PRO NEIGHBORHOODS OVERVIEW

OFN Webinar

March 13, 2018
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Executive Summary

- Research shows that neighborhood conditions impact socioeconomic outcomes of individuals, resulting in sustained income and wealth disparities across geographies.

- **Partnerships for Raising Opportunity in Neighborhoods (PRO Neighborhoods)** is a $125MM, five-year commitment to address neighborhood quality issues that are among the biggest drivers of income and wealth inequality. By providing communities with the tools and capital required to scale cross-sector solutions, PRO Neighborhoods is advancing inclusive economic growth in the communities that need it the most.

Communities face different challenges, which is why PRO Neighborhoods is flexible to allow local leaders to tailor solutions that are responsive to their local context and needs.

PRO Neighborhoods supports CDFIs and housing innovators that can leverage our capital and expertise to drive greater investment and advance equitable growth in low- to -moderate income (LMI) neighborhoods through:

- **Annual CDFI Collaborative competition and peer learning program** for CDFIs that address complex community challenges by aligning talent, technology and balance sheets.

- **Pilot and test market-oriented affordable housing models** that sustainably develop and preserve rental units that connect low- and moderate-income families to drivers of economic opportunity, such as transportation, good schools, and quality jobs.

- **Research and Data** that informs local planning and investment decision-making, with a focus on enhancing equitable development through forward looking data, evidence-based research and tailored peer learning.

PRO Neighborhoods CDFI Collaborative competition has become an innovation pipeline that sources highly scalable approaches.
The PRO Neighborhoods CDFI Collaborative annual competition encourages CDFIs to work together in CDFI Collaboratives to create solutions to tackle the biggest barriers to opportunity in their communities and develop innovative financing options for projects in distressed neighborhoods that are unable to qualify for traditional loans.

PRO Neighborhoods has hosted four competitions to date — committing $84 million to 21 collaboratives, representing more than 60 CDFIs — to tackle barriers to opportunity and to identify sustainable solutions to challenges facing communities. We recently published a new report by our partners at Harvard that highlights the success and impact of our PRO collaboration model to improve CDFI programs, revitalize communities and enhance the local community investment ecosystem.

A 2017 impact assessment by the Joint Center for Housing Studies of Harvard University found that as of December 2016, the 42 winners of our first two competitions have issued a wide range of loans totaling more than $320 million – many of which were small loans to consumers who often either completely lack access to loans or have access only to costly loan products. The awardees also helped create or preserve nearly 2,700 units of affordable housing and supported more than 6,800 jobs. Our $48 million investment in the first two years has leveraged an additional $549 million in outside capital. 2016: $20MM for 6 collaboratives focused on inclusive neighborhoods.

Based on these experiences, we have found that the highest impact programs are tied to a larger equitable development plan and often driven by a catalytic event in the community. Examples of different projects in our portfolio:

- Tied to an existing community development plan. Ex: Neighborhood Retail - Chicago Collaborative & Equitable Development at the 11th Street Bridge Park (DC)
- Helped an existing community development plan be more specific. Ex: Detroit Strategic Neighborhood Initiative
- Created a new community development plan where capital is connected to an intentional equitable development plan: Ex: Adelante Phoenix!
PRO Neighborhoods CDFI Collaborative Annual Competition 2018

The JPMorgan Chase Foundation is issuing a fifth Request for Proposals (RFP) from CDFIs that share our commitment to promoting inclusive growth through collaboration. Winners will be announced in October 2018. This year’s RFP will focus on supporting more holistic strategies in which capital plays a key role in connecting vulnerable communities to the opportunities they need to thrive specifically:

1. ‘Planning for Equitable Development Grants’ aka ‘planning grants’ for local multidisciplinary leaders to identify the greatest needs facing their communities and develop capital plans to advance equitable development in distressed neighborhoods. Successful applicants will be eligible for a one-year grant of up to $100,000.

2. ‘Collaborative Capital for Equitable Development’ aka ‘capital grants’ for communities that already have an equitable development plan to address a documented challenge within their service area(s). Successful applicants will be eligible for a three-year grant of up to $5 million.

Additional Updates

- RFP process improvements: To improve applicants’ experience and strengthen transparency and efficiency in the selection process
- Peer learning and capacity building: We will host 3 regional events with past winners and community partners, webinars featuring case studies, and a newsletter to share best practices
- Thought leadership: Tracking performance and sharing effective strategies with other communities through thematic reports by Harvard and events with community leaders and policymakers
PRO Neighborhoods Annual Competition 2018

Similar to last year, this year’s RFP will encourage applicants to be specific about the neighborhoods and populations they are serving, support the growth of diverse led CDFIs, aim to build the balance sheet of CDFIs with net assets of less than $75 million, and continue to support innovative strategies by local CDFIs that combine balance sheets, talent and technology to advance economic opportunity in distressed neighborhoods.

While applications are encouraged from the full list of eligible markets, we are particularly interested in solutions in:

1) Atlanta, GA
2) Broward County, FL
3) Central Valley/Fresno, CA
4) Dallas, TX
5) Denver, CO
6) Houston, TX
7) Las Vegas, NV
8) Newark, NJ
9) New Orleans, LA
10) Wilmington, DE
While there are many definitions for equitable development, we will be looking for plans that consider the following principles:

- Create a transparent, data-driven approach to fostering inclusive neighborhoods and local economies; reducing racial, ethnic, and income segregation; and directly addressing local disparities and barriers to opportunity.
- Maximize resident organization and participation in the development planning process.
- Actively prevent and work against displacement of low-income individuals and small businesses.
- Improve and continuously measure outcomes critical to an individual and community’s ability to progress socially and economically, including in the areas of health, education, employment, safety, and financial security.
- Plan for the needs of the neighborhood/city/region’s most vulnerable residents, such as the elderly, single parents, very low-income, people of color, entrepreneurs of color, people with disabilities, returning citizens, women and/or non-English speakers.
- Respect local culture, history and diversity throughout process.
- Connect to other planning efforts, such as housing and economic development, to improve coordination of resources and reduce duplication. Meaningfully engage multiple stakeholders in the community including: government leaders, business and community leaders, and residents in the development of the plan.
- Responds to changes that occur in the local community and evolves over time ensuring goals are met.
- Ensure that the execution and delivery of the solution’s intended impact builds local capacity and has longevity that can be sustained over time.

*Some existing resources and case studies are linked in the RFP FAQs*
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Principles of Equitable Neighborhood Development

- Ensure that public policy and public investment advance a public interest
- Ensure transparency and public accountability in decision making
- Advance economic security and mobility for low- and moderate-income households
- Be data-driven
- Balance community knowledge and technical expertise
Principles of Equitable Neighborhood Development

- Ensure public participation that addresses disparities in access for different populations
- Respect local history and culture and address legacies of racial/ethnic inequality
- Promote resiliency in the built environment and for vulnerable populations
- Connect to broader planning efforts
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11th Street Bridge Park
Equitable Development Area
A Community Driven Process

- Learn From the Field
- Data Informed Decisions
- Get the Right People at the Table
- Build Community *Trust*
- What can you impact / influence?
- Map Existing Community Assets
- Build Early Wins