



Improving Racial Wealth, Health and
Economic Equity Outcomes through
Comprehensive Community Development
in Greater Richmond
LISC Virginia Strategic Plan 2021-2025

COMPREHENSIVE APPROACH

LISC Virginia is forging ahead in 2021 with urgency and momentum to address regional racial disparities in homeownership, household wealth, and health outcomes, further exacerbated by the pandemic.

Together with partners, LISC Virginia plans to aggregate capital and pursue integrated strategies to catalyze comprehensive community and economic development in the Greater Richmond Region.



LISC Virginia will invest \$50 million to improve racial wealth, health and economic equity outcomes over the next five years.

Introduction

LISC Virginia is committed to addressing racial disparities in homeownership, household wealth, and health outcomes in the Richmond Region. We will convene partners, aggregate capital, and pursue proven and promising strategies, acknowledging that the moment offers a greater opportunity than ever before to catalyze comprehensive community and economic development, for several key reasons:

Demonstrated need. We are seeing increasing racial disparities in the Richmond Region with respect to homeownership, household wealth, and health outcomes, which are further exacerbated by the COVID-19 pandemic.

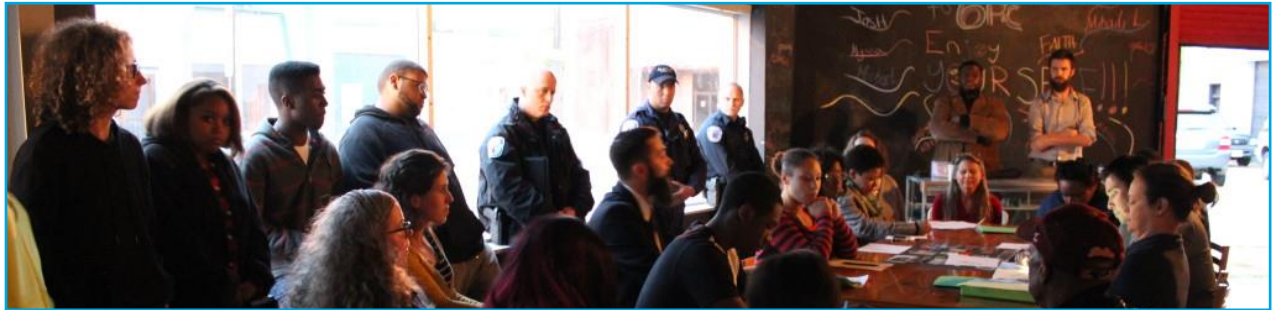
Community Development Ecosystem Capacity. With an increase in government funding, we can utilize our best practices as a convener and reliable partner in the community development field to build the capacity of local organizations.

Momentum. Public, private, nonprofit, and community stakeholders are actively seeking ways to make meaningful impact to support Black and Brown families. With our comprehensive approach to community development, local focus in the Richmond Region and access to national resources we can channel our partners’ inspiration to act into collaboration to improve the quality of life in communities that have been marginalized and underinvested.



LISC Virginia's Strategic Priorities

Aligned with the LISC national model and objectives and driven by stakeholders and data analysis, LISC Virginia developed a theory of change. LISC Virginia will aggregate capital from public and private resources and work collaboratively with local partners to invest in comprehensive community development. We are accelerating five integrated strategies to improve racial wealth, health and equity outcomes.



- 1. Catalyze comprehensive community and economic development.** LISC Virginia will equitably invest \$50 million in the Greater Richmond Region through equity & partner investments, lending, and grants; and convene cross-sector stakeholders to co-invest in activities that advance racial equity, and aggregate capital to finance affordable housing, home repair and economic development.
- 2. Support implementation of the Richmond Equitable Affordable Housing Partnership to address the region's demand for affordable housing.** LISC Virginia will invest in 500 Units of affordable housing including homeownership, home repair and multi-family housing.
- 3. Support small business and revitalize commercial corridors.** LISC Virginia will invest \$2 million in grants, loans and technical assistance to small businesses and developers focused on creating equitable economic opportunities, building wealth, and strengthening commercial corridors in low- to moderate-income areas.
- 4. Build financial health and generate enduring wealth, especially for BIPOC families.** LISC Virginia will advance programs that increase wealth and financial stability for 1,500 individuals and families to improve economic opportunity and parity in Greater Richmond. The team will strengthen and grow the existing FOC network and enhance FOC services and connectivity to employers with career pathways.
- 5. Support and build capacity of community development ecosystem partners.** LISC Virginia will invest \$1 million over four years to provide Community Development Corporations and Community-Based Organizations with technical assistance, capacity building and operating support.

LISC Virginia's Presence in the Greater Richmond Region



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.

Resilience, inclusion and opportunity will serve as central principles to LISC's equitable recovery and rebuilding agenda and our vision for the United States to achieve sustainable economic prosperity and maintain global competitiveness over the long term. Over the next five years, the economy could see a significant boost if we can collectively address key areas of racial inequity affecting our communities, and specifically BIPOC (Black, Indigenous, and People of Color) families.

LISC Virginia leverages the data, organizational, and financial resources of our national network to catalyze investment in local community and economic development. Working to align with government, philanthropy, corporate supporters and impact investment thought leaders, we seek to aggregate capital to make strategic local investments. We have worked to advance new opportunities with local government to pursue creative ways to assist small businesses and drive economic development throughout and coming out of the pandemic. We are also exploring ways in which LISC Virginia can play an impactful role in addressing the region's affordable housing crisis, while at the same time promoting family wealth building through homeownership and small business support.

Values that guide us

1. **Racial Equity:** Racial and economic equity are integral to the future of American prosperity and to ensuring sustainable economic growth
2. **Community:** Community leaders, organizations and local assets are the most important catalysts of opportunity
3. **Collaboration:** Partnership, trust and collective impact provide the infrastructure to positively affect the advancement of all people and places
4. **Innovation:** Entrepreneurs and innovators reside in every community in our country
5. **Learning:** Teamwork and mutual support are integral to our quest for excellence

Long-Term Focus for LISC Virginia’s Comprehensive Approach

Partnering to leverage resources and pursue impactful community and economic development

Partnerships enable LISC Virginia to leverage the combined strengths and core competencies of community development practitioners. These collaborations are key to ensuring the sustained impact of investments to help distressed neighborhoods become thriving communities.

We utilized a stakeholder-driven approach in combination with regional and demographic data analysis to develop our strategic plan. In the process of consulting with key stakeholders, we strengthened existing relationships and identified system gaps. LISC Virginia stakeholders provided input through a survey, one-on-one interviews, focus groups, and strategic planning subcommittees to offer insight into the site’s strengths, challenges, opportunities, and priorities. One recurrent theme has been the need for effective partnerships to support coordination and collaboration across the community and economic development landscape, including both legacy and novel funders, due to the severity and extent of increasing racial disparities.

Black homeownership rates are higher in Virginia than they are in many parts of the country – 48% in VA, compared to 42% nationally, but substantially lower than homeownership rates of White counterparts. Overall homeownership rates have declined since 2000, and the decline has been steeper among Black households. Federal Reserve data shows that median wealth of Black households is one tenth the median wealth of White households, largely due to lower homeownership rates among Black families. These trends suggests that without concerted intervention to reverse these trends, the wealth gap will only continue to widen.

The enduring and complex nature of homeownership and other related systemic challenges we face require a coordinated, comprehensive approach that advances racial and economic equity and social justice. In examining the nature of racial disparities in housing and economic opportunities in Richmond, we aim to collaborate across the city and region to invest in families and communities that have been trapped in a cycle of poverty due to decades of racial discrimination in housing choice and housing finance. Rooted in racism, many of our systems have perpetuated poverty across generations, preventing them from building wealth through homeownership. Further motivating is the more recent assessment that in neighborhoods for which home loans were historically inaccessible, and where Black residents lived correlates closely to a community’s capacity to prepare for, respond to, and recover from human and natural disasters. In addition to addressing disparities in income, wealth, and housing, we intend for our approach to community development, guided by racial equity and social justice, to improve community health.

LISC Virginia’s Theory of Change

LISC Virginia is pursuing five integrated, actionable strategies to improve racial and economic equity and health outcomes: coordinate a fund, invest in new construction and repair of affordable housing, connect small business owners with access to capital and technical assistance, advance programs to increase wealth and financial stability for families, and invest in strengthening the capacity of local community development and community-based organizations. Our staff will track progress toward short term goals through qualitative measurements and quantitative metrics.

1. LISC Virginia will equitably invest \$50 million in the Greater Richmond Region.

- \$15 million in equity and partner investments
- \$30 million in lending activities
- \$5 million in grants

LISC Virginia will pursue key strategies and short-term goals to develop and leverage resources to catalyze comprehensive community and economic development.

Strategies to grow partnerships	Tracking impact
◆ Identify and secure multi-year funding commitments from government, philanthropic and private sector capital combined with LISC National resources to finance comprehensive community and economic development programs and initiatives	<ul style="list-style-type: none"> • Obtain \$1 million in City of Richmond program funding • Obtain \$3 million in commitments per year for three years in grants and capital to support programmatic work • Secure one multi-year funding commitment
◆ Convene key stakeholder partners to co-invest in activities designed to advance racial, health, wealth, and opportunity equity	<ul style="list-style-type: none"> • Leverage resources to catalyze \$50 million of new investment in low- to moderate-income communities • Secure one funded project for the Black Economic Development Fund • Leverage LISC National programs and affiliate organizations to attract investment in the Richmond Region

2. LISC Virginia will catalyze investment in 500 Units of affordable housing including homeownership, home repair and multi-family housing.

Strategies to invest in housing	Tracking impact
<ul style="list-style-type: none"> ◆ Support the City of Richmond in the implementation of its Equitable Affordable Housing Plan 	<ul style="list-style-type: none"> • Formalize a partnership with the City of Richmond to provide fund management and program administration • Create and administer a healthy home repair program that provides loans for 50 homeowners in an agreed-upon low- to moderate-income neighborhood • Deploy \$1 million in grants to build capacity of CDC partners
<ul style="list-style-type: none"> ◆ Design and implement a healthy home repair and homeownership program 	<ul style="list-style-type: none"> • Provide 50 affordable homeownership opportunities within the 500 units financed • Repair/rehabilitate 50 single-family homes
<ul style="list-style-type: none"> ◆ Invest in key affordable housing projects throughout the region through flexible debt and LIHTC investment 	<ul style="list-style-type: none"> • Secure \$5 million in loans for affordable housing-related projects • Finance 500 units of affordable housing
<ul style="list-style-type: none"> ◆ Increase the production and preservation of affordable units based on the results of the affordable housing study led by the Department of Community Housing & Community Development and Virginia Housing 	<ul style="list-style-type: none"> • Attract one new NEF investment in a LIHTC project in the region • Track the number of LIHTC units supported by NEF • Record the amount of equity provided from LISC affiliates to affordable housing projects • Total the amount of capital deployed to affordable housing projects

3. LISC Virginia will invest \$2 million in grants, loans and technical assistance to small business owners and developers focused on creating equitable economic opportunities, building wealth, and strengthening commercial corridors in low- to moderate-income areas.

Strategies to support economic development	Tracking impact
<ul style="list-style-type: none"> ◆ Provide capital coupled with technical assistance to foster small business growth and job creation. ◆ Build a functional ecosystem to support BIPOC-owned businesses. 	<ul style="list-style-type: none"> • Request and analyze evaluations from businesses, BDOs, and communities served • Track the number of businesses assisted
<ul style="list-style-type: none"> ◆ Create innovative financial products to help small businesses become more resilient and sustainable. 	<ul style="list-style-type: none"> • Quantify the number and total amount of small business loans
<ul style="list-style-type: none"> ◆ Continue to provide small business grants and loans to small and micro-businesses hardest hit by the pandemic in key commercial corridors. 	<ul style="list-style-type: none"> • Track the number and total amount of Kiva projects financed • Report the value of investment catalyzed in investment within commercial corridors of focus
<ul style="list-style-type: none"> ◆ Provide predevelopment and construction financing for affordable housing and commercial and industrial development, prioritizing neighborhoods that leverage other LISC investments and programming. 	<ul style="list-style-type: none"> • Track the number of properties activated • Total the amount of square feet of commercial properties financed • Calculate the value of projects financed • Track the number of jobs retained or created

4. LISC Virginia will advance programs that increase wealth and financial stability for 1,500 individuals and families to improve economic opportunity and parity in Greater Richmond.

Strategies to advance wealth building via FOCs	Tracking impact
<ul style="list-style-type: none"> ◆ Share resources and collaborate on job placement and employer relationships. 	<ul style="list-style-type: none"> • Implement initiatives to build a more engaged and connected FOC network (Host well-attended quarterly peer trainings, biannual planning sessions, financial capacity building trainings)
<ul style="list-style-type: none"> ◆ Expand to new markets, addressing special needs of immigrants and returning citizens. 	<ul style="list-style-type: none"> • Launch and fully integrate 3 new FOCs into the FOC network
<ul style="list-style-type: none"> ◆ Implement a Bridges to Career Opportunities demonstration program. ◆ Increase progressive job placements and advancement toward livable wage jobs. 	<ul style="list-style-type: none"> • Create a pipeline of 8-10 local employers with the goal of establishing a Bridges to Career Opportunities program in 2022 • Establish 1 local employer/workforce development partner
<ul style="list-style-type: none"> ◆ Grow partnerships with HOME, Banks, and Community Action Agencies. 	<ul style="list-style-type: none"> • Cultivate 4-6 community partnerships to better connect FOC and LISC Virginia to the needs of the community • Establish 2-3 banking relationships that can be a resource for FOC clients • Increase the number of unbanked FOC clients by 20% coaches referred to banking relationships
<ul style="list-style-type: none"> ◆ Align wealth building with homeownership, home repair, small business initiatives. ◆ Expand digital inclusion work. 	<ul style="list-style-type: none"> • 10% YOY increase over the next five years in the number of low- and moderate-income people engaged in more than one service • Implement 1 new FOC additive programming component annually
<ul style="list-style-type: none"> ◆ Strengthening the long-term financial stability of FOCs. 	<ul style="list-style-type: none"> • Secure 12-15 new relationships to fund LISC Virginia's direct work to expand and launch new FOCs • Develop 3 new funding relationships to specifically support FOCs

5. LISC Virginia will invest \$1 million over four years to provide Community Development Corporations and Community-Based Organizations with:



Technical Assistance

Make investments to increase the capacity of CDC partners and CBOs to deliver quality, community development services.



Capacity Building

Increase the capacity of CDCs and mission-minded developers to build and preserve affordable housing and pursue economic development investment strategies.



Operating Support

Provide operating support to non-profit partners as well as access to low-cost, patient capital to finance real estate development.



Financing the Plan

We gratefully acknowledge the sustained support of key private sector, local, state, and national funders and anticipate expanded support from prospective partners. The resources we will leverage to implement our strategic plan include:

Local, State and Federal Funding

- CDBG funding from local governments, as well as HUD Section 4 Capacity Building Grants
- American Rescue Plan, via local government general fund
- State Funding from the Virginia Department of Housing and Community Development, Loan Programs, and the American Rescue Plan
- Virginia CDFI Fund



Private and Philanthropic Support

- The Cameron Foundation, The Community Foundation
- Capital One, Woodforest National Bank, Wells Fargo, Altria, Truist, Bank of America
- Bon Secours, Sentara and new relationships in the health care and health-related industries
- High net worth individuals, and impact investors

National LISC Resources, Affiliates and Support

- Black Economic Development Fund, Project 10X
- NMSC, NEF Equity
- LISC Loan Capital, the Capital Magnet Fund, and national private funders





Moving Forward

We invite your partnership and conversation to pursue our shared vision of a racially just and equitable Richmond Region. We are actively seeking partners as we pursue strategic activities to expand affordable housing and economic opportunities, deliver community programs to build wealth, and build the capacity of our partners within the community development ecosystem.

Reach out to learn more about how we can align on investments in our community fund, provide resources to support improvements to the affordable housing service delivery system, and work in concert to improve racial wealth, health, and economic equity outcomes in Greater Richmond.

Contact

Jane Ferrara, Executive Director

jferrara@lisc.org

Appendix: Summary of Strategic Planning Process

We are grateful to our Local Advisory Committee (LAC) for their leadership throughout the development of our strategic plan and to our funders, partners, and community voices for engaging in our survey and focus groups. Through desktop research and data analysis, a partner and stakeholder survey, interviews, focus groups, and internal strategic conversations with the LAC, we identified priorities and opportunities to focus LISC Virginia's work over the next 5 years.

Local Advisory Committee

Based on LISC's national strategic priorities and the regional context, the LAC formed subcommittees to develop and refine Virginia LISC's broad goals and strategies in four areas: Affordable Housing, Strategic Partnerships, Economic Development, and Wealth Building. In addition, focus groups were held to assess challenges and opportunities related to current programming and possibilities for expansion. The virtual sessions provided further depth and specificity regarding the opportunities and challenges identified in the stakeholder and partner survey analysis. The sessions shaped a Theory of Change for each strategic area that lays out high-level actions to achieve desired outcomes.

LAC Members advising on strategic priorities

- ◆ J. Conrad Garcia, Chair, *Williams Mullen, Partner*
- ◆ Rosalyn R. Dance, *Former Virginia State Senator*
- ◆ Susan Dewey, *Virginia Housing, Chief Executive Officer*
- ◆ Chad Eisele, *Capital One, Senior Vice President and Chief Financial Officer for U.S. Branded and Partnership Card*
- ◆ Lynden Garland, *AIA, Baskerville, Studio Director*
- ◆ Jeff Hedrick, *Arbor Pro of VA*
- ◆ Will Homiller, *Troutman Pepper, Partner*
- ◆ Chandra Hurst, *Wells Fargo, Vice President, Community Relations Consultant*
- ◆ Mark Johnson, *Truist, Vice President & Community Development Manager*
- ◆ Sunday (Waahida) Jones, *Capital One, Senior Project Manager*
- ◆ Laura Lafayette, *Richmond Association of REALTORS (R), Chief Executive Officer*
- ◆ Corey Lane, *Elevation, Senior Account Manager*
- ◆ Michael Lomax, *Woodforest National Bank, Senior Vice President and Multi-State Divisional Manager*
- ◆ Mike Mulvihill, *Carter Ryley Thomas, President*
- ◆ Cassandra Naville, *Bank of America Merrill Lynch, Senior Vice President, Senior Relationship Manager*
- ◆ Ned Turnbull, *Williams Mullen, Partner*

Focus Group Participants from Partner Organizations

Wealth Building

Breanne Armbrust, Executive Director of the Neighborhood Resource Center

Mary-Winston Deacon, Director of Economic Opportunity, Humankind

Dianna Bowser, President/CEO, Southside Community Development & Housing Corporation

Juanita Epps, Chief Executive Officer, Pathways-VA

Economic Development

Keith Boswell, President and CEO, Virginia's Gateway Region Economic Development Organization

Anthony Romanello, Executive Director, Henrico Economic Development Authority

Floyd Miller, President and CEO, Metropolitan Business League

Leonard Sledge, Director, Department of Economic Development, City of Richmond, Virginia

Executive Interviews

Focused conversations informed the development of the strategic goals and priorities. Providing insight into regional context and possibilities for collaboration LISC's advisors during the strategic planning process included:

Orlando Artze, former LISC staffer and affordable housing developer who has also led the Board of the Virginia Housing Coalition and served as interim CEO of the Richmond Redevelopment and Housing Authority

Sharon Ebert, Deputy Chief Administrative Officer for Economic and Community Development, City of Richmond

Greta Harris, former LISC Staffer, President & CEO, Better Housing Coalition

Laura Lafayette, LAC Member, CEO, Richmond Association of Realtors, and Executive Director, Partnership for Housing Affordability

Denise Scott, Executive Vice President for Programs, LISC

Julia Seward, former LISC Staffer and Richmond local consultant



Partner and Stakeholder Survey

As LISC Virginia developed its next strategic plan, the team requested input via a survey instrument to inform and shape their strategic priorities. Together with Corporate F.A.C.T.S., strategic planning consultants, they conducted the survey and analyzed results. Stakeholder respondents provided feedback to:

- Evaluate LISC Virginia's programs and financial products;
- Assess local community development needs and challenges;
- Examine partnership opportunities for LISC Virginia; and
- Inform LISC Virginia's strategic focus and priorities.

Over 130 stakeholders gave input, representing nonprofit partners (38%), government agencies (15%), our Local Advisory Committee and staff (14%), and small businesses (10%), as well as community advocates, real estate developers, foundations, corporations, and individual donors.

Partners responding to the survey painted a picture of LISC Virginia's competitive advantage as a convener able to deploy effective resources to promote community development. They identified opportunities for LISC Virginia to collaborate and lead for impactful and lasting improvements to racial, economic and health equity and social justice in the Richmond Region.

Partner and Stakeholder Survey Highlights	
Strengths	Weaknesses
<ul style="list-style-type: none"> • Offering competitive grants and lending products • Facilitating collaboration • Expanding investment in housing and other real estate • Improving neighborhood conditions • Increasing family income and wealth 	<ul style="list-style-type: none"> • Visibility • Communications
Opportunities	Threats
<ul style="list-style-type: none"> • Prioritize advocacy that promotes racial equity • Pursue funding from financial institutions • Pursue a comprehensive housing strategy that includes preservation • Grow LISC Virginia's visibility • Facilitate collaboration across sectors and initiatives • Design lending and investment programs to support BIPOC individuals and businesses and wealth over the long term • Improve and expand available technical assistance for real estate developers and CDCs • Increase knowledge and expertise in equity and inclusion practices and policies 	<ul style="list-style-type: none"> • Racial inequity and income inequality • Limited resources (capital and capacity) • Lack of collaboration and communication among community development organizations • Loss of existing affordable housing