to build wealth, improve health, strengthen the community development ecosystem, and support long-term, holistic, place-based work.

Strategies for Closing the Racial Wealth Gap

Wealth Building: Addressing the Problem Head-on

Across indicators income, wealth, and opportunity, the gap between households of color and white households is startling. The median annual household income for Black households in the city of Atlanta is one third of the same measure for white households (\$35,048 vs. \$102,693).¹ A reported 59% of the Black population and 53% of the Latinx population in metro Atlanta rent their homes, approximately double compared to the 28% of the white renter population.² As they seek to start and grow businesses, Black entrepreneurs are denied loans nearly twice as often as white business owners.³ With discriminatory practices and without economic opportunity, families face generations of low income and wealth. LISC Atlanta is investing in four primary strategies to help the Black and Brown population build enduring wealth:

- **improve the financial stability** of 400 individuals of color
- **provide \$30 million in grants and loans** to develop commercial enterprises that increase the number of employees making a living wage
- **expand the supply of affordable homes** in gentrifying and mixed-income neighborhoods and help 75 families purchase these affordable for-sale homes
- **help 95 entrepreneurs of color grow their small businesses** through loans, equity and micro-equity, and recoverable grants

Improving Health: Seeking Upstream Solutions

LISC Atlanta understands that where one lives is inextricably linked with health outcomes. Promoting healthy choices is not enough. So-called “upstream” factors — where a person can live, how much they must work to afford their housing, how far they must travel to get to their job or a grocery store, and how much free time they have — all play a part in allowing people to make healthier choices. In the case of Black and Brown people, frequently these factors, known as social determinants of health, make healthy choices much more difficult. The social determinants of health constitute 80 to 90 percent of factors affecting health outcomes.⁴ We are specifically addressing access to safe, stable housing, opportunities for physical activities, and health care and healthy food. Our investments will benefit current residents and improve neighborhood conditions over the longer term.

LISC Atlanta’s holistic approach to improve health in underinvested places centers on investing in fundamental resources to keep residents well. We will:

- Loan \$20 million to add and/or preserve **150 units of affordable housing**—a combination of affordable rental units in mixed-income neighborhoods and preservation of affordable housing in gentrifying neighborhoods.
- Provide \$450,000 in grants to build or renovate **safe outdoor spaces** for play, exercise, and community building.



- Deploy \$150,000 in grants and \$1.5 million in loans to increase access to health care and healthy food for individuals in disinvested neighborhoods.

Strengthening the Community Development Ecosystem: None of Us Can Do It Alone

As private, public, and nonprofit stakeholders involved in community development continue to work to close the racial wealth gap, LISC Atlanta will scale proven solutions, seed new ideas, and build the capacity of our partner organizations to accelerate progress. We will:

- Convene and collaborate with partners to expand access to capital for entrepreneurs of color, beginning with the creation of an online technical assistance platform, offering new microloan and mid-range loan products
- Provide community development corporations and the projects they support with grants, loans, equity, technical assistance, and opportunities to share knowledge and coordinate their efforts
- Promote, finance, and scale organizations and initiatives with community wealth building solutions, in part by leveraging influence of existing institutions and launching an incubator for community wealth building solutions

Place-Based Community Development: Taking a Deeper Dive

LISC Atlanta will be deploying its wealth building, community health, and ecosystem building strategies to advance community development goals in Atlanta's Sweet Auburn neighborhood and in Clayton County. With this place-based strategy, we are working in tandem with community stakeholders to pursue interconnected solutions to the interconnected issues these disinvested communities face.

To continue strengthening the Sweet Auburn neighborhood, we are investing resources in the Atlanta Center for Self-Sufficiency, Project Community Connection, the Guild, and Wheat Street Baptist Church, the Historic District Development Corporation (HDDC) and HDDC's development of a framework for the Sweet Auburn Green and Equitable District.

In Clayton County, historically disinvested and reeling from economic and health impacts of the pandemic, LISC will conduct a participatory planning process. We will engage residents, business owners, and institutional stakeholders to drive the planning process, identifying neighborhoods and/or commercial corridors in need for investment and priorities for neighborhood improvement.

LISC's Data- and Stakeholder-Driven Strategies

We deeply appreciate the over 100 partners and advisors with whom we built enthusiastic consensus on LISC Atlanta's three-year strategic goals and direction. Working in partnership with Neighborhood Nexus and Corporate F.A.C.T.S., we:

- Collected data across a variety of community indicators
- Worked with key partners and advisors through a survey, focus groups, and interviews to review, evaluate, and prioritize opportunities and potential strategies
- Assessed capacity and resources to implement the strategies
- Synthesized a theory of change
- Finalized and set in motion a 3-year implementation plan.

LISC's Approach to Community Development

Together with residents and partners, LISC's mission is to forge resilient and inclusive communities of opportunity across America—great places to live, work, visit, do business, and raise families. LISC Atlanta, as a local office backed by a national organization, leverages the data, capacity, and financial resources of the national network to create opportunities for local families and communities, and specifically BIPOC (Black, Indigenous, and People of Color) families.

Here in Atlanta, we are implementing the strategies detailed in this plan to upend the local income and wealth disparities that have systematically undermined economic opportunities, especially for households of color. These disparities are a product of historic and continuing bias and discrimination—in everything from real estate and banking to education and the tax code. The impact of discriminatory practices is pronounced in Atlanta, which is consistently ranked among the cities with the worst rates of economic mobility and inequality—especially for people of color.

Facing pervasive and complex factors that perpetuate racial inequity, we know we alone cannot achieve everything in our plan. The challenges neighborhoods face are often interconnected and require interconnected solutions with stakeholders working across sectors to solve them. We are actively seeking to deepen, expand, and forge new partnerships among organizations and initiatives to accelerate our work. We seek to impact both the wealth and health of individuals and families in the near term as well as innovating long-term financial and policy solutions.

This is a bold plan, filled with big ideas to solve a deeply entrenched problem: the racial wealth gap.

What's Next?

We at LISC Atlanta recognize that this is a bold plan, filled with big ideas to solve a deeply entrenched problem: the racial wealth gap. Though we will not end racially driven poverty any time soon, our plan to make an impact is guided by both research-backed data and our own investigative process of surveys, focus groups and interviews with community partners who have already been doing this work. We feel deeply that this is what our region needs from us.

The people who make up LISC Atlanta live here, work here, are raising families and building communities here. We are invested in lifting up the disinvested parts of our region, our home. And we see it as our mission to make it a place where residents of color can be as prosperous, as healthy, as housed, as wealthy, as the white population.

We have documented our process, motivations and ambitions. If you are inspired to invest, align, or collaborate with us, please contact Dale Royal, Executive Director. We are actively looking for partners and supporters to work collaboratively to Close the Racial Wealth Gap in metro Atlanta.

LEFT:
Detail of Atlanta's
"Tree of Life mural,"
by Louis Lambert
aka 3ttman

ALAMY



Introduction

Why Focus on Closing the Racial Wealth Gap?

Atlanta's economic growth has not been evenly shared over the past several decades, leading it to be consistently ranked among the cities with the worst rates of economic mobility and inequality—especially for people of color.

In metro Atlanta, households of color are less financially secure than white households. It is harder for households of color to weather financial shocks, save for the future, build wealth, and get ahead.

Consider:

- **Over half of the Black and Latinx families in metro Atlanta are liquid asset poor.** They do not have enough savings to cover basic expenses for three months if they experience a financial crisis (job loss, medical emergency etc.)⁵
- Over a quarter of the Black and Latinx families in metro Atlanta have **negative or zero net worth**, a common measure of wealth.⁶
- The median annual household **income for Black households in the city of Atlanta is \$35,048, compared to \$102,693**, for white households.⁷
- A child born in the bottom 10% of the income distribution in metro Atlanta **has only a 33% chance of making at least \$73,500 as an adult.**⁸

Racial disparities in income and wealth are a product of historic and continuing bias and discrimination—in everything from real estate and banking to education and the tax code—that have systematically undermined economic opportunities for households of color.

This is where LISC Atlanta steps in. Our mission is to drive bold ideas and resources to close the racial wealth gap in metro Atlanta. Over the next three years, we will invest over \$43 million in loans, grants, and equity towards this goal.

The LISC Atlanta team, in partnership with Neighborhood Nexus and Corporate FACTS, collected data and conducted strategic planning sessions with over 100 partners and advisors to build consensus on LISC Atlanta's three year strategic direction for 2021–2023.

The Strategic Plan that follows directs LISC Atlanta to work with our partners on the following priorities over the next three years:

1. Invest in strategies to help the Black and Brown population build enduring wealth. We will expand the supply of affordable homes, help entrepreneurs of color grow their small businesses, support commercial enterprises that create living-wage jobs, and improve the financial stability of Black and Brown individuals.
2. Take a holistic approach to improve health in underinvested places by investing in fundamental resources to keep residents well, including: stable affordable housing, safe places to exercise, as well as access to healthcare and healthy food.
3. Strengthen the community development ecosystem—the funders, CDCs, government agencies, non-profits, and small businesses involved in community development work—to accelerate the strategies required to close the racial wealth gap.
4. Support long-term, holistic, place-based community development work in Clayton County and the Sweet Auburn neighborhood of Atlanta.



Wealth Building

Addressing the Problem Head-on

We acknowledged it in our guiding principle: there is a racial wealth gap in Atlanta. In this way, Atlanta mirrors the United States as a whole. “The median white household has a net worth 10 times that of the median Black household. If Black households held a share of the national wealth in proportion to their share of the U.S. population, it would amount to \$12.68 trillion in household wealth, rather than the actual sum of \$2.54 trillion.”⁹

Atlanta is perennially at or near the top of every report measuring wealth inequality. In every metric measuring wealth, Atlanta residents of color lag behind the White residents:

- **Poverty:** 20% of the Latinx population and 16% of the Black population have incomes below the poverty line, as compared to 10% of the white population.¹⁰
- **Jobs:** As we noted, a child born in the bottom 10% of the income distribution in metro Atlanta has only a **33% chance of making at least \$73,500 as an adult**, and as we’ve seen, those children are almost guaranteed to be children of color.¹¹

- **Homeownership:** There is a **30% gap in homeownership between White and Black homeowners** in metro Atlanta. 59% of the Black population and 53% of the Latinx population in metro Atlanta rent their homes, as compared to just 28% of the white population.¹²
- **Entrepreneurship:** Metro Atlanta has nearly 7,600 Black-owned small businesses, second only to New York City.¹³ However, Black-owned businesses in Atlanta as across the country, continually have **more difficulty securing credit. Black entrepreneurs are denied loans nearly twice as often** as white business owners.¹⁴

The racial wealth gap persists in Atlanta. That means that Atlanta residents of color not only struggle through their own lifetimes, they have less opportunity to leave that wealth to their children, preventing prosperity across generations.

LISC Atlanta proposes several strategies to help Black and Brown Atlanta residents build wealth. We have chosen strategies that will most help build wealth across a number of vectors: employment, homeownership, entrepreneurship.

Strategies

I. Financial Health

LISC will work with partners to improve the financial stability of 400 individuals of color by improving credit scores, increasing savings, accessing safe financial products, and accessing quality jobs.

Closing the racial wealth gap and building wealth among the Black and Brown residents of Atlanta must begin with improving the financial health of individuals. In metro Atlanta, households led by people of color are less financially secure than white households across nearly all measures of financial stability.

Consider:

- As referenced above, the median household income for Black households in the city of Atlanta is \$35,048, compared to \$102,693 for white households.
- **Thirty-nine percent of Metro Atlanta households of color are unbanked**—they do not have a bank account—or are underbanked and use costly alternative financial services (like check cashing services) for basic transaction and credit needs.¹⁵
- **Forty-one percent of Clayton County residents do not have good credit.** A bad credit rating, or no rating at all, is a serious barrier to financial independence. The fees, deposits, and high interest charges demanded of people with low or no credit significantly reduce monthly cash flow and make it difficult to build assets.¹⁶
- **Over half of the Black and Latinx families in metro Atlanta are liquid asset poor.** They do not have enough savings to cover basic expenses for three months if they experience a financial crisis (job loss, medical emergency etc.)¹⁷

LISC will strengthen the financial stability of individuals of color in metro Atlanta.

1. LISC will help local workforce development organizations implement LISC’s Financial Opportunity Center (FOC) model. FOCs deliver career coaching, one-on-one financial coaching, and access to public benefits in an integrated way. FOC clients are more likely to get and keep a well-paying job than people receiving employment services alone (the traditional workforce development approach).

Atlanta-based FOCs include the Urban League of Greater Atlanta, Atlanta Center for Self-Sufficiency, Inspiritus, STRIVE, and the Goodwill of North Georgia’s Old National Career Center. These FOCs are conveniently located, trusted, and provide quality services.

Since 2019, Atlanta-based FOCs have helped 165 clients improve their credit scores, 116 clients increase their net income, 114 clients increase their net worth, and 199 clients obtain jobs paying an average of \$12/hr.

2. LISC will work with employers and FOCs to improve the quality of entry-level jobs by developing programs that improve financial stability and help entry-level employees advance to jobs that pay a family-sustaining wage.
3. LISC will expand access to safe financial products that increase banking, savings, and credit building through its FOCs. People of color are more likely to be excluded from the banking system, often due to lack of adequate funds to open an account and lack of access. LISC will connect FOC clients to products that help them enter the financial mainstream, save for the future, and build a good credit history.
4. LISC will provide grant funding and advisory support to the Georgia Resilience and Opportunity (GRO) Fund, Georgia’s first basic income program.

The premise of basic income is simple: that receiving cash with no strings attached on a regular basis can improve recipients’ financial stability. Extensive research shows that this is true. Because recipients use the cash to meet their basic needs (rent, food, childcare etc.) they can pursue better employment opportunities, care for loved ones, and help their families.¹⁸

The GRO Fund will administer a program focused on Black women and will include contributions into an interest-bearing account in addition to a monthly cash transfer.

II. Supporting Commercial Enterprises Paying Living Wage Jobs

LISC Atlanta will provide \$30,000,000 in grants and loans to develop commercial enterprises that increase the number of employees making a living wage.

While building wealth for Black and Brown populations begins with improving financial health of individuals, increasing the supply of living wage jobs must be our next step.

Unlike the \$7.25 per hour federal minimum wage, which has not kept pace with the rising cost of living, a living wage reflects the minimum earnings needed to meet a family's basic needs while maintaining self-sufficiency. A living wage accounts for the housing, transportation, food, childcare, health insurance and other costs in a specific geographic area. The living wage for one adult with no children in metro Atlanta is just over \$16.00 per hour, while adding children raises that requirement steeply. One adult with one child must earn a salary of \$31.33 per hour to make a living wage, and costs only rise from there.¹⁹

LISC Atlanta will encourage development of living wage jobs from several directions.

1. We will provide financing to large companies that are expanding or relocating to the Atlanta metro area, and through our support of these companies, ensure that living wage jobs are created. In doing so, we will consider the number of jobs and the starting salary, the type of jobs created, the potential for growth, and the potential for attainment of additional education and transferable skills.
2. We will work with local development authorities to ensure our resources and efforts are concentrated in neighborhoods that most need them.
3. LISC Atlanta is committed to raising funds and working with partners to create a low-cost predevelopment loan fund. Predevelopment capital is the most difficult for commercial real estate projects to obtain. LISC Atlanta must use its fundraising capacity to address this need.

Closing the racial wealth gap in Atlanta must include expanding the number of living wage jobs that provide potential for growth.



PHOTO BY STEPHANIE BROWN

III. Homeownership

We will help expand the supply of affordable for-sale homes in gentrifying and mixed-income neighborhoods for 75 families.

Addressing the financial health of individuals and supporting enterprises that will provide living wage jobs are important steps in closing the racial wealth gap, but income does not ensure wealth. Homeownership is the primary way most people build wealth.

Typically, one's home is the largest asset on a household's balance sheet. Yet homeownership remains out of reach for many Atlanta residents of color. As we noted above, a far greater percentage of Black Atlanta residents rent their homes than the white population. The lag in Black and Brown homeownership is directly traced to historically discriminatory policies such as redlining. Lenders deny mortgages for Black applicants at a rate 80% higher than that of white applicants, according to 2020 data from the Home Mortgage Disclosure Act.²⁰ Combined with the generally lower incomes and credit scores experienced by Black and Brown populations, these discriminatory practices mean that Atlanta residents of color struggle to access the wealth that homeownership brings.

LISC Atlanta proposes to support the expansion of the supply of affordable for-sale homes in gentrifying and mixed-income neighborhoods by:

1. Financing construction of affordable for-sale homes in these neighborhoods.
2. Providing a special emphasis on permanent affordability by ensuring that we support the community land trust model and others that guarantee permanent affordability. With a community land trust, an organization retains ownership of the land on which the homes are constructed in trust for the community. Community land trust homebuyers purchase their homes subject to a requirement that the purchase price remain affordable permanently. While this limits the gains homebuyers can realize upon the sale of their homes, many of community land trust home buyers might not be able to afford a home without the affordable pricing that is a part of the model. Because these models are not well understood within the housing industry, we will work to educate mortgage bankers and appraisers about



PHOTO BY WALTER URIE PHOTOGRAPHY

the benefits of these models, how to value these homes, and why they should continue to offer financing for these homebuyers.

3. Raising funds to provide predevelopment capital to community land trusts and other affordable for-sale projects.

IV. Entrepreneurship

We will help 95 small businesses owned by entrepreneurs of color grow so they can positively impact local economies, create generational wealth, and increase the number of employees making a living wage.

LISC Atlanta's approach to closing the racial wealth gap scaffolds individual supports—financial health and living wage jobs—onto generational wealth building tools like homeownership and entrepreneurship.

It is clear that entrepreneurs of color face barriers in accessing capital. The lack of access to capital faced by entrepreneurs of color has caused those business owners to lean on family and friends for funding, as well as higher interest sources of capital such as credit cards and hard money lenders. This in turn leaves entrepreneurs at a severe disadvantage in trying to grow their businesses to create wealth for themselves and their children.

Small businesses are the backbone of an economy and an important way to build generational wealth.

LISC Atlanta intends to support entrepreneurs of color in a number of ways.

- We will directly support entrepreneurs of color with micro- and mid-sized loans. Because small infusions of capital can be transformative for many small businesses, we will work with our partners to deploy the Kiva platform for loans up to \$15,000. However, beyond traditional lending products, we intend to think critically and creatively about our capital offerings.

- We will expand equity offerings to help business expansion when debt is less effective; we believe micro-equity can be as or more transformative for a small business than a low-cost loan.
- We will raise funds to offer small businesses recoverable grants, which we believe can have tremendous impact for entrepreneurs and allow them to develop a relationship with a friendly lender. A recoverable grant is structured like a loan with the expectation that the recipient can and will repay the recoverable grant. The funds are treated as a grant if the recipient is unable to repay. This allows us to offer the recipients maximum flexibility in repayment, allowing a business to weather a rough patch rather than collapse under the weight of must-pay debt.

Clearly, we cannot help small businesses that do not know about us. As part of our efforts to expand access to capital to entrepreneurs of color, we intend to raise LISC Atlanta's profile around the city. We will work with local development authorities and traditional business bankers to invite worthy projects, and we will bring LISC directly to the community by participating in events to introduce and educate small businesses about sources of low cost capital available in metro Atlanta.

LISC Atlanta understands that we must think more boldly about how to increase access to capital for all small businesses in metro Atlanta. We will consider how to ensure that LISC lending products and policies are responsive to the needs of entrepreneurs of color, and rethink ways of assessing risk that do not rely on traditional underwriting metrics. These metrics, such as credit scores, are seemingly objective, but functionally racist in application because of the historical barriers to capital faced by people of color.

Small businesses are the backbone of an economy and an important way to build generational wealth. LISC Atlanta's support of small business is one of the cornerstones of our efforts to close the racial wealth gap in Atlanta.



PHOTOS BY STEPHANIE BROWN

Improving Health

Seeking Upstream Solutions

LISC Atlanta understands there is a clear link between wealth and health. Evidence shows that people with greater wealth generally have better health outcomes. In service of closing the racial wealth gap in Atlanta, we will work to make the Black and Brown population in Atlanta healthier.

The social determinants of health—the physical, social, and economic conditions in a person's community and everyday life—constitute 80 to 90 percent of factors affecting health outcomes for a population, with medical care contributing just 10 to 20 percent.²¹ Examples of social determinants of health include:

- Safe housing, transportation, and neighborhoods
- Racism, discrimination, and violence
- Education, job opportunities, and income
- Access to nutritious foods and physical activity opportunities

Racial health disparities caused by inequity are ubiquitous. People of color face higher rates of chronic disease and premature death compared to the rates among whites. Nationally, life expectancy at birth for Black people is 3.4 years shorter than that of white people.²² While national initiatives such as Healthy People 2030, recognize that improving social determinants of health is critical to improving outcomes for people of color nationwide, LISC Atlanta believes there is more work to do on the local level.

LISC Atlanta understands that where one lives is inextricably linked with health outcomes. We understand that just promoting healthy choices is not enough. “Upstream” factors—where a person

has the ability to live, how much they must work to afford their housing, how far they must travel to get to their job or a grocery store, and how much free time they have—all play a part in allowing people to make healthier choices. In the case of Black and Brown people, frequently these factors make healthy choices much more difficult.

LISC Atlanta takes a holistic approach to improve health by investing in fundamental resources to keep residents well, including: stable affordable housing, safe places to exercise and recreate, and improving access to healthcare and healthy food.

Consider:

- 48% of metro Atlanta residents are cost burdened when it comes to rent. Over 70% of metro Atlanta renters making less than \$50,000 per year are cost burdened. A “cost burdened” household spends over 30% of its income each month on rent.²³
- The life expectancy for someone living in Atlanta's Buckhead neighborhood is 17 years longer than it is for someone living in Bankhead, just six miles away.²⁴
- Over 500,000 residents in metro Atlanta live in food deserts—low-income communities located more than one mile from a reliable source of fresh produce and other healthy whole foods.²⁵

LISC Atlanta has chosen several strategies to improve the health of Atlanta's communities of color, addressing social determinants of health from a number of angles: affordable rental housing, safe outdoor spaces to play and exercise, and improving health through straightforward approaches such as improving access to healthy foods and medical care.

Strategies

I. Affordable Rental Housing

We will provide \$20,000,000 in loans to increase the supply of stable, affordable rental housing in mixed-income neighborhoods and/or preserve affordable housing in gentrifying neighborhoods by adding or preserving 150 units.

A community that has safe, affordable housing is a healthier community. A safe, affordable home is one of the basic requisites of life—a key to individual well-being, and the foundation for sustainable, economically vibrant and diverse neighborhoods.

High housing costs burden families and strain their ability to afford other essentials such as food, health care, child care, and transportation. Housing instability increases their risk of eviction and homelessness. Metro Atlanta has a housing affordability crisis; the average metro Atlanta household spends over half of its income just on housing and transportation.²⁶ Yet Metro Atlanta loses about 1,500 affordable units per year and needs over 100,000 more affordable units for its lowest income residents.²⁷

We will expand the supply of stable, affordable rental housing with several strategies.

- We will make loans and tax credit investments to support development of affordable housing. We will build long-term relationships with affordable housing developers in metro Atlanta, particularly mission driven developers and those led by people of color.
- Through our fundraising efforts, we will establish a ready pool of predevelopment funds to give worthy projects the boost they need to become a reality.
- We will focus on preservation of existing affordable housing, deploying financing tools to ensure affordable housing remains affordable. Additionally, LISC Atlanta will work with MARTA to strongly advocate for and support development of affordable housing near MARTA stations.



PHOTO BY STEPHANIE BROWN

A healthier community can become a wealthier community, and a community with stable, affordable housing is one that will become healthier. This is how expanding the supply of stable, affordable rental housing is a core part of our work to close the racial wealth gap.

II. Outdoor Spaces

We will provide \$450,000 in grants to build or renovate safe, outdoor spaces for play, exercise and community building.

We will provide grants to help community groups build or renovate soccer fields, football fields, and basketball courts with a special focus on supporting groups building sports fields on or near MARTA stations. We will also provide grants and loans to help groups build

outdoor spaces that encourage community building, like community gardens and parks.

Evidence suggests that safe outdoor spaces can improve physical and mental health.²⁸ Safe and convenient spaces to play and exercise outdoors is a key driver of better community health, and better community health leads to closing the racial wealth gap in Atlanta.

III. Health Initiatives

We will provide \$150,000 in grants and \$1,500,000 in loans to develop projects that improve the health of individuals in disinvested neighborhoods.

LISC Atlanta will undertake initiatives that directly improve health, by increasing access to health care and healthy foods.

The statistics on access to healthy foods and health care in metro Atlanta are sobering. We noted above the lack of access to healthy foods. On top of that, metro Atlanta has among the highest medically uninsured population among the largest metro areas in the country, and the safety net services —Federally Qualified Health Clinics, county health departments, and organizations providing primary care to uninsured

residents—likely only meet about 35% of the projected need for medical care in metro Atlanta.²⁹

We will use our grant and loan tools to support a broad range of projects that can improve the health of neighborhoods—develop grocery stores, mental health clinics, community health centers, day cares, and other enterprises that improve health. We will expand access to mobile health clinics at MARTA stations, outdoor spaces, and housing developments.

As with our other initiatives, LISC Atlanta will also continue to listen to our community partners and other leaders in this space to continue learning how we can best support projects expanding access to healthcare for Black and Brown residents of Atlanta.





Strengthening the Community Development Ecosystem

None of Us Can Do It Alone

Metro Atlanta's community development ecosystem—funders, community development corporations, government agencies, non-profits, residents, and small business support organizations—work tirelessly to close the racial wealth gap.

LISC Atlanta will strengthen the community development ecosystem to accelerate the strategies

required to close the racial wealth gap. We will scale proven solutions, seed new ideas, and build the capacity of our partner organizations. We seek to participate in the good work already being done in this space, while also convening disparate partners and initiatives, bringing more cohesion and collaboration into this space.

Strategies

I. Improving Access to Capital for Entrepreneurs of Color

LISC will work to increase our own capacity and that of our partners to jointly expand access to capital for entrepreneurs of color. We will bring our partners together so we can all collaborate more effectively.

Metro Atlanta is home to a network of organizations that provide a range of services to small businesses, from help accessing affordable capital to low-cost guidance in the nitty-gritty of business planning, cash-flow management, marketing, and staffing. We are committed to strengthening this network, amplifying the work already being done, and expanding our and our partners' capacity to better serve the small business community.

The network of small business lenders and technical assistance organizations, while strong, is disjointed making it difficult for small businesses to find the right support.

LISC Atlanta will strengthen this network and its support for small businesses by convening small business lenders and support organizations, so that LISC Atlanta and the small business support ecosystem meet the needs of entrepreneurs of color. We will support our partners and bring

cohesion to the ecosystem by pooling resources, coordinating technical assistance, and increasing access to capital.

Initial convenings will focus on:

1. Development of an online application platform through which entrepreneurs can connect with Atlanta-based capital and technical assistance providers (legal, marketing, financial, staffing etc.), increasing efficiency for the business and the providers. LISC will work with partners to maintain the application platform. It will serve as a one-stop-shop for local small businesses and providers, matching providers with small businesses according to their respective needs and capabilities.
2. Co-develop an additional microloan product that does not require crowdfunding. Removing the crowdfunding requirement will allow entrepreneurs of color to access capital without leaning on a sometimes limited network of family and friends.
3. Co-develop a lending product to serve businesses needing loans between \$50,000 and \$250,000 (the "missing middle").

We will work with our partners to develop a lending product serving this funding range so that the ecosystem can better serve small businesses at all stages of growth.

Working with our partners in this way will expand access to capital for entrepreneurs of color, and grow our efforts to close the racial wealth gap beyond what we at LISC Atlanta can accomplish on our own.

II. Strengthening Community Development Corporations

LISC will provide grants and technical assistance to strengthen Community Development Corporations.

Community Development Corporations (CDCs) — non-profit, community-based organizations focused on revitalizing the areas in which they are located — are the lifeblood of community development work. Despite this, during a focus group of Atlanta-based CDCs, we learned that CDCs face barriers to financing and need both financing and technical assistance to launch economic development projects. To meet these challenges, LISC will:

1. Convene CDCs to facilitate knowledge sharing and understand their needs and barriers

2. Provide advisory support and capital to CDCs and the projects they support. This includes: (1) Grants to CDCs to help cover staffing and operational costs; (2) Loans and equity to CDCs and/or their partner developers to support affordable housing and other projects; and (3) Grants and loans to neighborhood small businesses.

3. Support and encourage plans to launch an organization that will improve, unify, and coordinate place-based community development efforts in the City of Atlanta.

Supporting CDCs in this way helps magnify efforts to close the racial wealth gap around the entire metro area and from a diversity of groups and perspectives.

III. Support Innovative Community Wealth Building Solutions

LISC will promote, finance, and scale organizations and initiatives with community wealth building solutions—community-focused economic development solutions that generate shared prosperity like community land trusts, anchor strategies, and community investment trusts.

Community wealth building transcends a single community development approach. In contrast to our individual wealth building efforts outlined above, community wealth building is a model that seeks to unlock the untapped economic power of public and private institutions towards wealth building for entire underinvested communities. For example, anchor strategies seek to harness the purchasing, hiring, and real estate development power of institutions that are not likely to change location, like hospitals and universities. In our survey of local community development organizations, we found that they view the shortage of community wealth building solutions as the largest gap in the local community development landscape and one

of the top ways in which LISC can advance racial equity. Over the next three years, LISC will identify, support, and/or launch an organization that can incubate community wealth building solutions.

Supporting these innovative solutions will help us think more broadly about community wealth building in service of closing the racial wealth gap.

Community wealth building is a model that seeks to unlock the untapped economic power of public and private institutions towards wealth building for entire underinvested communities.



Place-based Community Development

Taking a Deeper Dive

The connection between the place one grows up and life outcomes—spanning health and wealth—is well documented. Children who grow up in disinvested neighborhoods are less likely to achieve economic mobility and are more likely to develop chronic health conditions. An interconnected set of factors converge to limit opportunity in disinvested neighborhoods.

Place-based strategies tackle the interconnected issues a community faces in tandem, taking advantage of the synergy achieved by addressing multiple issues at once. Place-based strategies involve multiple stakeholders—residents,

businesses, non-profits, local government, and others—who are involved in creating lasting change for their neighborhood. The challenges neighborhoods face are often interconnected and require interconnected solutions with stakeholders working across sectors to solve them.

LISC Atlanta will support long-term, place-based community development work in Atlanta's Sweet Auburn neighborhood and in Clayton County. LISC Atlanta will deploy its wealth building, community health, and ecosystem building strategies to advance each community's community development goals.

Atlanta's historic Sweet Auburn neighborhood

Home to the Martin Luther King, Jr. Historic Site and formerly home to the country's largest concentration of Black-owned businesses, the Sweet Auburn neighborhood holds historic significance. Sweet Auburn has experienced disinvestment for decades. Residents and legacy businesses are at risk of displacement driven by development occurring in neighboring areas.

LISC is deeply invested in strengthening the Sweet Auburn neighborhood, having made investments to in several local partners:

- The Atlanta Center for Self-Sufficiency is a Financial Opportunity Center bringing career and financial coaching to residents.
- Project Community Connection Inc. received a grant to cover the pre-development costs for Thrive Sweet Auburn, a mixed-used affordable housing and commercial development.

- The Guild received a grant to support an accelerator program for small businesses.
- Wheat Street Baptist Church will receive a loan to convert the American Legion and Christian Education Buildings to commercial space.

As mentioned above, place-based work is all about partners working together to solve the interconnected issues facing neighborhoods. To this end, LISC is supporting the Historic District Development Corporation's (HDDC) landscape analysis, which will develop the framework for the Sweet Auburn Green and Equitable (SAGE) District. The SAGE District will be a membership group comprised of small businesses, non-profits, and community based organizations located in the Sweet Auburn neighborhood. SAGE members will coordinate and guide equitable community development efforts in Sweet Auburn.

Clayton County

Clayton County anchors the Southside. It is the home to one of the world's busiest airports, Clayton State University, and one of the largest public school systems in Georgia. However, like much of the Southside, Clayton County is often overlooked for investment by community development funders and partners.

The COVID-19 pandemic has exacerbated economic inequality, disproportionately affecting communities of color. This trend holds in metro-Atlanta. In Clayton County—a majority Black county—30% of residents lost their jobs, 20% cannot handle a \$400 emergency, and almost 40% feel that the pandemic was a threat to their health and finances according to a recent Atlanta Regional Commission survey.³⁰

Given the impact of COVID-19 on residents and the historic disinvestment in the county, LISC intends to deploy its wealth building, community health, and ecosystem building strategies in Clayton County, with the guidance of local partners.

To start, LISC will conduct a participatory planning process that engages residents, business owners, and institutional stakeholders in identifying neighborhoods and/or commercial corridors in need for investment and priorities for neighborhood improvement. This planning process will drive LISC's work in Clayton County.

The challenges neighborhoods face are often interconnected and require interconnected solutions with stakeholders working across sectors to solve them.



PHOTO BY STEPHANIE BROWN

Conclusion

What's Next?

We at LISC Atlanta recognize that this is a bold plan, filled with big ideas to solve a deeply entrenched problem: the racial wealth gap. And we know we won't end racially driven poverty any time soon. But we feel deeply that this is what Atlanta needs from us. This is why LISC has come here—to make a difference. To make things better in our city.

Because, while LISC itself is a national company, the “L” in LISC stands for local. The people who make up LISC Atlanta live here, work here, are raising families and building communities here. We are invested in lifting up the disinvested parts of our city, our home. And we see it as our mission to

make it a place where residents of color can be as prosperous, as healthy, as housed, as wealthy, as the white population.

We are optimistic and energized by our guiding principle of closing the racial wealth gap in Atlanta. We think this plan, while bold and wide-ranging, is also thoughtful, guided by both research backed data and our own investigative process of surveys, focus groups and interviews with community partners who have already been doing this work in Atlanta. We're ready to make a difference, and we believe this plan is the way to do it.

However, we can't do it without help.

How to Work With Us

We are always looking for partners! We recognize that we can't do everything in this plan ourselves, and are actively looking for organizations who can help us achieve our goals outlined above.

But we are also always looking for partners to support our work. Foundations, corporations, financial institutions, individuals and government entities are all sources of support for LISC Atlanta's work. LISC as a company has a 40-year record of

accomplishment as a good steward of public and private dollars. We hold GuideStar's Platinum Seal of Transparency, its highest available metric, by voluntarily sharing the measures of progress and results used to pursue our mission, and overall, every dollar we invest attracts another \$3 in private capital, amplifying the impact of your contribution.

Please contact Dale Royal, Executive Director, for more information on how to support our work.

Appendix A: The Planning Process

Phase 1: Data Analysis

Neighborhood Nexus analyzed data to identify community development challenges (housing, economic development, education/workforce development, health and safety) in Fulton, DeKalb, Clayton, Douglas, Henry, Cobb and Gwinnett Counties.

Phase 2: Environmental Scan

Corporate FACTS surveyed and interviewed key stakeholders and facilitated focus groups. The focus groups included advisors, partners, and subject matter experts focused on the following topics: 1) Economic Development in the Southside; 2) Equity in Community Development; 3) Affordable Housing; 4) Innovation in Community Development; 5) Community Development Lending; and 6) Community Development Corporations. Please see Appendix B for the list of key stakeholders who participated in the focus groups and interviews.

Phase 3: Establishing Broad Goals & Direction

Corporate FACTS facilitated LISC Atlanta Local Advisory Committee and staff planning sessions to build consensus on LISC Atlanta's priorities, definition of success, and value proposition.

Phase 4: Theory of Change

Corporate FACTS guided the LISC Atlanta team on its Theory of Change, identifying LISC's long-term goal and the strategies required for achieving it based on the qualitative and quantitative data collected in the previous phases.

Phase 5: Implementation Plans and Budgets

LISC Atlanta's strategic plan, while ambitious, is grounded in reality. We have identified the steps we need to take and the funds we need to raise to meet the goals outlined in this document.

Phase 6: The Final Plan

Appendix B: Acknowledgements

LISC sincerely appreciates the valuable contributions of each individual who generously gave their time, insights, and expertise to the development of this Strategic Plan.

Thank you to the partners and advisors who participated in interviews and focus groups. The strategies listed in this plan reflect the rich conversations had and candid feedback received during these sessions.

Thank you to the LISC Atlanta Local Advisory Committee for your steady guidance of this planning process and of the LISC Atlanta office during its critical early years.

Thank you to the LISC Atlanta team for producing this Strategic Plan, notably Patricia Luna and Amit Khanduri for writing this plan and Amit Khanduri for leading the strategic planning process.

Finally, thank you to the Corporate FACTS team for your advice and guidance of the strategic planning process, to Neighborhood Nexus for data analysis, and to the Community Foundation of Greater Atlanta and the Georgia Center for Nonprofits for providing funding to support this strategic planning process.

Focus group participants

Southside Economic Development

Nicole Dozier | City of Riverdale Community Dev.
Ben Harris | Metro Atlanta Chamber of Commerce
Robert Herrig | Aerotropolis Atlanta
Shannon James | Aerotropolis Atlanta
Kalanos Johnson | City of Fairburn Economic Dev.
Nathan Regan | Invest Atlanta
Maceo Rogers | City of East Point Economic Dev.
Steve Smith | Pendleton Group
Ellis Still | City of Union City Economic Development
Larry Vincent | Clayton County Development Authority

Community Development Corporations

Leonard Adams | Quest Community Development Corp.
Katie Delp | Focused Community Strategies
Chenee Joseph | Historic District Development Corp.
Janis Ware | Summech
Tarnace Watkins | Grove Park Foundation

Anchor Institutions

Madelyn Adams | Kaiser Permanente
Alan Anderson | Emory University
Christopher Burke | Georgia Tech
Todd Greene | Formerly at the Atlanta University Center
Kathryn Lawler | Atlanta Regional Collaborative for Health Improvement
Chase Moore | Clayton State University
Julia Ryan | LISC Health
Shannon Sale | Grady Hospital
Stephen Vault | WellStar Health System
Shara Wesley | WellStar Health System

Innovation in Community Development

Avery Ebron | The Guild
Pavan Iyer | EightVillage
Jay Jackson | RYSE Creative Village
EJ Lee | Good Places Properties
Donte Miller | Village MicroFund
Cherie Ong | Good Places Properties

Equity in Community Development

Alex Camardelle | Joint Center for Political and Economic Studies
Sandra Font | Access to Capital for Entrepreneurs Women's Center
Sterling Johnson | Partnership for Southern Equity
Rohit Malhotra | Center for Civic Innovation
Gigi Pedraza | Latino Community Fund
Latresa McLawhorn Ryan | Atlanta Wealth Building Initiative

Affordable Housing

James Alexander | Mercy Housing
Lillyanne Alexander | LISC
Wesley Brooks | Habitat for Humanity
Alan Ferguson | Invest Atlanta
Ashani O'Mard | Atlanta Affordable Housing Fund
Bithia Ratnasamy | City of Atlanta
Amanda Rhein | Atlanta Land Trust
Margaret Schuelke | Project Community Connections, Inc.
Callie Seltzer | LISC Housing
Meaghan Shannon-Vlkovic | Enterprise

Community Development Lending

Tim Griffis | Access to Capital for Entrepreneurs

Meaghan Shannon-Vlkovic | Enterprise

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Emily Chen | National Equity Fund

Ann Cramer | Coxe Curry & Associates

David Edwards | Formerly at Purpose Built Communities

Grace Fricks | Access to Capital for Entrepreneurs

Steve Hall | LISC Economic Development

Courtney Smith | PNC Bank

Christina Szczepanski | Reinvestment Fund

Elizabeth Wilson | Georgia Micro Enterprise Network

John Helton | Atlanta CareerRise

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Natalie Keiser | Annie E. Casey Foundation

Terri Lee | Atlanta Housing

Trish O'Connell | Atlanta Housing

Tene Traylor | Kendeda Fund

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John Helton | Atlanta CareerRise

Patricia Horton | Perfecting Performance

Shannon James | Aerotropolis

Sara Kirsch | Urban Land Institute

Amy Lancaster-King | WorkSource Atlanta

Kathryn Lawler | Atlanta Regional Collaborative for Health Improvement

Sig Mosley | Mosley Ventures

Amy Phuong | Atlanta Hawks

Erika Smith | Microsoft

Adrienne White | Atlantic Capital Bank

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