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Greater St. Louis CDFI Coalition –

Report on Findings from Best Practices Research

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Executive Summary

This report summarizes the findings of a study of CDFI coalitions and networks in Eastern Kentucky, Detroit, Memphis, and South Carolina for the purpose of advising the Greater St. Louis CDFI Coalition as they seek formalize their structure and begin work on collaborative goals. The report also includes insight from local collaborative groups: St. Louis Graduates, Community Builders Network, East Side Aligned, and the St. Louis Social Innovation District. It also includes resources specific to CDFIs provided by Opportunity Finance Network and Aeris Insight.

Thematic Insights

From the research and analysis, eight themes emerged:

- *Trust and relationship building.* This has been most critical for working together and has been the most common benefit resulting from collaboration.
- *Internal ownership*. For a coalition to start making progress on goals, it has been important to shift away from dependence on an external convener to leadership by the CDFI members.
- *Administrative staff.* Having a third-party staff member dedicated to administrative tasks has been pivotal for the coalitions – it allows them to focus on the work at hand while creating consistency, framing, and in some cases, creation of marketing materials.
- *Stay lean*. Complexity in structure is often unnecessary, while simplicity eases the burden of work needed to operate as a coalition. Coalitions have grown infrastructure as needed and focused on performing necessary tasks instead.
- *Ensure equity*. All coalitions interviewed shared some amount of diversity in member organizations. Given the range of voices in the room, the coalitions identified the importance of creating processes that ensure representation from divergent interests.
- *Collaborate strategically*. The greatest success has derived from work that yielded better results when working together than individually, rather than collaborating simply for the sake of collaboration.
- *Commit to training and professional development*. Training has been important to each coalition in a combination of three ways – peer skills training, collective resources put toward professional development, or training of community members to better understand working with CDFIs.
- *"Buy-in" from organizational leaders is a must*. For the work of the coalition to be sustainable and effective it must have access to and the commitment of key stakeholders within individual organizations.

Local Insight

Findings from local collaborations echoed the themes from other coalitions. In addition, each local collaboration emphasized the importance of designing processes and activities to match the nature and level of objectives. Simpler levels of goal achievement require less complex levels of partnership. Larger scale and broader goals require deeper partnership to achieve. As partnership levels become deeper, coalition work necessarily becomes more closely integrated with organizational work, requiring some tradeoffs within an organization and depending on commitment from the outset to make the coalition work.

Goals and Challenges

In addition to conducting best practices research, the research team interviewed representatives from the Greater St. Louis CDFI Coalition member CDFIs to compile a list of major challenges faced by individual CDFIs and the goals they hope to achieve through collaboration. These goals and challenges group into four categories:

- Awareness: raising awareness about CDFIs and how community development organizations, policy makers, and traditional lenders can work better with CDFIs.
- Capital: improving access to low-cost capital and enabling wider and more strategic deployment of that capital.
- Capacity Building: meeting technical needs, providing assistance to CDFIs, developing metrics for monitoring and evaluation at both individual and collective levels.
- Policy: improving regulations that affect CDFI operations and CRA investment, as well as promoting positive policies for community development.

Recommendations

Recommendations for the Greater St. Louis CDFI Coalition fall into three categories: core principles, the role of the coalition in the St. Louis community development landscape, and next steps.

The CDFI coalition should adhere to the following core principles:

- Communication
- Inclusion
- Mission
- Internal and External Partnership
- CDFI Ownership
- Minimal Structure

The CDFI coalition should pursue key partnerships that are complementary and coordinated with, not duplicative of SLEHCRA, InvestSTL, CBN, and MSLCRA.

The CDFI coalition should take the following next steps to begin providing value to member CDFIs.

1. Define a decision-making process.
2. Establish a minimal organizational structure, including hiring an administrator.
3. Identify the objectives of the coalition based on a common mission, collective assets, and prioritized needs.
4. Define clear roles, responsibilities, and actions to achieve objectives

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I. Introduction

This report was developed to advise the Greater St. Louis Community Development Financial Institution (CDFI) Coalition in their formation of a comprehensive collaboration strategy. The Greater St. Louis Community Development Financial Institution (CDFI) Coalition is a joint project between Alliance Credit Union, Gateway CDFI (St. Louis Equity Fund), Great Rivers Community Capital (Justine Petersen), IFF, the International Institute of St. Louis CDC, and St. Louis Community Credit Union. To date, coalition members have engaged in differing degrees of informal resource and information sharing. Recognizing the shared goals and challenges facing CDFIs and the value of their work, the CDFI coalition seeks to engage in more substantive and intentional collaboration to more efficiently deliver products and services, reduce costs, acquire greater funding and expand its awareness and prominence in the community. The study design begins with a review of the literature on CDFIs with strategic focus on the goals, challenges and opportunities for CDFIs to deliver services and effectively engage in strategic partnerships and collaboration.

Literature Review

Himmelman, (1992) defines collaborative partnerships as "an alliance among people and organizations from multiple sectors working together to achieve a common purpose." For CDFIs, collaborative partnerships attempt to improve conditions and outcomes related to a dearth of affordable lending and financial services in low-income, low-wealth, and other economically suppressed communities. Many factors contribute to the increased need and subsequent expansion of community and regional level partnership across the U.S. Factors such as devolution, large-scale economic challenges evident in the housing crisis, and the great recession of 2008 have yielded increased demand and opportunities for CDFI coalitions to help low-income communities mitigate adverse social and economic challenges (Berkowitz & Wolff, 2000). In response to these concerns, the CDFI industry has endeavored to fill the gap and meet the financial services, wealth and asset development needs of the community. Nembhard's 2013 study of Community Development Credit Unions revealed that CDCUs administer "lower rates for their products, and provide higher interest or dividends when possible; both which enable members/customers to save money and build assets. CDCUs work closely with their members to personalize services, to help them avoid loans they cannot afford, and to educate them enough to make sound financial decisions and preserve their assets." Despite CDCUs providing various cost effective credit and banking products and services to underserved black communities, the ongoing tightening of regulations and CDFI funding constraints are perceived as major impediments to the growth, asset development, and service delivery of CDCUs.

Community-building coalitions have a range of qualities that enable multiple sectors to engage with each other and with local citizens to effect considerable change in the community. As an example Smith (2008) performed a mixed methods analysis of the inter-organizational connections and interactions between 138 CDFIs and philanthropic funders, federal, state, and local governments, community-based organizations, and citizens at a grassroots level. The analysis revealed CDFIs to be natural and valuable intermediaries between the aforementioned constituency groups. Smith's study encourages the belief in employment of a vertical and horizontal network strategy for CDFIs to effectively interface and serve with constituency groups and carry out mission when the goal is to collaborate inside and outside of sectors.

A 2011 report which resulted from the convening of Wisconsin's relatively small and fractured CDFI industry provides additional strategies for improving cooperation and collective sustainability for the states CDFI industry (Keuhl, 2011). The goal of the convening was to help CDFIs more effectively and collaboratively carry out mission, minimize costs and maximize efficiency and impact. Key lessons from the workshop include the need for CDFIs to develop shared interests and metrics for measuring social impact, sharing of technology, training, and other resources, and developing a unified voice around key policy topics. Key respondents identified these practices as part and parcel to the overall success of the CDFI industry to meet regulatory requirements, acquire more capital, and maximize impact of CDFIs in the community. Although this group met in 2011, no coalition was formed after this meeting due to several factors including lack of internal leadership over the collaboration from individual CDFIs.

Additionally Roussos & Fawcett's (2000) review of 252 collaborative partnerships identified key factors that most contributed to the overall success of inter-organizational partnerships.

1. **Having a clear vision and mission**: In a comparative study with five coalitions, collaborative partnerships with a targeted mission facilitated five- to six fold- higher rates of community change than partnerships with no particular focus or targeted mission.
2. **Securing financial resources for the collaboration work**: Securing financial resources for the collaborative endeavor was a major determinant in the overall sustainability of partnerships and capacity to fulfill tasks, goals, and overall mission.
3. **Action planning for community and systems change**: Action planning or the process of identifying the strategies and tactics needed to produce desired coalition outcomes, identification of people to fulfil roles and tasks to be completed and the development of strategies for gaining support and mitigating opposition were perceived as potent factors for increased membership, greater sustainability of events and activities and overall greater community change.
4. **Documentation and ongoing feedback on progress**: Use of measurement and feedback systems to document the evolution of the change process by coalitions proved instrumental in the illumination and dissemination of communication to relevant populations in the community. Communication data on the change process served to enhance accountability both to funders and the broader community.

The literature shows that the role that CDFIs fill in community finance is unique and important. It also documents the national trend to seek collaboration as a way to maximize impact and help individual CDFIs achieve their missions more effectively. In St. Louis, there has been a call for more investment in CDFIs in the Ferguson Commission Report, and a trend is underway to broadly coordinate community development finance. The Greater St. Louis CDFI Coalition seems to be forming at a timely moment and could play a lead role in mobilizing community development capital.

OFN Report – CDFI Collaborations: Keys for Success

The formation of the Greater St. Louis CDFI Coalition comes at time when CDFI collaboration is gaining national attention. The OFN report on collaboration, released earlier this year, offers some key lessons that apply directly to the coalition. OFN's key takeaways include 5 factors for success:

1. **Business opportunity and mutually beneficial goals**: each member CDFI sees a clear benefit from the partnership.

2. **Leadership from within**: although many collaborations are catalyzed by external support (from the Federal Reserve Bank, OFN, or a funder, for example), success is dependent on internal leadership and ownership by the partner CDFIs.
3. **Clear roles and responsibilities**: successful collaboration and continued engagement require clarity and shared expectations around what each partner is bringing to the table, and the responsibilities of each.
4. **Performance metrics**: collaborations must be able to measure success and progress being made toward goals.
5. **Trust**: establishing trusting relationships is critically important to continued collaboration.

These five findings have been supported by research both with CDFI coalitions, as well as with other types of collaborations. In addition, the OFN report found that CDFI collaborations have been successful with a variety of structures and funding models. The trend is to pursue a simple structure that is appropriate to the capacity and context of the collaborating partners. Relying on these findings as a starting point, the research team interviewed some of the same CDFI collaborations as were featured in the OFN article, and were able to ask questions that drove deeper into the specific contexts underlying these collaborations.

Methodology

The research team started with a review of literature on CDFI collaboration to understand trends and common concerns related to collaboration. The team then interviewed coalition leadership and other members (if available) of four CDFI collaborations. The CDFI networks and coalitions selected in this study were chosen for their similarities to the St. Louis coalition in nature of collaboration, goals, or size and type of member organizations. Some national organizations were selected for study as well, but the request for response was unsuccessful. The research team also conducted interviews with local collaborations and reviewed documents about formation and nature of the collaboration. As a part of this process, the research team also spoke with representatives of each CDFI member of the St. Louis coalition to help refine goals and challenges in order to frame recommendations. See Appendix A for list of interviews and contact information.

This report will outline first the information collected from other CDFI networks and coalitions then identify themes, advice, and key implications for the St. Louis coalition based on this information. The next section summarizes key learnings from other collaborations in St. Louis. Section four categorizes and lists specific challenges faced by local CDFIs and the goals they hope to accomplish through coalition work. The final section describes recommendations for how to structure the coalition and how to prioritize the goals as a group.

II. Other CDFI Networks and Coalitions

This section provides an overview of each CDFI network or coalition that was interviewed in the research process. The four main collaborations interviewed were the Appalachian Development Alliance in Eastern Kentucky, the Detroit CDFI Coalition, the Memphis CDFI Network, and the South Carolina Community Capital Alliance. Some key characteristics and lessons learned are summarized in Table 1. In addition to those four, the research team unsuccessfully attempted to reach the Baltimore CDFI Roundtable, but was able to collect some information from their website. In addition, the team spoke to Paige Chapel at Aeris Insight about metrics, since this is a particular area where all of the collaborations have questions. The end of this section includes a summary of the advice offered by interviewees, themes that arose across collaborations, and implications for the Greater St. Louis CDFI Coalition.

Appalachian Development Alliance

The Appalachian Development Alliance is the epitome of a coalition that has not solely built strong partnerships, but that has shifted the very way that community financing occurs in the state of Kentucky. The coalition self-organized in 2000 and is currently composed of the following members: Appalachian Federal Credit Union, Community Ventures Corporation, Kentucky Highlands Investment Corporation, Mountain Association for Community Economic Development, Southeast Kentucky Economic Development Corporation, Pine Mountain CDC, Mountain Economic Development Fund, and East Kentucky Corporation. Unlike, the other coalitions researched, the ADA itself is not a part of the OFN network; however, some individual members are a part of OFN.

The initial impetus to form was multifold. First, Kentucky's community finance lenders were spread amongst its numerous regions. Ranging in focus from coal-based industry to farm-centered industry each lender found itself needing to coordinate more fully to acquire capital or serve the distinct geographical demands of their area. The second motivation that gave rise to the ADA was that advocating for capital from the CDFI Fund was difficult without scale while the coalition offered credibility, capacity, and credence to their capitalization efforts. Beyond creating a joint loan fund, a key unifying goal of the ADA was to ensure that each entity could find its own funding. Finally, each firm faced individual challenges, and the coalition offered a space to gather additional perspectives and support needed to address these challenges.

Structurally, the ADA is a 501(c)(3) whose unique funding structure compensates one part-time staff member, Ed Harris. Mr. Harris' position is funded through the interest earned on the ADA's $2 million loan fund. Their existing self-sustainable funding structure traces its way back to an initial award of $1 million from the state of Kentucky, which was matched by the CDFI Fund and individual contributions. The ADA was able to distribute this funding as loans to its eight members who, in turn, deployed these funds by generating 23 loans. These loans generated impressive results – not only did they leverage $3.8 million of additional capital, but they also produced or maintained 112 jobs. The ADA found this first funding as an opportunity to secure the continuity of their work by allocating its interest to the staffing and operation of the fund itself.

The ADA engages in four main activities:

- Managing an established loan fund generated through state funding and matching CDFI grants.
- Loan sharing. A system in which one CDFI underwrites and the others help complete the funding (particularly in isolated regions) is commonplace.
- At least two trainings each year focused on professional development for member organizations; however, the general public is invited to attend as a way of promoting community engagement.
- Promoting local and national policies that acknowledge the interests of coal-based economies.

The ADA collects very few metrics surrounding these activities, namely loan fund deployment and default rate. Their track record is consistent at 100% deployment and 0% default rate over the course of the coalition's history. While they desire to extend this data collection to include jobs and other outputs from the loans, it is difficult to directly track this since most loans are blended with other funds prior to allocation to the end borrower. To supplement their quantitative metrics, the ADA leans on their qualitative success stories in order to illustrate their impact. For example, the community of Summerset, KY (in the Western edge of Eastern KY) has experience the relocation of up to 30 new business in recent years. Mr. Harris estimates that 90% of those companies have at least two ADA members loaning them money to create their business.

Ultimately, ADA's pinnacle of success is that its member organizations transformed from competition to, now, rarely distributing loans alone. By identifying the power of trust and collaboration to implement lasting change in their state, the coalition has been able to accomplish its initial mission for each member organization to be able to find and access its own funding. While a few of the smaller members face variable challenges in achieving this objective of not needing a fundraiser, the ADA as a whole is now confronted with the uncomfortable question that meets success – what is next?

In order to share about its activities and successes, the ADA uses its website which includes success stories and a regional reach map (see Appendix B). Given the widespread nature of members as well as their diverse populations, most of the communication delivered to end-customers is about the member organizations' services rather than about the CDFI coalition itself.

The alliance's purpose has become more ambiguous as the ADA has continued to evolve. At its inception, the CEOs of the organization met together; however, as the coalition grew, designated senior staff began to represent their respective organizations. To accommodate geographic reach, the meetings are often by phone. To ensure that decisions made in a meeting are in the best interest of all involved, a quorum is required for the meeting to even occur. The meeting time, generated and facilitated by the executive director, typically centers around deal sharing and idea swapping. In alignment with the coalition's current status, the next few meetings will be dedicated to addressing their most pressing challenge: determining the future of the coalition.

Detroit CDFI Coalition

The Detroit CDFI Coalition, organized in 2014, is composed of 16 area CDFIs that gather monthly to foster strategic partnerships capable of pursing investment opportunities, addressing policy issues, and promoting community development in Detroit. These member organizations include: Capital Impact, LISC Detroit, Invest Detroit, One Detroit CU, Cinnaire, Enterprise, Liberty Bank, Opportunity Resource Fund, CSH, First Independence Bank, Mercy Housing, Public Service Credit Union, Detroit Development Fund, IFF, Nonprofit Finance Fund, and Urban Partnership Bank.

This cohort of CDFIs was first brought to the table by OFN to function as a clearinghouse for resources in response to the national attention placed on Detroit around its bankruptcy. These gatherings were attended by city and state representatives, as well as foundations, with the central aim of highlighting, exploring, and developing CDFIs' role in addressing Detroit's economic issues. After assessing collected data on investments and potential projects in the city, the attendees saw the need to realize a coordinated strategy to align Detroit's ample but fragmented CDFI scene towards collective impact. The general approach that the coalition has taken is place-based, focusing on three specific neighborhoods across the city. These neighborhoods were identified in Detroit's Future Cities plan as priority neighborhoods where foundations are already investing and nonprofits have a strong foothold. The Detroit CDFI Coalition views these neighborhoods as prime target areas where they can meet with other community stakeholders, actively invest, and leverage member organization resources in a way that gains traction and demonstrates the value of CDFI work. In addition to investment, the coalition identifies and advocates for policies that benefit the targeted community and match with coalition priorities. The localized buy-in generated from these high-impact, holistic efforts will be used to further the larger community buy-in and engagement with CDFIs in the region as a whole.

The Detroit CDFI Coalition has crafted a structure in order to facilitate this process. The coalition is not incorporated, instead it is organized informally and staffed by a consultant who undertakes the bulk of administrative responsibilities and is directed primarily by Tahirih Ziegler of Detroit LISC. To support the staff, member organizations comprise the general body as well as contribute to three committees: an executive committee, a policy committee, and a neighborhoods committee.

In order to emphasize targeted impact, meetings occur as a whole coalition every other month, whereas committees meet monthly. In meetings, executive members and up to two other organization representatives are encouraged to freely discuss investment activities commencing in Detroit. In committee meetings, they are specifically asked about concurrent projects, designated priority areas outlined in the aligned strategies, and relationship-building. A central element of relationship-building is that it is embedded it into the coalition's structure. The Detroit CDFI coalition promotes clarity and trust through fiduciary responsibilities which are established via MOUs. They also support transparency through a decision-making process where members are delineated as lenders (voting members) and partners (non-voting members). This structure is admittedly emergent, as the recently-formed coalition continues to decipher the best form to fit their function See Appendix C for meeting packet and draft organizational framework document.

The Detroit CDFI coalition has undertaken a bevy of activities including:

- Developing the CDFI Grid. This tool, compiled by the hired-consultant, has been integral to the coalition's communications strategy. Modeled off of the Quicken Loans business grid, the CDFI Grid not only serves as promotional material but as a summary of the CDFI landscape, notifying community members of the range of services offered by member organizations (see Appendix B).
- Leveraging the Neighborhood Committee to launch coordinated investment strategy in the three targeted neighborhoods.
- Creating a website that serves as an information hub for community financing work in Detroit, even featuring those CDFIs outside of the coalition.
- Information collection and aggregation of existing analytics, pipeline, opportunities, current tools, and tools needed for each organization working in targeted neighborhoods.
- Deal sharing and information sharing in whole group meetings.

Some key challenges that the Detroit CDFI Coalition faces revolve around managing the dynamics inherent to an intentionally diverse group. Each member has the opportunity to represent their interests and provide their expertise to strengthen the whole coalition's impact. However, coalition work can both breed competition as well as align incentives. Detroit's CDFI coalition experiences these both, as many of the CDFIs are vying for the same resources and some of the members (namely, credit unions) struggle to see the immediate added-value of participation. The combined effect of these two challenges has led some members to self-select out of the coalition. Detroit reports that embracing this self-selection and leaning into competition through communicating shared vision and developing processes to facilitate meeting that vision has led the group to work better together.

While the coalition collects metrics on the money invested in Detroit each year since the existence of the coalition, it might be too early to measure the impact of the coalition. However, members are beginning

Table 1. Highlights from CDFI Network and Coalition Interviews – Key Characteristics and Lessons Learned

Name, Location, and Year	Structure	Funding	Key benefits to members	Metrics	Keys to success	Policy work	External Relations	Media
Appalachian Development Alliance Eastern Kentucky 2000	501(c)(3) One part-time employee plus voluntary administrative support Convener: ADA (self)	Funded by interest on $2M pooled loan fund (fund established in 2000, money cycles through loans to members)	1. Access to capital 2. Collaboration has expanded geographic coverage and deal-sharing opportunities 3. Training for CDFIs and non-CDFI partners 4. Relationship building with non-CDFIs (banks, e.g.)	Little for overall measure of impact. Measures return on the loan pool (deployment and default rates).	Trust	Received money from the state at startup. (Note: this is no longer in line with current CDFI Fund funding trends)	Was initially based primarily on funding the loan fund through Federal and local government. Now ADA provides training for community partners and non-CDFIs	Website
Detroit CDFI Coalition Detroit, MI 2014	MOU-based committees One administrator (consultant) and an elected executive committee Convener: Initially OFN, now self-convened and led by LISC	Membership fees	1. Information sharing: product knowledge, reports and data, relationship-building and shared technical knowledge 2. Deal sharing 3.Strategic focus and planning	Measures the total amount of money invested by members in Detroit annually and since existence. Evaluating neighborhood development indicators to track long-term progress	Champions	Alignment with city/state priorities and programs, both at inception and continued in strategic planning.	Works with city/state officials, OFN for strategic alignment. Consults with neighborhood organizations and leaders for specific investment priorities/needs.	Website, CDFI Grid
Memphis CDFI Network Memphis, TN 2014	MOU-based, primarily informal, similar to current STL structure. Fdn. support for administration. Voluntary staff time for website management Convener: Assisi Foundation	Foundation support - minimal funding required to this point, primarily for meetings and website	1. Relationship building between CDFIs 2. Referrals among CDFIs and between CDFIs and traditional lenders 3. One CDFI has received additional funding from Assisi Fdn.	No group metrics yet. Individual metrics include number of jobs created, number of new companies started, lending statistics, etc. and other output measures.	Participation and support from an organization with local clout (Assisi). Shared information has been critical for building understanding and trust.	Individual groups have done advocacy. Collectively, worked with a legislator for funding and presented a grant proposal.	Invited traditional lenders to meeting for introductions focused on referrals. Invited new mayor’s office for introductions and alignment. Invited speakers from other CD entities to meetings	Website, joint handout for outreach

Table 1. Continued: Highlights from CDFI Network and Coalition Interviews – Key Characteristics and Lessons Learned

Name, Location, and Year	Structure	Funding	Key benefits to members	Metrics	Keys to success	Policy work	External Relations	Media
South Carolina Community Capital Alliance South Carolina (Statewide) 2011	Primary: 501(c)(4) Separate 501c3 for lending out to members Staffed by 60hrs/mo. consultant time Convener: SCCCA (self)	Membership fees (4 levels ranging from $100-$2000/yr)	1. Expanded coverage and capacity 2. Networking, strength in numbers, and access to national organizations 3. Representation: with a collective lobbyist and with reaction to sensitive issues on behalf of the network without risk of politicizing specific organizations	Number of joint projects facilitated by the alliance. Other output measures (# of people educated, e.g.), capital raised as an alliance. Have also pushed members to get rated by Aeris.	Need a dedicated staff member - not simply voluntary work. Need financial commitment from members	Successfully renewed community development tax credit available from state (almost $1MM).	Have banks, foundations, CDCs as members. Engaged with state legislators	Website (with referral and loan query function)
Lessons and common themes	May be formal legal entity or informal network None have full time staff Most active are those that are self-convened	The ones doing joint action have some form of contributed money (high level of engagement has come when they do not wait for funding to start acting).	Greatest benefit has been building relationships (internally and externally) and deal-sharing.	Detroit has the best long-term metrics. All are still working this out and there are no strong best practices to follow. Aeris has excellent starting place for measuring CDFIs.	Nearly all of these strengths are people-driven, not process-driven.	2 key areas of focus: - Money from government (as grant or as tax credit) - Strategic alignment of priorities *Have not seen much on regulation policy	A lot of different models exist, but all leverage collective position to invite conversations with policy makers and traditional lending communities.	

to more collectively and strategically align investments with community investment initiatives. In 2015, CDFIs invested $170 million in Detroit. Through the lifetime of member organizations, the coalition has invested $1 billion in investments. Internally, the impact of the coalition has translated to member organizations in the form of partnerships. One particular credit union recounted how participation in the coalition led to access of Chicago Federal Loan bank through IFF. Additionally, member organizations have benefitted from access to deals and smarter capital deployment due to depth and breadth of conversation that take place around the coalition table. Furthermore, the coalition continues to seek ways that they can establish synergies surrounding information collection and neighborhood assessments. They posit that if they share what each organization is doing, more of the members will benefit from eliminating wasted resources of duplicate efforts. Following the idea that each organization brings unique skills, advantages, and resources, the Detroit coalition has depended on one member, Capital Impact Partners, to do a community-level development indicator assessment. Although changes in these indicators over time cannot be directly attributed to individual CDFIs or even to the coalition, the information is important for measuring the success of strategic investment as a whole and has been made available to the community in through the coalition. See Appendix H for link to the Capital Impact Partners report on community impact data.

Memphis CDFI Network

The Memphis CDFI Network is comprised of 8 CDFIs and has been in existence since 2014. Member CDFIs include: Hope Credit Union, Tristate Bank of Memphis, Communities Unlimited, Pathway Lending, Community Lift Fund, River City Capital Investment, United Housing, and Orion Credit Union. Meetings are also attended by the Federal Reserve Bank and the FDIC. The network was formed at the behest of Dr. Jan Young at the Assisi Foundation. Assisi has played the role of convener around other interests in Memphis and became interested in CDFI work when one of the organizations applied for a grant. The Assisi Foundation has provided some logistics support and notetaking, as well as funding for the CDFI Network website which is managed by individual CDFIs in turn. The structure of the network is informal and is based on MOUs, particularly regarding management of website content. The group meets once monthly to share information about their current work, challenges, and products. Most meetings are attended by lending-level staff with support from each organization’s leadership.

Currently, the Memphis network’s activities have been focused on raising awareness and building relationships – both within the community and with one another. They have created a website which functions to direct those seeking financial services to the appropriate member organizations. They have also developed joint marketing tools including a simple service matrix (see Appendix B) and a CDFI factsheet that can be used in outreach materials (see Appendix D). They have discussed starting a blog and newsletter. As a group, they have done some outreach activities with traditional lenders to boost familiarity and referrals, including an FDIC hosted “speed networking” session. They hope to shift to include community organizations and nonprofits in their engagement plans as well, possibly by offering a training workshop or conference. Non-CDFI partners are often invited as guests to the monthly meetings. For example, the network will meet soon with a representative from the new mayor’s office to begin a relationship and build alignment between network and city priorities. Memphis CDFIs view themselves as primarily non-competing and are focused on maximizing referrals. This is also true of their relationship with traditional lenders. While current focus is on building relationships with lenders at a referral level, there is hope that improved overall relationships will eventually lead to investment in a collective project.

The group does not have specific metrics in place, although each member tracks their individual reporting metrics. Regarding policy, an individual CDFI worked with a local legislator to develop funding opportunities for one neighborhood where they are working. Some members of the network worked together to present a group proposal, and are open to doing more in the future. Most advocacy work has been done as individual organizations rather than as a collective.

Although the network has been meeting for two years, members have not yet participated in a joint initiative or unified project. The greatest benefit that they have seen thus far is in growing relationships and building trust, since many CDFIs were not working together prior to the network formation. Specifically, this has included understanding the unique products and strengths each member offers, and increasing referrals both between CDFIs and with local traditional lenders, notably banks offering similar loan products. In the future, the Memphis CDFI Network would like to pursue joint funding and a joint initiative as a group. Some members have mentioned interest in coordinated planning and strategic approach, which is supported by the Assisi Foundation.

Challenges that the Memphis network has faced include managing the different capacities (and levels of interest) that organizations have to contribute to the network. It is expected that contributions will not be identical, but this means that work is not necessarily evenly distributed. In addition, turnover both within the CDFIs and the lenders that they engage can be disruptive in building relationships that are productive and lasting.

South *Carolina Community Capital Alliance*

South Carolina Community Capital Alliance is a unique CDFI coalition. Its primary entity is a 501(c)(4), focused on promoting favorable policy at the state level and on educating the community about community development financing. There is a secondary 501(c)(3) CDFI – Community Capital, Inc. – whose aim is to raise and deploy capital as a statewide intermediary for community development work. They do some loan matchmaking as well as providing direct lending where there are gaps in capacity and access to capital. The alliance started with a Community Development Corporation association acting as fiscal sponsor, but wanted to focus on policy and so, decided to form a lobbying organization. In particular, the alliance rallied support around the renewal of a state tax credit that would increase investment in CDFIs and other community development organizations. Initially the collaboration formed in 2011 to complete a collective application for the CDFI bond program since it was not available to small CDFIs. Although this was not a good fit for the group, the collaboration stuck together and then began to focus on the tax credit renewal. The focus of the alliance is now to be a unique, united voice for community capital and community development capacity building.

SCCCA currently has 22 members, 6 of which are CDFIs. Other members include banks, CDCs, and foundations. Membership exists at 4 levels with different benefits corresponding to each level: Ally ($100), Associate ($500), Affiliate ($1000), and Advocate ($2000). For a detailed list of members and membership benefits at each level, see Appendix E. SCCCA started with small grant funding from the Mary Reynolds Babcock Foundation and collected funds from members to pay for a feasibility study. The alliance then received some seed funding from banks and is now run on membership fees. The alliance is staffed by three consultants whose time collectively adds up to approximately 60 hours per month. Rather than regular member meetings, SCCCA operates more as a separate organization that provides resources and information to members. They host an annual meeting at their Community Capital Conference to bring members together and to support dialogue around community development capital including impact investing and specific community development financing initiatives. They also produce a newsletter and will start hosting topic-focused regional meetings within the state. In addition, SCCCA hires a lobbyist to work on policy issues of interest to CDFIs and CDCs, something they are unable to do on their own.

SCCCA has four clearly defined focus areas: Capital, Capacity, Coverage, and Communication. Expanding access to community development capital and increasing investment across the state are what brought the members together. This is still an important part of what the alliance does, particularly through Community Capital, Inc., through lobbying efforts, and by bringing together investors to learn more about community development financing. The alliance works to build both collective capacity through matchmaking deals and supporting collaborative efforts, as well as building individual capacity through technical assistance. "Capital is why we came together, but the coverage capacity is why we stayed together." The ability to coordinate as a network and to spread the reach of services is one of the key reasons that alliance members continue to benefit from participation in the network. Finally, as a statewide network, SCCCA is able to raise the profile of CDFIs with legislators and the community, as well as share information among members through regular communication and the annual capital conference. The SCCCA website offers more than just information about CDFIs and community development financing. It also offers confidential, open form submissions to facilitate loans for community members who are unsure of where to get financing, as well as referral for services by organizations unable to serve a particular borrower.

Benefits that SCCCA has seen are related to being able to act as a collective organization to magnify the impact of individual members. This includes successfully ensuring the renewal of state tax credits for community development investment, raising nearly $1 million through the tax credit. Nonprofits that cannot do lobbying on their own can contribute to the alliance, which is able to hire lobbyists directly. In addition, SCCCA offers members some distancing from politically charged issues on which they may not individually be able to take a strong stance. For example, SCCCA was able to respond more openly than some members in South Carolina's recent racially charged debate over the presence of the confederate flag on the state capitol and other related issues. In addition, as a statewide network, SCCCA was able to leverage multiple relationships to coordinate a quick response of natural disaster relief funding after major flooding in the state.

Challenges that SCCCA has faced include collecting data from members, but the alliance has started to encourage members to be rated by Aeris to create common metrics and benchmarking between organizations. As an alliance, SCCCA measures output metrics including number of joint projects facilitated, capital raised, attendees at educational sessions, etc. They, like the other coalitions interviewed, are still working to build solid metrics on the community impact of their work.

Baltimore CDFI Roundtable

Although the research team was unable to reach anyone from the Baltimore CDFI Roundtable, their website makes available their CDFI Profile book, which defines CDFIs, includes a service matrix, and has a one-page snapshot of each of 20 CDFIs serving Maryland. The profile book was published by OFN. The service matrix and sample profiles are included in Appendix B. The Baltimore CDFI Roundtable has staff support provided by OFN, but it appears that the group has not seen the internal leadership required to have a fully collaborative group beyond local networking.

A Note on Metrics The research team connected with Paige Chapel, CEO& President of Aeris Insight, an organization originally created by OFN that "provides the only comprehensive, third-party assessment of community development financial institution (CDFI) loan funds, helping investors evaluate opportunities that meet their impact goals and risk parameters." While this annual rating system offers the opportunity for individual CDFIs to benchmark themselves against other similar CDFIs in their space, its primary purpose is to provide an "internal audit" through which a CDFI can assess how well it is actualizing its own stated objectives.

The benefits of obtaining an Aeris rating varies largely depending on the size and capacity of the CDFI.

- Larger CDFIs are able to use their ratings to aggressively pursue funding with existing investors and – occasionally – expand their reach to new investors.
- Whereas smaller CDFIs view the rating process as a capacity-building exercise that allows them to assess their own activities through the lens of an investor. The rating process is quite intensive, so smaller CDFIs may be judicious about whether or not pursuing the full process is optimal.

All CDFIs can benefit from the Aeris Cloud – an online platform that contains all of the source documentation used to rate over 125 CDFIs. The Aeris Cloud includes detailed financial statements, portfolio performance data, impact performance data, and the ratios that Aeris used to analyze each CDFI. As a result, regardless of being rated or not, the Aeris Cloud offers a centralized place to view as well as be included in longitudinal peer-to-peer comparison data on Key Performance Indicators and CAMELS risk rating profiles. In addition to individual CDFIs, subscribers to this database include: foundations, banks, wealth management firms, intermediaries (CDFIs that lend to other CDFIs), and government entities.

While, Aeris works on the individual CDFI level, there are a few key takeaways regarding metrics that can extend to strong coalitions metric-setting and impact assessment.

- When developing metrics consider using Pacific Ventures' acronym, "CRAP". Credible-Rigorous-Affordable-Practical. Metrics are variable and must be set according to the context of the coalition itself. Instead of seeking a standard program, seek to identify simple metrics that meet the criteria above.
- Coalitions are diverse in nature, thus what makes one organization successful in its field will vary from another. Aeris acknowledges that metrics depend on the impact focus (different if micro-lender v. credit union). As a consequence, coalitions can standardize *what* they measure but these will not necessarily be interpreted in the same way. As a result, Aeris Insights is at the end of the first phase of a project to create standardized impact metrics based upon impact foci. This rubric will offer guidance around collecting outputs and a few outcomes. The St. Louis Coalition can remain alert and pursue these documents when they are released this year.
- If the coalition is interested in reporting joint metrics, they should strategically look at the areas where they overlap and where common data is, i.e., how many loans are booked each year and the dollar amount of these loans. Communicating the aggregate of coalition efforts in this format offers some insight into performance – OFN has modeled some of their reporting this way.
- One way for CDFI coalitions to align themselves with the work of Aeris Insight without pursuing the entire rating process is through reporting to the Aeris Cloud. Simply asking the questions pertinent to the rating process can orient the coalition towards what certain information that others in the field are collecting and being assessed upon.

In order to extend research into metric systems, the St. Louis CDFI coalition can connect with Pacific Ventures, LISC, as well as those organizations utilizing Salesforce for data collection, i.e., Capital Impact Partners. See Appendix F for details on the Aeris ratings process and Appendix H for the Capital Impact Partners report on community impact data.

Advice from the Field

Each CDFI interviewed offered advice to heed as St. Louis CDFIs embark upon building their coalition. These nuggets of advice are revealed below.

- SCCCA offers the advice that collaborations require dedicated staff time and cannot depend on volunteering time from member organizations. In addition, it is important to have a financial commitment from members. SCCCA also suggests considering the “continuum of financing” when looking for opportunities for CDFIs to work together - for example, financing a new housing development might pair well with mortgage financing or homeownership preparation provided by another organization.
- The advice for success offered by the Memphis network was to underscore the value of building strong connections between CDFIs and of having the support of a larger organization with clout (such as the Federal Reserve Bank, the FDIC, or a large local institution).
- Detroit encourages coalitions to be conscious that building a coalition does not negate competition. While being in close proximity promotes additional deal-sharing, its adverse effect is that it can make others can feel left out of deals as well. Their advice is to remember the value of gathering and that working together does increase net impact and requires maturing over time. In order to avoid some of the downsides of collaboration's exposure to potential competition, a coalition must align their objectives with processes that avoid exclusion, or rather, promote the optimal reasonable inclusion. By having clearly articulated and agreed upon objectives and processes, the frictions that may arise in implementation of partner work do not impede success.
- The ADA builds upon Detroit's advice, as they began as competitors and now rarely do loans alone. Their advice is simply summarized by Mr. Harris, "collaboration eliminates some of your risks and frees up some of your capital." To achieve this, ADA posits that trust is not just a feeling, but something that must be demonstrated, practiced, and public.

Themes

There are eight main themes that emerged in the research. The content below captures these themes and offers insight into their relevance to the St. Louis CDFI Coalition.

Theme 1: Trust and relationship building. If there is a factor that each CDFI identified as the most elemental to their success as a coalition, it is trust. Prioritizing relationship-building above business has allowed for deeper collaboration to occur beyond that of an organizational partnership, tapping into a more mission-oriented common agenda. Each CDFI pointed towards an example of how the coalition encouraged open information and deal sharing that superseded potential competition, instead offering a strong foundation for collaboration to maximize impact. Similarly, the CDFIs echoed that trust does not occur by happenstance, instead it is something that is intentionally fostered through clear structures and activities geared towards building such trust.

Theme 2: Internal ownership. Looking at a cross-section of the four key coalitions interviewed, defining the locus of ownership was critical. While some of the coalitions initially gathered through a convener or were prompted by an outside entity, eventually the ownership of the coalition itself transitioned into the hands of the CDFIs. A noted value of the coalition being managed by the CDFIs is that it promotes buy-in and alignment.

Theme 3: Administrative Staff. While the coalition should drive its own convening, having a third-party staff member dedicated to administrative tasks has been pivotal in the success of three of the coalitions interviewed. These coalitions found that identifying a staff member whose responsibility is to send emails, take notes, identify meeting locations, create certain marketing collateral, share agendas, etc., has created consistency and framing that has allowed the CDFI coalition to focus on the heart of their work instead of administrative tasks. A tradeoff mentioned by the coalition is that if the position belongs to someone from another organization/field, there may be a learning curve or limitations on their ability to capture the nuances of the conversations.

Theme 4: Stay Lean. Another theme that surfaced from the research is to stay lean as a coalition. Several sources reiterated that a coalition is not meant to have the complexity of an organization necessarily. Instead, the coalition should be nimble and purposeful, only creating the necessary infrastructure to meet their goals.

Theme 5: Ensure Equity. The coalitions interviewed were similar to St. Louis' CDFI coalition in regards to diversity of members. These coalitions were intentionally composed of players that vary in size, impact verticals, depository/non-depository organizations, and regional/national presence. Given the range of voices in the room, the coalitions all identified the importance of creating processes that ensure that all voices around the table have the space to be heard, considered, represented, and potentially acted upon in ways that may not even occur outside of the coalition.

Theme 6: Collaborate Strategically. Each coalition shared about the value of being judicious when deciphering when and how to collaborate. Ultimately, they pointed toward collaborating when their combined efforts yielded better results than working independently; not merely collaborating simply *because* they could. This, in part, entails creating a strong agenda that helps to delineate what is "coalition work," what is "partnership work," and what is independently "organizational work".

Theme 7: Commit to Training and Professional Development. The coalitions surveyed found that they offered CDFIs a unique opportunity to engage with training in three ways: 1.) Training each other in performing tasks (i.e., grant applications or reporting) or deepening skillsets, 2.) Using the coalition as a way to leverage collective efforts and resources to pursue training and professional development from outside experts, and 3.) Offering training to community members as a way to both increase the visibility and awareness of the CDFI industry and each member organization's work.

Theme 8: "Buy-in" from Organizational Leaders is a Must. Many of the coalitions interviewed underlined the importance of support from the positional heads of their organizations. Whether represented by the CEO in the coalition, or involving the CEOs regularly in the coalition, all CDFIs found that for the work of the coalition to be sustainable and to have maximum impact, the coalition must have access to and commitment from the key decision-makers within the individual organizations.

Implications for St. Louis

- Memphis is in a very similar position to the St. Louis coalition at present. They are truly operating at a networking level where the primary activity is sharing information. They are on the cusp of working at a coordination level, which involves sharing joint actions. This is in line with their goals of raising awareness about CDFIs and may lead them to a joint funding opportunity; however, they are not positioned to achieve large, sweeping changes through their joint actions because they have mixed levels of buy-in from participants and have not embraced a joint mission that would align their actions as individual organizations. This is neither good nor bad; it is just a reflection on their current capability to work together and how it aligns with the types of goals they are able to accomplish. If St. Louis CDFIs wish to raise awareness, the Memphis model of frequent information sharing is a good model. If they want to do more complex joint activities and/or planning, they will need to adopt a deeper level of partnership, which will require more "give" to the coalition from each organization.

- All of the coalitions have different ways of presenting their collective services, providing examples of marketing materials that may be helpful to St. Louis CDFIs (see Appendices B and D). Most of them include only member organizations in service listings, while others provide information for the entire geographic area. While the coalitions all have web presence, this varies from independently hosting a website to occupying a page on a member's website. It is not apparent that the websites are generating much traffic or driving awareness of the services offered by members. In the case of SCCCA, the referrals and loan queries function offers some measure of the effectiveness of the website as a tool for achieving the alliance's goals. St. Louis CDFIs may use the service matrices as a model for communicating services and products, but should consider the costs of a website before creating a complete website that may not garner much attention.
- If the goal of the organization is to affect policy and in particular, legislation, it may be better to have a separate organization that can act politically and get involved with lobbying; however, if the policy goals are more focused around aligning local actions with shared community development goals, this may be more effectively managed through relationships between the coalition and other stakeholders.
- ADA offers an example of a CDFI coalition whose clarity of mission and agenda has led it to success. They began with the key goal of collaborating to expand access to regions across Kentucky and to raise more capital. Over the past several years, they have achieved both (in part due to their self-sustainable funding model) and are currently in the midst of assessing the purpose and value of the coalition moving forward. For some, being in a liminal space can be a mark of an effort gone astray; however, in this case ADA's transitional period is reflective of its ability to define clear objectives and meet them. The St. Louis CDFI coalition should similarly not meet simply to meet, but may aim to "complete its work" in a way that leaves the very purpose and necessity of a formal coalition in question.
- Detroit's CDFI Coalition offers one of the most direct comparisons to how St. Louis may choose to model their coalition. This comparison is particularly possible given the similarities of players that comprise the coalition as well as the place-based context that the two cities share. Detroit's non-incorporated structure offers the coalition agility to match their approach to their agenda as needed. This freedom of legal structure may also benefit the St. Louis coalition as it seeks to prioritize leveraging relationships above potential organizational bureaucracy. Additionally, Detroit's approach to being staffed by a third-party, led by member organizations, and supported by a general body and special interest committees, is one to take note of. This structure seems to strike an importance balance of productivity and consistency when it comes to administrative work, industry expertise when it comes to managing the coalition, and distributed ownership when it comes to actualizing the agenda. Adopting a structure like this would allow the St. Louis coalition to leverage the expertise of the diverse members in a general body setting, while also offering an outlet that caters to the unique interests of each member. Finally, Detroit's CDFI grid offers a strategic communication tool that increases information about CDFIs as a whole while also increasing the visibility of the coalition and its individual players. As the St. Louis coalition members have emphasized the importance of clear communication strategies to promote and inform industry work, this grid is a valuable template worth emulating.

III. Local Collaborations as Examples

This section provides a summary of some local non-CDFI collaborations that offer important insight for collaborating in the St. Louis context.

St. Louis Graduates

St. Louis Graduates (STLG) is a collaborative network of youth-serving college access providers and K-12 education organizations, philanthropic funders, and businesses. Through the development of effective inter-organizational and cross sector partnerships, St. Louis Graduates strives to reduce barriers for students pursuing postsecondary education and increase support to low-income, first generation, and African American students in postsecondary success. St. Louis Graduates developed as a result of ongoing informal dialogue between a funder and college access organization in 2009. The dialogue began between Faith Sandler, Executive Director of the Scholarship Foundation of St. Louis and Jane Donahue, who at the time was the President of the Deaconess Foundation. Over time, Donahue and Sandler's vision for the region grew into a 12-member nucleus of funders and providers seeking to develop a common agenda to improve regional postsecondary educational attainment. All parties involved recognized the individual contributions and investments being made to improve outcomes, but sensed collectively that it wasn't enough to improve the region's educational attainment.

St. Louis Graduates' first order of business involved 18 months of meeting together. They didn't try to do any joint initiatives other than create dialogue, get to know each other, and build trust and strong relationships. Over time STLG formed a steering committee co-chaired by Donahue and Sandler. The steering committee resulted in the creation of a case statement in support of a coordinated effort amongst funders and providers in the St. Louis region to articulate a shared strategy for developing a college access pipeline. From this process, came a commissioned study regarding the state of postsecondary educational attainment which was used to further justify the need for a regional agenda.

STLG embraces a "network mindset" in lieu of a self-standing nonprofit organization which they believed could potentially intensify perceptions of competition. STLG wasn't sure how they needed to exist and didn't want to build infrastructure without clear justifications to support it. STLG contracts a 501(c)(3) nonprofit organization which serves as the fiscal sponsor and manager of STLG funds. In an effort not to compete with partners and potentially take away resources, when approaching funders, STLG always inquires if the funder is funding a STLG partner and if procurement of funding would adversely impact the funders ability to fund said partner moving forward. If the funder affirms that it may impact partners, STLG declines funding altogether.

Since 2009, STLG has initiated a professional development institute for high school counselors, college access direct service staff, and postsecondary education professionals covering a range of topics specific to the needs and concerns of low-income, first generation, African American students and students with Deferred Action Childhood Arrival Status. STLG has created an online scholarship database, "Scholarship Central," which houses many scholarship opportunities for local students as well as funders. STLG has developed a High School to College Center, which is a summer pop-up drop-in center where students interface with counselors and obtain the support they need to successfully transition to college. Lastly, STLG has developed a student-led advocacy coalition that enables students to research and investigate state and federal policies and lobby in favor of or against policies to improve access to postsecondary education. Within the context of St. Louis, STLG sees alleviation of competition as an effective first step to collaboration. For authentic and effective collaboration to take place, actors must know that the process can be messy and wrought with growing pains. Checking ego and self-serving interest, in addition to building trust and strong bonds, can propel endeavors forward. Lastly, dedicated, passionate and visionary leadership, along with substantial time and financial resources pave the way for successful partnership and meaningful collaboration.

Community Builders Network and InvestSTL

The team met with Karl Guenther of Community Builders Network for insight on community development focused collaboration in St. Louis. Community Builders Network (CBN), a professional association of community building organizations (CBOs), offers an example of community development collaboration under a formalized entity. It is a 501(c)(3) that is largely funded through UMSL's Des Lee Collaboration and the Public Policy Research Center, but has begun to diversify its funding, including a sliding scale membership fee. CBN began in 2011 out of a recognized need to focus community development on creating whole communities and vibrant neighborhoods, not just affordable housing. The organization has three key goals: to improve the capacity of community based organizations, to improve civic capacity and a better community-building system, and to raise public awareness about community-building issues. This includes activities focused on funding organizations and offering assistance on organization formation, affecting laws and policies, and producing a newsletter and website for sharing information. Membership includes 58 community-based organizations comprised of lenders, funders, CDCs, neighborhood councils, other nonprofits, and government entities. Of these, 25 are primary CBO members.

CBN has already proved to be a useful example in informing the initial CDFI survey formation and offering some advice on facilitating community collaboration. In addition, the example of CBN has shown that it may be difficult to raise enough money to staff a full-time position through membership fees, even though CBN has a much larger membership base than our coalition. CBN's approach is to function as a facilitated network that offers benefits and services to individual organizations and helps coordinate larger programs or agendas.

CBN staff has experience managing high-touch relationships with members and facilitating consensus-building through group meetings as well as relationship development. CBN has been a lead partner in establishing and providing initial staff support for InvestSTL and could possibly be a resource for initial staffing of the Greater St. Louis CDFI Coalition. Working with InvestSTL is an example of its role in facilitating deeper collaboration between various stakeholders (public, private, and nonprofit), but it is too early to tell the impact of this project. The goal of InvestSTL is to help create a coordinated pipeline of funding and investment for community development in St. Louis. There is some overlap with their objectives and the CDFI Coalition's objectives. Rather than duplicate these efforts, our coalition should seek to establish a good relationship with InvestSTL, sharing information through our common members and inviting input from InvestSTL where appropriate to help align our strategies with existing systems and priorities.

East Side Aligned

The research team spoke to Evan Krauss, Director of East Side Aligned, to gather insight regarding unique models of coalition-oriented work in the greater St. Louis area. East Side Aligned is not an organization or a program, but a Collective Impact process which strives to "align policy, practice and investment across sectors to improve outcomes for young people." In order to achieve this mission, it utilizes the Ready by 21 Collective Impact framework to facilitate its efforts. The 5 conditions of Collective Impact include:

1. A common agenda
2. Shared measurement systems
3. Mutually reinforcing activities
4. Continuous communication
5. The presence of a backbone organization

Their initial stage of formation included extensive community engagement, which yielded a Strategic Roadmap. Currently, ESA is in the process of building an operating system to provide the necessary infrastructure to carry out the 14 sub-goals and 180 strategies devised by the community. They have opted to champion a distributed leadership model in the form of an Alignment Council. The Alignment Council is composed of 40 leaders representing different sectors and interests who are charged with leveraging their influence to remove barriers to Roadmap implementation while committing to following the agenda. These leaders provide "board-like support" to existing coalitions and support specific committees (early learning, after-school time, non-postsecondary pathways, readiness and well-being, place matters) in actualizing the Roadmap. See Appendix G for ESA's Intervention Mapping Grid and Structural Overview.

As it takes shape over the subsequent months, ESA will allow for the structure to be somewhat emergent. They do not have a requirement meet every month, instead, they meet as necessary. While this flexibility allows for intentionality, Mr. Krauss does not discount the value of people coming together, deeming it vitally important for relationship-building. When meeting, ESA focuses on collaboratively actualizing strategies that align policy (legislative and organizational), practice (one's line of business), and investment (grant-makers investment and utilization) across sectors.

A significant portion of their work is policy-focused. East Side Aligned acknowledges the value of groups that mobilize people for agitation or rallying; however, their primary goal as a collective is to create the common table that shows how bills are mutually advantageous. With a variety of perspectives on their council – many of which require neutrality – ESA's approach is to inform the council and ancillary coalitions of the policy issue at hand, informing them of the options for advocacy, but not necessarily sending the invitation for them to engage in a way that is counter their own political interests.

To define metrics, ESA has curated a 3-tiered dashboard. The first tier looks at large-scale population-level outcomes that take years to change. The second tier is composed of sub-tier indicators that can be affected by direct interventions. The third-tier assesses changes in capacity, for example, the increase in number of youth in after-school programing. While these are typically output oriented, they also capture indicators that seem to be most tangible as well as relevant to grant applications.

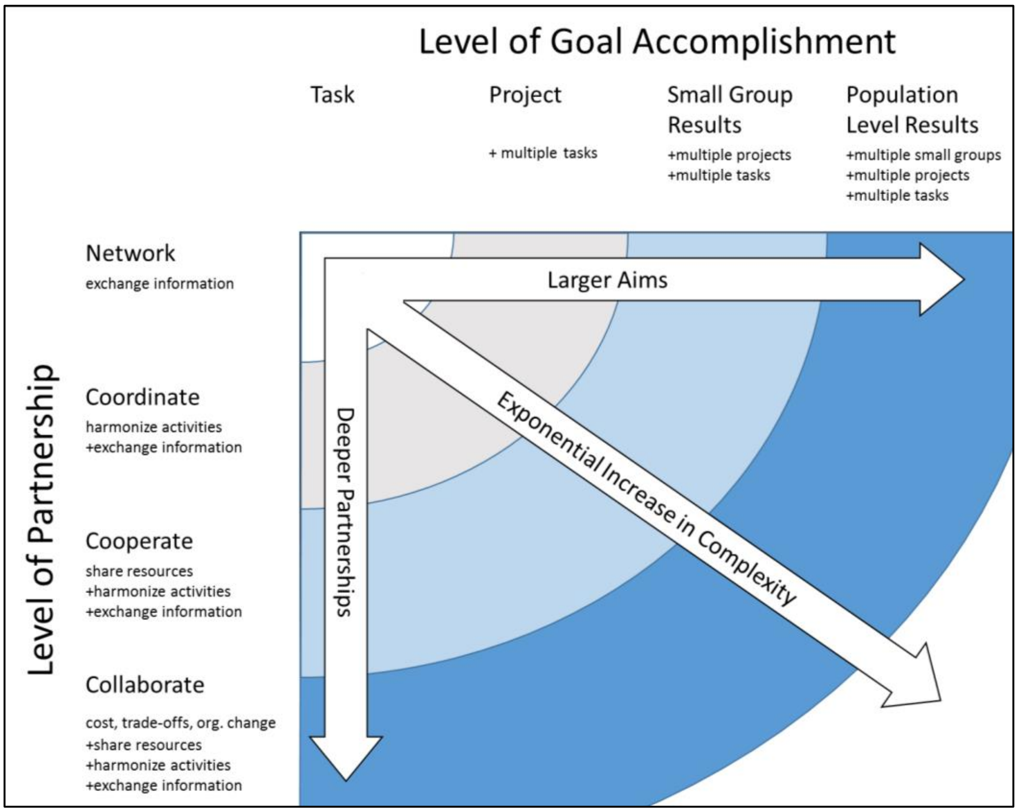
When considering a key success factor to coalition-building work in St. Louis, Mr. Krauss emphasized the importance of the Collective Impact value of Backbone Support. The East Side Aligned website defines backbone support saying, "an independent, funded staff dedicated to the initiative provides ongoing support by guiding the initiative's vision and strategy, supporting aligned activities, establishing shared measurement practices, building public will, advancing policy, and mobilizing resources." He noted that what often limits the success of a coalition is not expertise or ability to collaborate, but rather capacity.

Social Innovation District

Conversations with Paul Evensen from the St. Louis Social Innovation District offered a helpful framework for understanding levels of collaboration and how to plan for each. The model provided identifies four levels of partnership: networking, coordination, cooperation, and collaboration.[1] Each level requires greater commitment and "give" from the partner organizations, but also provides capacity for a higher level of goal accomplishment. Levels of partnership are summative – collaboration includes elements from cooperation, coordination, and networking – but do not necessarily occur in a step-wise progression. The level of partnership required of a group is determined by the level of goal accomplishment the group wishes to achieve. This is summarized in Figure 1.

Figure 1. Relationship between Goals and Depth of Partnership

From Paul Evensen, ThreadSTL, 2016.



If the highest level of goal accomplishment is completion of a joint-project – for example, the Memphis CDFI Network is focused on building relationships and collectively hosts joint events that benefit individual members – the level of partnership needed is coordination, but not necessarily cooperation or more. At present, this is aligned with the structure of the Memphis Network, but their ability to accomplish larger goals may be limited if they wish to move to goals with greater scope. As they consider a joint initiative, they will need to shift how the members work together to share resources. This will require a greater commitment than some of the members currently have and will also require that they set aside some of their control over the joint activity.

[1] Evensen, P. (2016). *Relationship between levels of partnership and shared work.* ThreadSTL: St. Louis, MO.

It is important to acknowledge early that deepening the level of partnership requires an increasing loss of control as the joint mission of the partnership takes a more prominent role in determining organizational actions. At the level of collaboration – and a key reason why collaboration can be so difficult – is the need to make organizational changes that are in support of the joint aim. This may mean increasing emphasis or scaling back on a particular product or service because that is what benefits the group. Because this process can feel threatening to organizations, and because it may take more time to bear fruit on larger aims, it is critical to have commitment to the partnership by individual organization's decision-makers from the outset. Everyone must be clear that concessions made to the partnership are in pursuit of the joint goal, but that large aims often result in "growing the pie". Open, honest communication is critical at all stages to make this level of collaboration function for everyone.

It is not the aim of all coalitions to accomplish large, long-term goals. Depending on the needs in the community, the ideal goal accomplishment may be at the project-level, indicating that design of the partnership should focus on coordinating activities and exchanging information. The important factor is to honestly assess partnership aims early, commit to the level of "give" and "take" that will be required, and to design processes accordingly.

IV. St. Louis CDFIs: What we see and hear from you

In the fall of 2015, key respondents from each organization within the Greater St. Louis CDFI Coalition completed surveys to identify major goals to be fulfilled and challenges to be overcome through participation in the CDFI coalition. The CDFI practicum research team followed up with these key respondents and conducted 20 to 30 minute qualitative interviews. Based on the information provided by respondents, the practicum research team collated and synthesized responses to develop a series of key issues that collectively embody the goals, aspirations and challenges of the CDFI coalition, which can be found below.

Challenges

Awareness

- Need to build research, awareness and advocacy
- Few borrowers know what value a CDFI brings to common market
- Officials and other community decision-makers do not understand CDFIs

Capital (access and deployment)

- Challenge deploying it and working with borrowers
- Capitalization – need money to deploy
- Need increased access to low cost capital
- Partial and unbalanced CRA performance evaluations affect the utility of CRA as a tool for access to capital

Capacity

- Challenge expanding/building staffing infrastructure to deploy money
- Banks benefit from efficiencies of scale (and are more competitive because of that)

Technical Assistance

- Need technical assistance regarding growth and it is not within the national CDFI funding priorities for small CDFIs
- Reporting guidance is hard to use and offers little benchmarking

Regulatory Standards

- Strict regulations impact who we can lend to
- Requires additional overhead staff to comply with standards
- Competing standards between Federal and State governments impact who we can lend to and how to meet grant requirements

Goals

Awareness

- Build awareness within industry, across industry, and with key stakeholders – includes understanding better where each CDFI fits in with the others
- Establish simple communication messaging about CDFIs
- Develop regional symposiums and gatherings to organize traditional lending partners, further agenda, knowledge, etc.
- Outreach to educational institutions as a way to increase research capabilities
- Promote learning/awareness within the community development finance industry

Capital Deployment

- Develop comprehensive strategies from deployment and borrowing standpoint
- Facilitate deal-sharing and discuss how to specifically partner, i.e., asking "how would you imagine me expanding this to my client base"

Capacity Building

- Provide technical assistance (or funding to access TA): better understanding of what other CDFIs are doing to grow
- Establish benchmarking to help monitor individual CDFI performance
- Develop clear platforms (i.e., websites) and resources (including individual expertise) to guide the CDFI grant and application processes

CRA

- Build better understanding by traditional lenders which will lead to better funding through CRA investment in CDFIs
- Share coordination among CDFIs which makes a more compelling argument for CDFI investment

Lobbying & Advocacy

- Develop strategies to mitigate policy risks

V. Recommendations

Recommendations for the Greater St. Louis CDFI Coalition fall into three categories: core principles, the role of the coalition in the St. Louis community development landscape, and next steps.

Core Principles

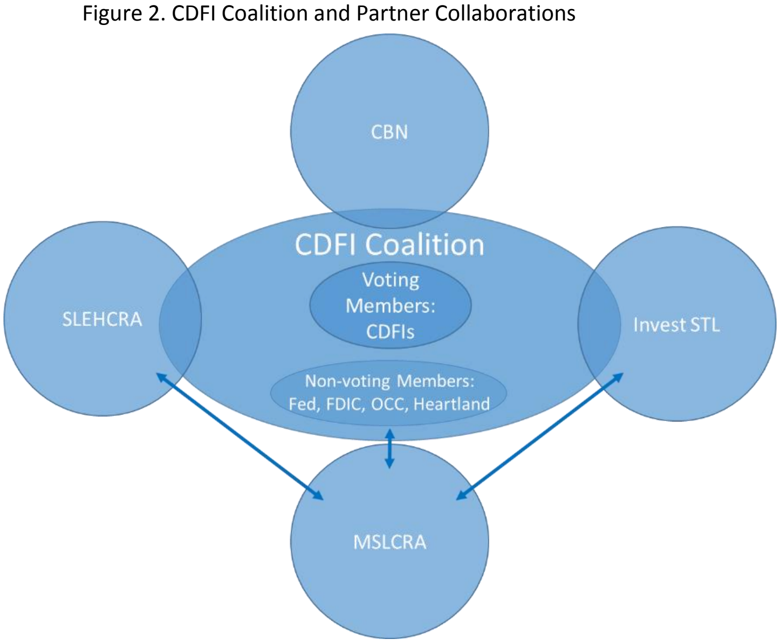
Based on the data collected through this research, there are several core principles that the Greater St. Louis CDFI Coalition should adhere to:

- Communication
  - Communication should be open, honest, and proactive
  - It is realistic to expect that members will face some competition in the course of working together. To ensure an environment that encourages collaboration, members must be honest about this competition at the outset and throughout the collaborative process.
  - Organizations vary in strengths, goals, and capacity for involvement. To maximize use of resources and strengths, and to minimize frustration, it is important to acknowledge these differences openly. Acknowledgement of differences paves the way to finding productive collaboration points and to setting realistic expectations of partnership.
- Inclusion
  - Coalition members have differing priorities and face different challenges. While not every meeting will hold the same relevance for each member, it is important to be intentional about representing the varied perspectives and priorities of multiple members, particularly when creating annual agendas and long-term strategies.
  - Inequality is guaranteed in a group of diverse partners – the coalition must therefore intentionally design processes to encourage equality and create space for divergent interests. Successful management of a coalition is tied to holding the tension between differences and common goals.
- Mission
  - All CDFI coalitions researched have been able to make significant progress on goals that they have set for themselves by coordinating activities to target these goals.
  - The level of commitment and partnership required from the coalition will be driven by the type of goals that the coalition sets.
- Internal and External Partnership
  - The CDFI coalition is a space for CDFIs to grow capacity to work together and to build relationships with external partners as a group. The coalition is unique in St. Louis because it provides a mechanism for fostering partnership between CDFIs. This internal partnership – through information, skills, and deal sharing as well as partnered capacity building – should remain a core characteristic of the coalition.
  - The coalition offers CDFIs a platform for action as a collective, including developing partnerships and outreach efforts at a larger scale than is feasible individually.
  - It is not the aim of the coalition to duplicate other coordination efforts in place in St. Louis. The coalition should seek to partner with other collaborations (InvestSTL, SLEHCRA, MSLCRA, and CBN) where overlap or complementarity exists. This will mean

    - communicating strategic agendas when appropriate, depending on shared members to inform the coalition on potential for alignment, etc.
- CDFI Ownership
    - Buy-in and explicit commitment to collaboration from each member's upper management is critical to their ability to complete necessary activities for joint goals.
    - Coalitions cooperating and collaborating have shifted from meetings driven by the initial convener to self-convened meetings and self-directed agendas.
- Minimal Structure
    - Keep it simple. The coalition should create only what structure is needed to facilitate the achievement of goals as they have been set.
    - Start small. Consider the four levels of collaboration: networking, coordination, cooperation and collaboration. The scope of goals that the coalition wants to accomplish will determine the level of partnership required. Once the level of partnership is determined, establish structure and activities to foster this level of partnership.

CDFI Coalition in the St. Louis Landscape

Figure 2. CDFI Coalition and Partner Collaborations



There are several key partnerships with other coalitions in St. Louis that the CDFI coalition should intentionally pursue. Some of these (SLEHCRA, InvestSTL, and CBN) already share overlap in membership. The MSLCRA is a partnership that does not share overlap, but should be engaged as a key partner because of the potential for strategic alignment in ensuring a better system of community development finance. Although CDFIs share interests with these other entities, there is also a set of independent interests unique to CDFIs (especially concerning awareness and technical capacity directly related to CDFI status) that merit having a separate CDFI coalition independent of other coalitions. The CDFI coalition should work in partnership with the other finance collaborations in St. Louis to pursue a comprehensive and cohesive community development strategy in the region, while also focusing on CDFI-specific interests within the coalition.

The CDFI coalition should attempt to avoid duplicating efforts of other coalitions and should consider what these coalitions have to offer in assessing the resources available to coalition members. For example, where CDFI technical assistance and capacity-building needs overlap with those of CDCs involved with CBN, resources may already exist in the community to help build capacity and share technical knowledge. InvestSTL, on the other hand, may be a good partner for meeting access to capital needs and strategic alignment of investing priorities.

In addition, the coalition should work with the East-West Gateway Council of Governments and the St. Louis Economic Development Partnership to help align goals and strategies with larger community-level goals. In particular, the coalition may be able to leverage St. Louis's Promise Zone status through working with the Economic Development Partnership.

Recommended Next Steps

After considering the research, there are four broad recommendations that stand out for the CDFI coalition's next steps. These are listed below and then explained in greater detail. Some of the recommendations offer a clearly prescribed action while others include options that will depend on choices that the coalition makes about objectives.

1. Define a decision-making process.
2. Establish a minimal organizational structure, including hiring an administrator.
3. Identify the objectives of the coalition based on a common mission, collective assets, and prioritized needs.
4. Define clear roles, responsibilities, and actions to achieve objectives.

1. Define a Decision-making Process.

In order to determine objectives, roles, and responsibilities, it is best to develop a process that allows the group to build consensus. Understanding that tension may arise from collaboration, especially when competition exists, it is important that each member is committed to the both the objectives and the process set by the coalition.

- Develop a plan for decision-making. Because of size of the St. Louis CDFI coalition, either a consensus-based process or a voting process which requires a quorum (5 out of 6 CDFIs present) with majority-rules voting should be adopted.
- Objective and agenda development: There are several models to use for setting the group agenda.
    - With 6 CDFIs, it is feasible to undertake major decisions as a group, although this will take up significant meeting time. This is the model used by ADA. If the coalition grows to a larger size, it may be desirable to elect an executive committee.
    - Executive teams work best with an odd number, preferably with five members to avoid the likelihood of tie votes. Three members is feasible, although not optimal because it may lead to consistent 2:1 imbalanced dynamics. However, if an executive team is formed with the coalition's current size, three would be the optimal number and should include representation from a credit union, a large-scale lender, and a small-scale lender. An executive team would be in charge of setting the annual agenda which should be informed and approved by all members, and would also be charged with ensuring that bi-monthly meeting agendas adhere to the overall objectives and agenda.

2. Establish a Minimal Organizational Structure

The Greater St. Louis CDFI Coalition should keep organizational structure as simple as possible and build infrastructure as a group only as needed. It is more important to put time and energy into setting goals and acting to achieve those goals than to establish a very formal organization, especially in the early stages of the coalition.

- Following this logic, the coalition should not form a separate legal entity, but instead operate under a system of MOUs similar to the example set by the Detroit CDFI Coalition. The formation of a separate nonprofit should be pursued only if this becomes the necessary and obvious choice – for example, if the coalition decides to spend significant time lobbying or if it becomes necessary to operate a separate loan fund which cannot be managed by a fiscal sponsor. Even in this latter case, it may make more sense to house the loan fund under InvestSTL than to create a separate nonprofit.
- Without a separate organization, the coalition will require a fiscal sponsor to manage funds for staff time and events.
- Leadership for the coalition should be led by CDFI members. This will requiring a shift from relying on the Federal Reserve Bank to coordinate meeting times, etc. and can be accomplished by setting an annual agenda and assigning a facilitator.
- It is necessary to assign administrative tasks for the coalition to a designated facilitator. This may be accomplished by hiring a consultant to fill administrative roles (distributing agendas, coordinating meeting logistics, note-taking and summary of concepts), or sharing staff time with CBN or the Alliance for Building Capacity, for example. Ideally, the facilitator will be familiar with community development finance and be skilled in facilitating relationship-building between organizations.
- Funding: The ADA offers an interesting model for funding the coalition – the part-time staff position is paid by interest on loans made to members. This would require a large enough pool of money to generate interest sufficient to cover a partial positon, and might necessitate forming a separate legal entity if a fiscal sponsor is unable or unwilling to manage the fund. A simpler option is to rely on membership dues; however, with six CDFI members and up to four ally members, the funds would likely need to be augmented with external funding to cover a partial staff salary, outreach materials/media, and training. There may be funding available to promote collaboration-building in the near future – OFN would be a good source for this information – however, this would not be a sustainable source of funds.

Meetings

- For the next 12 months, the coalition should continue to meet as a whole group once each month.
    - There are several topics that the coalition will need to discuss. It will be better to have a facilitator who can impartially oversee these conversations and help build consensus than for any member to try to both lead and participate in a conversation. This may be the role of the administrative facilitator; however, it is better to have someone else act as note-taker, especially in discussions that may bring out competing interests, to allow the facilitator focus on facilitating the discussion. For a list of key topics, see *Identify the Objectives of the Coalition* section below.
    - One goal for continuing to meet monthly as a complete group is to improve inter-coalition awareness. This includes building a shared understanding of the strengths and unique role within the community that each member holds, as well as how individual goals align or are separate from one another.
    - Continuing to rotate the host of the meetings offers balance regarding the burden of logistics and helps maintain equal footing for member organizations.

- After the next year, all-member meetings can become bi-monthly. This will allow for 6 meetings each year with preserved time for sharing news and for maintaining relationships and knowledge about other members. It will also allow for time during the other 6 months to devote to special-interests or task-related (committee) work.
- The coalition should host 4 types of meetings:
  - An annual **alignment** meeting – this meeting should be attended by the CEO or ED of each member organization. At this time, the coalition should approve the annual agenda which will guide activities for the next year.
    - An example of how this might work is to summarize and report on achievements for the year at the November meeting, allow a steering committee or executive team to prepare a draft agenda in December, and present, amend, and approve the agenda in January. This is also a time to discuss the "state of the coalition" with CEOs and to receive official updates on individual organizational agendas.
  - Workshops or **training** meetings – this meeting may be open to the public and will focus on providing training. The ADA offers this type of meeting as trainings for community organizations, for traditional lenders, and for member CDFIs to promote *professional development* within the community.
  - Specific interest or **topical** meetings – the coalition needs a mechanism for addressing specific interests that may not be relevant to all members. The Detroit coalition uses a committee approach to lead policy and neighborhood strategies. The Memphis network invites guests to present on topics of interest to the group. SCCCA will begin hosting regional and topical gatherings to discuss more focused topics.
  - Annual **agenda** preparation meetings – this meeting should be set aside for preparing an agenda for the following year. Immediately and throughout the first year, this is a main focus for the coalition. Subsequent years will require less time set aside specifically for forming the agenda and may be completed in a committee format rather than at a regular meeting time.
- All meetings should include the following
  - An agenda, distributed ahead of time. Sample agendas from Detroit CDFI committee meetings are included in Appendix C.
  - An assigned note-taker – preferably a second attendee from a member organization or administrator who is not actively facilitating the discussion.
- All-member meetings should also include
  - Time set aside for relationship-building through sharing information about individual organizations. Effort should be made to encourage balanced sharing - this should include triumphs, challenges, and resources. To build strong relationships between CDFIs, it is important to know about the various products each organization provides, how each is succeeding at pursuing its mission, and how each is impeded from growth or impact. This time is part of designing for relationship-building. Each coalition discussed the importance of building relationships through building familiarity, trust, and understanding of the diversity of member organizations.

3. Identify the Objectives of the Coalition.

What the coalition aims to accomplish will drive decisions about what types of activities it should do and the form that coalition work takes. There are several important conversations that coalition members should have to help identify and prioritize goals. As summarized in the challenges and goals section of this report, top priorities to anchor these conversations include raising awareness about CDFIs (inclusive of strengthening relationships with banks), meeting the technical and capacity needs of member CDFIs, increasing access to capital and CDFI funding, and improving regulations that affect CDFI operations and CRA investment.

Topics to discuss

- Asset inventory – catalogue the organizational and individual strengths at the table.
    - Understanding what resources members can provide – in knowledge and skills as well as more tangible resources – will help formulate strategies for meeting the needs and addressing challenges faced by CDFIs.
    - With a clear understanding of the assets that each CDFI has, it becomes easier to define clear roles and responsibilities within the coalition.
    - As an exercise, inventorying the assets of member CDFIs and specific representatives will help increase knowledge of other CDFIs for all participants.
    - It may be helpful to think of assets in terms of competitive advantages – what does each CDFI do best and how can these characteristics help support the coalition?
- Mission statement and primary goal-setting.
    - Articulating a collective mission will provide a guide-post for selecting objectives and goals. All objectives should relate back to the mission. OFN describes the national mandate for CDFIs as "financial institutions that are 100% dedicated to delivering responsible, affordable lending to help low-income, low-wealth, and other disadvantaged people and communities join the economic mainstream."[2] The CDFI Fund defines CDFIs as "expanding economic opportunity in low-income communities by providing access to financial products and services for local residents and businesses."[3] The CDFI coalition needs to determine its own mission statement that clearly defines the justification for a coalition and how it will support CDFIs in fulfilling these commitments to the community.
    - This report has highlighted some of the top priority issues for CDFIs. Using these as a starting point, the coalition should choose which to pursue first, keeping in mind how each objective will drive the coalition's mission. For example, building awareness about CDFIs and how to work with them may be an underlying factor in increasing access to capital and should be considered a top priority.
- Communications and awareness strategy
    - Whether or not building awareness becomes the first priority objective for the coalition, it is clearly related to addressing several needs of CDFIs and will rank among the objectives identified for the next year. The CDFI coalition should discuss how it intends to build awareness.

[2] http://ofn.org/what-cdfi
[3] https://www.cdfifund.gov/Documents/CDFI_infographic_v08A.pdf

  - The CDFI coalition should establish a common understanding of the value of the coalition as well as the value of CDFIs in community development. By having a unified message about CDFIs, members can better set expectations about involvement in the coalition and can present a united message to the community development and investment community through individual communications and collective communications.
  - One task in building awareness is communicating the services that members provide. Examples of how other coalitions have organized this information are included in Appendix B. The service matrices developed by Memphis and Detroit are particularly useful for the St. Louis CDFI coalition.
  - The coalition needs an effective way to share information and personal networks. Although hosting a LinkedIn group is not something that other CDFI coalitions have done, it may be a good way to access personal networks of individual coalition representatives to forward coalition work. Advantages include documenting individual connections and allowing others to see the nature of affiliation between groups. Disadvantages include imbalanced information if some members do not update connections on LinkedIn.
  - The coalition should have a web presence that allows it be found through internet searches, but may not need a full website. SCCCA's webpage provides a useful platform for collecting information from the community and for making connections that lead to business development. This is useful because of SCCCA's growing recognition in South Carolina's community finance community. The Detroit webpage is very simple, yet provides most of the same information as the Memphis Network and ADA websites. It is different in that is a single webpage hosted on the website of a leading member, LISC. Because it is difficult to drive traffic to a website (especially when awareness of CDFIs is already low), hosting a page on an established website offers advantages in being less costly while providing a searchable landing point. The webpage should contain information about the services provided by member CDFIs as well as information about the role of CDFIs in community development and how to get more information or to contact individual members.
- Capital needs
  - The coalition should discuss options for increasing access to capital as a collective. Options to consider include establishing a fund similar to that of ADA, pursing a relationship with a public or private funder as a collective, working with InvestSTL to develop a channel of capital especially for CDFIs, etc.
  - Finding practical solutions to address the capital needs of members may involve developing a strategic alignment in investment priorities that can help engage external partners and investors. It may also mean sharing access to capital between CDFIs – for example, some CDFIs are able to raise capital but struggle with deployment, while others are able to deploy capital but struggle with access to more.
  - Openly discussing the nuanced challenges faced by each CDFI in relation to capital will help guide strategies and opportunities for building better channels to access and deploy capital.

- Strategic alignment
    - It may be beneficial for coalition CDFIs to choose a joint strategic focus if collective impact is a coalition objective. Models for this approach include Detroit's priority neighborhood focus or the expansion of coverage pursued by ADA and SCCCA.
    - The coalition should use the Ferguson Commission Report as an information source for directing regional strategic alignment. Partnership with InvestSTL, MSLCRA, CBN, East-West Gateway, and the St. Louis Economic Development Partnership will also help identify the best opportunities for strategic alignment and the "low-hanging fruit" for proving the value of the coalition in the community.
- Policy
    - Coalition members have differing definitions of the policy challenges faced by CDFIs. These span from regulatory constraints to lax regulation of CRA participation to lack of awareness and support within the political community. The coalition should discuss these different definitions, how they fit together, and how to prioritize these challenges to drive actions.
- Metrics
    - The coalition should develop metrics to measure success in relation to established objectives.
    - The coalition should discuss how to collect (and store) feedback from members to measure the success of the group in meeting internally-focused goals and to measure inclusion and satisfaction in coalition processes.
    - The coalition should also develop metrics or a mechanism to collect feedback from the community on its ability to address community needs (as a coalition or on behalf of the CDFI community). Examples of this include East Side Aligned's use of focus groups, or the presence of a community advisory board. This kind of mechanism may also help to measure the awareness of CDFIs in the community.
    - Some metrics to consider include (depending on objectives), evidence that people are using the communication tool about services provided by CDFIs, number of referrals between CDFIs or from external organizations, use of member organization's customer satisfaction surveys to test level of community awareness about CDFIs in general.
    - Members should consider using Aeris metrics and information collected through the Aeris evaluation process as benchmarking metrics on individual performance (see Appendix F). In addition, Aeris plans to release useful resources later this year that will help in developing impact metrics.
    - The coalition should also discuss metrics for measuring joint performance. Detroit measurements are two-fold. They measure the collective impact of CDFIs as number of dollars invested in the city annually and since inception of each CDFI. They find that this number helps capture the attention of decision-makers and other community stakeholders. One CDFI, Capital Impact Partners, has also received funding to measure broad-scale community development impact indicators. Although these indicators will not allow the coalition to attribute changes directly to their individual work, consistent monitoring of community-level indicators allow the coalition and other community entities to monitor collective progress on community development relative to their goals. See Appendix H for link to the Capital Impact Partners report.

- Scaling-up: this topic should not be addressed in the current year. It may be possible to scale up in the future, but the immediate task will be to achieve "proof of concept" for the coalition by raising the profile of CDFIs in the community and focusing on proving the value of the coalition to all member organizations. It is tempting to design tasks with the idea of scaling up, but it is more realistic to focus on current capabilities and to identify indicators (such as reaching 11 member CDFIs) that would signal a need to discuss adjusting processes to accommodate a larger coalition. One facet of scale-up that may be worth discussing at this point is the number of representatives from each organization expected to participate in coalition activities and specifically which ones for particular activities. For example, CEOs should be available when decisions that affect organizational operations will be made.

4. Define Clear Roles, Responsibilities, and Actions to Achieve Objectives.

The scope of the coalition's objectives will determine the level of partnership required. This will, in turn, determine the actions and form of partnership required (committees, events, specialized training, strategic initiatives, etc.).

- Each member CDFI must commit to the agreed objectives at a high-level within the organization.
- Once commitment to the objectives is established, it becomes easier to discuss the actions necessary to achieve objectives.
- Roles and responsibilities should be clearly assigned based on what needs to happen to achieve objectives and who is best-suited to complete each role. Considering the varied strengths of each member will help develop the strategies and assign roles.

Appendix

List of Interviews

OFN:
Donna Fabiani, Executive VP of Knowledge Sharing, dfabiani@ofn.org, 202.250.5519

Appalachian Development Alliance:
Ed Harris, Executive Director, ed.harrisrp@hotmail.com, 606.534.6224

Detroit CDFI Coalition:
Kirby Burkholder, IFF, kburkholder@iff.org, 313.309.7820
Hank Hubbard, One Detroit Credit Union, hank@onedetroitcu.org, 313.965.8640x212
Brad Frost, Capital Impact Partners, brad bfrost@capitalimpact.org, 313.230.1118

Memphis CDFI Network:
Cynthia Norwood, Communities Unlimited, cynthia.norwood@communitiesu.org, 901.312.9797
Tracy Buckley, Community Lift, tracy@communitylift.org, 901.521.4232
Ernestine Smith, Assisi Foundation, 901.684.1564
Amy Schaftlien, Unity Housing, aschaftlein@uhinc.org, 901.272.1122

South Carolina Community Capital Alliance:
Tammie Hoy, Together Consulting, tammie@sccommunitycapital.org, 843.864.9800

Aeris:
Paige Chapel, President & CEO, pchapel@aerisinsight.com, 206.328.6110

East Side Aligned:
Evan Krauss, United Way, evan.krauss@stl.unitedway.org, 844.372.2025

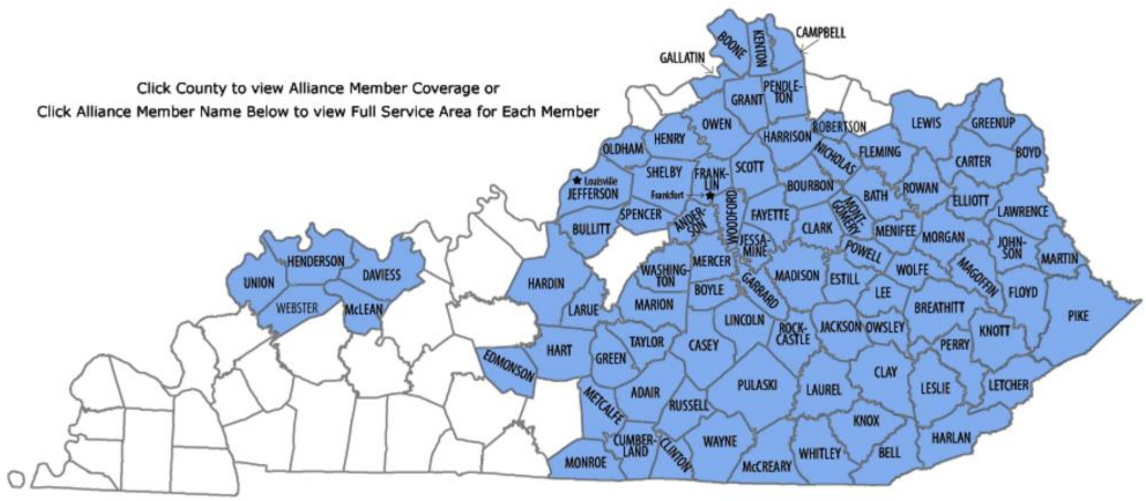
Community Builders Network:
Karl Guenther, CBN Administrator, Community Development Specialist, UMSL, GuentherK@umsl.edu, 314.516.5845

St. Louis Social Innovation District:
Paul Evensen, Wyman Center, Paul.Evensen@wymancenter.org

Service Diagrams

Appalachian Development Alliance

(located on website: http://www.adaky.com/statemap.htm)



Community Ventures Corporation (CVC)
Lexington, KY
Phone: 859-231-0054
www.cvcky.org

Human/Economic Appalachian Development Corporation (HEAD)
Berea, KY
Phone: 859-986-8423
www.headcorp.org

Kentucky Highlands Investment Corporation (KHIC)
London, KY
Phone: 606-864-5175

Detroit CDFI Grid

(located on LISC website: http://programs.lisc.org/detroit/detroit_cdfi_coalition/index.php)

CDFIGrid

Detroit CDFI Coalition

Your guide to Community Development Financial Institutions (CDFIs) serving Michigan

Visit the website of a CDFI for more details about the terms, interest rates, fees, and financing funds available for your project

How do I use this?

Ask yourself:

1 / What's my project or business?
The Financing Sector below will help you decide based on five common types

2 / What type of financing product do I need?
The Loan Products below indicates five common types of financing available for projects

= Statewide Geography

= Detroit Geography

	Financing Sector					Loan Products								
	Business	Multi-Family	Mixed Use	Consumer Mortgage	Other Consumer	Term Loans	Gap/Bridge	NMTCs	Predevelopment	LIHTCs	Grants	Detroit	Michigan
Capital Impact Partners	✓	✓	✓			✓	✓	✓	✓			✓	✓
Cinnaire		✓	✓			✓	✓	✓	✓	✓		✓	✓
Community Reinvestment Fund, USA	✓	✓				✓		✓				✓	✓
CSH		✓											✓
Detroit Development Fund	✓	✓	✓			✓	✓		✓			✓	
Enterprise Community Loan Fund		✓	✓			✓	✓	✓	✓	✓	✓	✓	✓
First Children's Finance	✓										✓	✓	✓
First Independence Bank	✓			✓	✓	✓						✓	✓
IFF		✓	✓			✓	✓	✓	✓	✓		✓	✓
Invest Detroit	✓	✓	✓			✓	✓	✓	✓		✓	✓	
Liberty Bank	✓	✓	✓	✓	✓	✓						✓	✓
Local Initiatives Support Corp.	✓	✓	✓			✓	✓		✓	✓	✓	✓	✓
Mercy Loan Fund		✓	✓										✓
Metro Community Development	✓		✓	✓		✓	✓						✓
NDC	✓	✓	✓			✓		✓		✓			✓
Northern Initiatives	✓					✓	✓						✓
One Detroit Credit Union		✓		✓	✓	✓						✓	
Opportunity Resource Fund	✓	✓	✓	✓	✓	✓	✓		✓			✓	✓
Urban Partnership Bank	✓	✓	✓			✓	✓					✓	

Memphis Service Matrix

(located on website: http://www.cdfimemphis.org/faq.html)

CDFI MEMPHIS

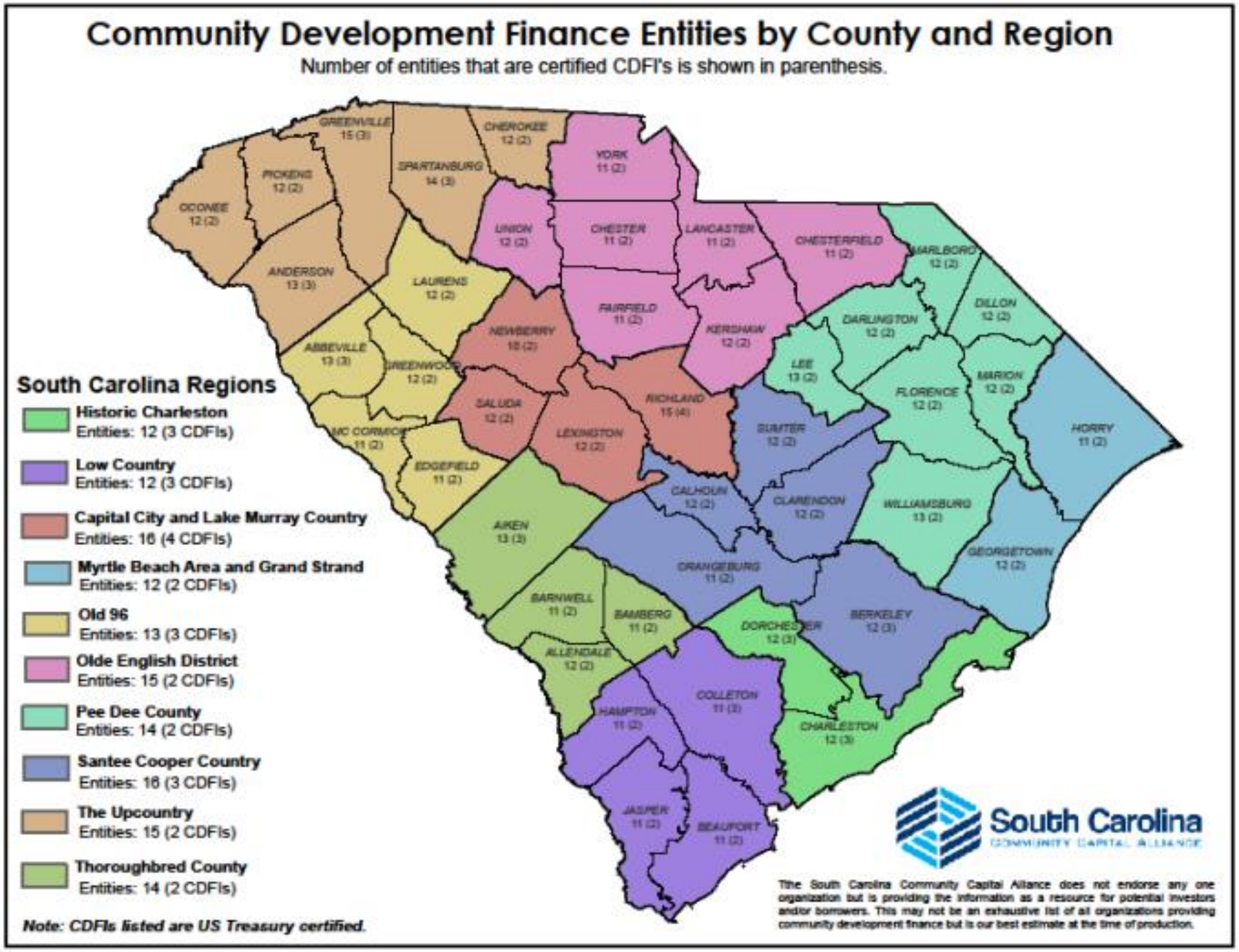
Home About Contact Partner/Contribute

CDFI	Business Lending	Consumer/ Auto Loans	Mortgage Education	Checking/ Saving Account	Non Profit Lending	Credit Counseling	Business Workshops	1 on 1 Business Education
Communities ...Unlimited formerly alt.Consulting	X						X	X
Hope credit union	X	X	X	X		X		
LiftFund Dream it. Fund it.	X				X		X	
Pathway Lending	X							
River City Capital Investment	X				X			
Tri-State Bank of Memphis	X	X		X			X	
United Housing		X	X			X		

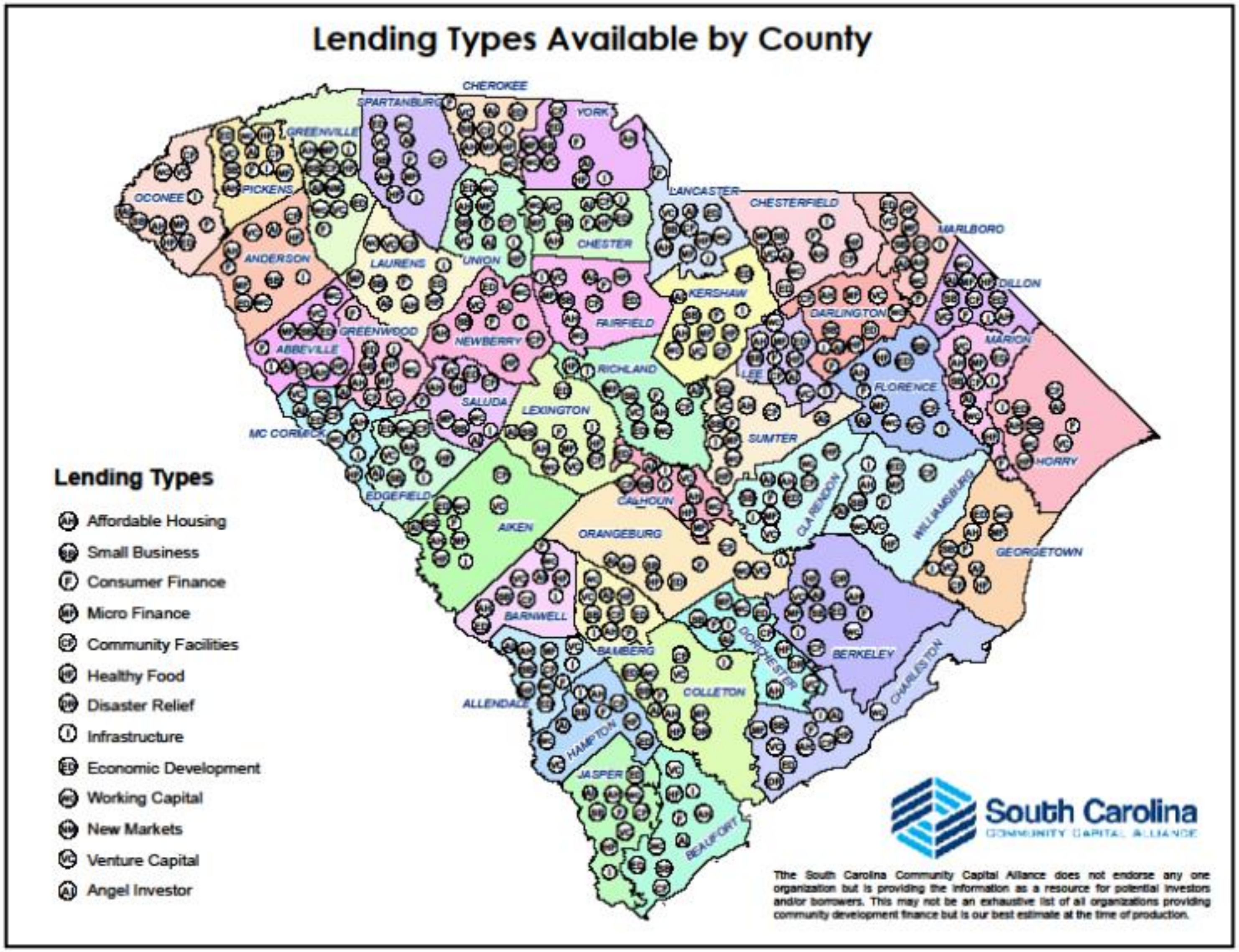
South Carolina Community Capital Alliance

(located on website: http://www.sccommunitycapital.org/who-we-serve/resourcesmaps/)

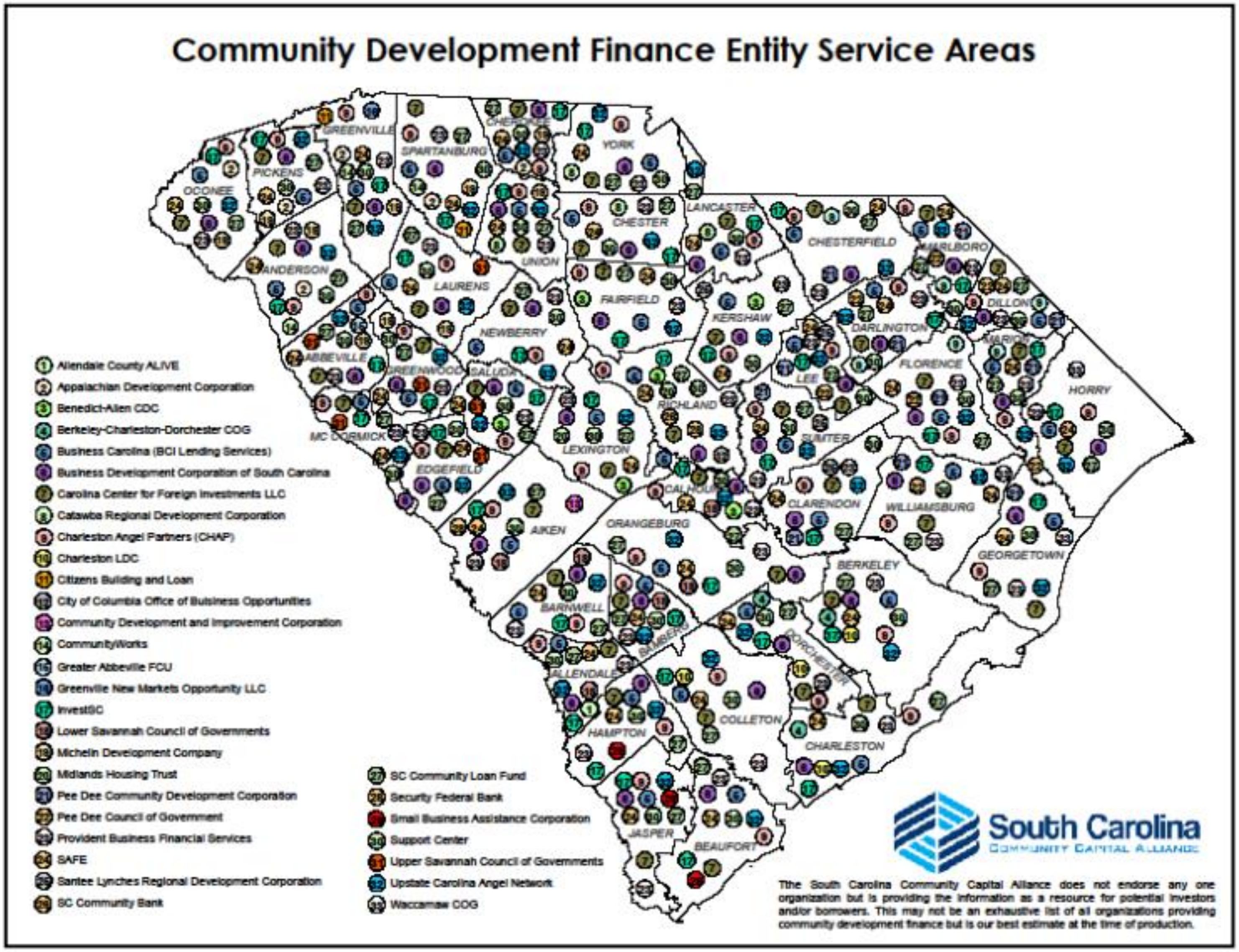
1. How many entities (and specifically CDFIs) serve each county and region:



2. What types of lending are available in each county?



3. Who is operating in each county?



Baltimore Profile Book: CDFI Definition, Service Matrix, and Sample Profile
(located on website: https://baltimorecdfis.org/about-2/who-is-involved/)

What is a CDFI?

Community Development Financial Institutions (CDFIs) are private financial instutitions that are 100 percent dedicated to delivering responsible, affordable lending to help low-income, low-wealth, and other disadvantaged people and communities join the economic mainstream.

By financing community businesses – including small businesses, microenterprises, nonprofit organizations, commercial real estate, and affordable housing – they spark job growth and retention in hard-to-serve markets across the nation.

CDFIs are profitable but not profit maximizing. They put community first, not the shareholder. They have had great success during the past 30 years, and have a proven track record of making an impact in those areas of America that need it most.

CDFIs at a Glance

CDFI	Lending Type				
	Micro & Small Business	Housing to Orgs	Commercial Real Estate	Community Facilities	Consumer Finance
Baltimore Community Lending*		✓	✓	✓	
Boston Community Capital*	✓	✓	✓	✓	✓
City First Bank of DC	✓	✓	✓	✓	✓
The Calvert Foundation*		✓			
Enterprise Community Loan Fund*		✓		✓	
The Harbor Bank of Maryland	✓		✓		✓
Healthy Neighborhoods		✓	✓	✓	✓
Latino Economic Development Center	✓				
Maryland Capital Enterprises	✓				
MECU	✓		✓		✓
National Housing Trust Community Development Fund		✓			
Natural Capital Investment Fund	✓		✓		
Neighborhood Housing Services of Baltimore					✓
NeighborWorks Capital*		✓			
Nonprofit Finance Fund*				✓	
Opportunity Finance Network*					
Partners for the Common Good*		✓		✓	
Security*plus* Federal Credit Union					✓
Self-Help*	✓	✓	✓	✓	✓
The Reinvestment Fund*		✓	✓	✓	

* AERIS (formerly CARS) rated CDFI

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Baltimore Community Lending, Inc.
www.bclending.org

Baltimore Community Lending is a US Treasury certified nonprofit community development financial institution. Working in Baltimore City exclusively, BCL provides loan capital for bricks and mortar real estate development. It works with different types of customers—developers, individual investors, nonprofits, businesses—and partners to transform and revitalize Baltimore neighborhoods.

BCL extends credit to customers who have been unable to access financing to develop affordable housing, community facilities, mixed used developments and commercial space in underserved neighborhoods. BCL's lending criteria consider the needs of the borrower and the economics of the community.

Total Assets: $17,240,993 (FY2013)
Total Loans Outstanding: $11,030,161 (FY2012)
Year Began Financing: 1989
 # FTEs: 7

Target Market
Headquarters: Baltimore, MD
Market Served: Urban
State(s) Served: MD
Borrower Characteristics: Private and non-profit developers, businesses, nonprofits, and individual investors

Organization Type
Financing: ☒ Loan Fund ☐ Credit Union ☐ Bank ☐ Venture Capital
Other: ☐ ____________

Lending Type(s)
☐ Microenterprise
☐ Business
☒ Commercial Real Estate
☒ Community Facilities
☒ Nonprofits
☐ Housing to Individuals
☒ Housing to Organizations (Primary)
☐ Intermediary Loan Funds
☐ Consumer Finance
☐ Mortgages to individuals
☐ IDA-Savings
☐ Energy Efficiency
☐ Checking/Savings Accounts

SBA Lending
☐ SBA Microlender
☐ SBA 7(a) Lender
☐ SBA Community Advantage Lender
☐ SBA 504 Lender

Type of Lender
☒ Direct Lender: ☒ Track record ☐ Interested
☐ Co-Lender: ☐ Track record ☐ Interested

Leadership:
- Ruth M. Louie, President and Chief Executive Officer
- Paul T. Graziano, Board Chair | Commissioner, Baltimore City Department of Housing and Community Development

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Detroit Meeting Packet: Sample Agenda & Sample of Organizational Framework

Detroit CDFI Coalition

EXECUTIVE COMMITTEE
Wednesday, March 2, 2016 at 11:00 a.m.

Meeting to be held via teleconference

1. Convene Meeting
2. Memo Regarding 3/2/16 Executive Committee Meeting
   a. Venue for March 17th Member Meeting
   b. Processing for Voting for Executive Committee Members
   c. Revised Draft of CDFI Organizational Framework
   d. Neighborhood Committee Recommendations from 2/1/16 Meeting
   e. MOU between CDFI Coalition and Detroit LISC as Fiduciary
3. Approve Agenda for 3/17/16 Member Meeting
   a. Facilitated process for Coalition's mission and purposes
4. Approve recommended draft of Organizational Framework
   a. Voted on by members at 3/17/16 member meeting
5. Discuss Neighborhoods Committee recommendations
   a. Approval of Southwest neighborhood for investment strategy
6. Review draft MOU between CDFI Coalition and Detroit LISC
7. Detroit CDFI Coalition Summary of 2014-2015
8. Adjourn Meeting

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Detroit CDFI Coalition

DRAFT MEMBER MEETING AGENDA
Thursday, March 17, 2016 / Sponsor: Credit Union One

Federal Reserve Bank of Chicago – Detroit Branch
1600 E. Warren Avenue; Detroit, MI 48207

1. 3:00 pm Welcome
   Tahirih Ziegler, Detroit LISC

2. 3:05 pm Introductions and Brief Description of Coalition (if guests present)
   Tahirih Ziegler

3. 3:10 pm Presentation of Capital Impact Partners' findings regarding rehabilitation of existing buildings in Detroit
   Bradford Frost & Elizabeth Luther, Capital Impact Partners

4. 3:25 pm Meeting Minutes for Review
   Tahirih Ziegler
   a. January 21, 2016 Member Meeting Minutes
   b. January 27, 2016 Member Meeting Minutes
   c. February 1, 2016 Special Neighborhoods Committee Meeting Minutes
   d. March 9, 2016 Neighborhoods Committee Meeting Minutes
   e. March 9, 2016 Policy Committee Meeting Minutes

5. 3:30 pm Old Business
   Detroit CDFI Coalition Executive Committee
   - Update on membership and dues
   - Facilitated discussion regarding CDFI Coalition Mission and Purpose
   - Results of vote for Executive Committee members
   - Vote to Approve CDFI Organizational Framework
   - Discussion of Neighborhood Committee recommendations

6. 4:30 pm Next Meeting – Thursday, May 19, 2016 from 3:00 – 4:30 pm
   Sponsored by: Invest Detroit
   Meeting Location: TBD

7. 4:30 pm Adjourn Meeting

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Draft Organizational Framework for Detroit CDFI Coalition
Revised 2/23/16

A. Name
The name of the coalition is the **Detroit CDFI Coalition.**

B. Service Area
The service area of the Detroit CDFI Coalition is the City of Detroit outlined by the street boundaries for Detroit, Michigan, and representing approximately 140 square miles

C. Mission
To be determined from process at 3/17/16 Member Mtg

D. Purposes
The purposes of the Detroit CDFI Coalition are to:
To be determined from process at 3/17/16 Member Mtg

E. Membership
All prospective members must submit a completed Membership Intake Form and pay annual dues to become a member, and such membership shall be for the calendar year, or portion thereof from the time the Membership Intake Form is submitted with dues payment. The form and content of the Membership Intake Form shall be approved by Coalition's Executive Committee. The Executive Committee shall also review all applications to ensure that applicants meet the eligibility requirements, but no further approvals shall be required for membership.

The Detroit CDFI Coalition shall have two types of membership as follows:

1. **Lender Members / Voting Members**
   a. Any certified Community Development Financial Institution (CDFI) that meets the following membership requirements shall be considered a qualified *Lender Member* of the Detroit CDFI Coalition.
   b. Requirements of membership:
   Qualifying Lenders Members agree to:
      - Actively promote and provide loans supporting community development or provide financial services in the City of Detroit.
      - Support the mission and purposes of the Detroit CDFI Coalition.
      - Attend bi-monthly member meetings.
      - Participate actively on at least one committee.
      - Contribute financially to support the Detroit CDFI Coalition's operations and activities as outlined in the approved Detroit CDFI Coalition's membership application.
      - Provide information annually by March 31st of each year regarding investments made in Detroit for the previous year to measure compiled quantitative investment impacts.
      - Foster a spirit of collaboration among coalition members pursuant to the mission and purposes of the Coalition.
   c. Each Lender Member organization shall have one vote on all matters requiring a vote of the members. Each Lender Member shall designate an authorized person to vote on behalf of

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the organization, and shall have the right and responsibility to notify the Chairperson of any change in designated voting representative, should the original authorized designee be unable to attend any meeting where a vote may be required.

d. Any Lender Member not meeting the Membership Requirements for three consecutive meetings, may have their voting membership revoked by a 2/3 vote of the enrolled members, and they will be considered a Partnership Member for the remainder of the membership term.

2. Partner Members / Non-Voting Members

The following types of individuals and organizations shall be considered qualifying *Partner Members* of the Detroit CDFI Coalition:

- Policy Partners - other alliances and coalitions
- Community Development Partners – organizations
- Community Development Supporters - individuals or organizations
- Community Development Entities (CDEs)
- Council of Government/City/County/State Loan Funds
- Corporate Loan Funds
- Community Development Loan Funds

Partner Members shall not be considered voting members and are invited to attend meetings on a bi-annual basis to provide input and advice to the Coalition.

F. Membership and Lender Member / Voting Member Meetings

The Lender Members are the Voting Members and shall make decisions regarding the mission, purposes, annual work plan, budget, policies and all other business matters of the Coalition. The Lender Members may defer certain decisions to the Executive Committee if approved by 2/3 majority of the votes cast at a meeting where a quorum of the members are present.

A quorum for any meeting shall consist of a minimum of 51% of the enrolled Lender Members. Once a quorum has been established at a meeting, the quorum shall hold for the entire meeting, even if the number of members shall be less than the 51% threshold requirement at any point in the meeting.

The Lender Members shall meet on a bi-monthly basis on the third Thursday of January, March, May, July, September, and November at a location to be determined by the Lender Members. Members may attend meetings via teleconference.

The Lender Members shall make an attempt to make decisions by consensus. However, if consensus cannot be reached in the judgment of the Chairperson, a decision of the Coalition may be approved with a 2/3 majority of the votes cast at a meeting where a quorum of the Lender Members are present. Voting may be made electronically or by proxy.

G. Executive Committee

The Executive Committee shall consist of seven Lender Members including the officers of Chairperson, Vice Chairperson, Secretary, Treasurer, and three additional Lender Members. Executive Committee members shall be elected at the first meeting of the calendar year where a quorum of the Lender Members are present. The Executive Committee shall be determined by the seven nominees that receive the highest number of votes when the election is held. The Executive Committee will elect officers for the role of Chairperson, Vice Chairperson, Secretary, and Treasurer at the first meeting of

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the Executive Committee following the election by a majority vote of the Executive Committee members where a quorum is present. A quorum shall be defined as a minimum of four (4) Executive Committee members being present at any scheduled meeting.

The Executive Committee shall have the following responsibilities:

- Oversee the general operations of the Coalition, including supervising any consultants or administrative staffing.
- Prepare for bi-monthly member meetings.
- Recommend an annual budget and work plan for member approval at the end of each calendar year.
- Make decisions when required between member meetings consistent with published policies of the Coalition, or when directed by a vote of the Board.
- Seek funding for the Coalition as approved by the Members.

The Executive Committee shall meet on as as-is needed basis as determined by the Chairperson or as directed by the Board.

H. Officers, Committee Chairpersons, and Roles

The Detroit CDFI Coalition shall have the following officers:

1. **Chairperson** – The Chairperson shall preside at all member and Executive Committee meetings and have responsibility for working with Administrative / Consultant staffing to ensure that a final agenda and meeting packet are forwarded to the members or Executive Committee no later than 3 business days prior to any meeting.
2. **Vice Chairperson** - The Vice Chairperson shall act in the Chairperson's stead whenever the Chairperson is unable to conduct their duties, and assist the Chairperson with other duties as may be mutually agreed with the Chairperson.
3. **Secretary** – The Secretary shall work with Administrative / Consultant staffing to ensure that minutes of the member and Executive Committee meetings are taken and sent to the members no later than 3 days prior to any regular meeting. The Secretary shall ensure that copies of all minutes are maintained as part of the Coalition's permanent records.
4. **Treasurer** – The Treasurer shall work with the Coalition's fiduciary organization to ensure that a financial report accounting for all funds that have been received or expended by the Coalition be prepared and sent to the members no later than 3 days prior to any regular meeting. The Treasurer shall ensure that copies of all financial reports are maintained as part of the Coalition's permanent records.
5. **Committee Chairpersons** – The Executive Committee shall identify and select persons to serve as Chairpersons for the Coalition's Standing Committees. The Committee Chairpersons shall preside at their respective committee meetings and have responsibility for working with Administrative / Consultant staffing to ensure that minutes are taken for each meeting, and that the agenda and meeting packet are forwarded to the committee members no later than 3 business days prior to any meeting.

I. Standing Committees

Standing Committees shall be established by the Board by 2/3 majority of the votes cast at a meeting where a quorum of the members are present.

The current Standing Committees and purposes are as described below. Standing Committees shall meet monthly, or as determined by the Committee Chairpersons.

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1. **Neighborhoods Committee**
   The purposes of the Neighborhoods Committee are to:
   a) Proactively connect and foster relationships with community leaders to understand investment gaps, provide information on existing investment tools and products, explore creation of new investment tools and products, and tell the story of the community;
   b) Collectively explore and determine focus areas where Detroit CDFIs' products can be most effectively layered or complemented to increase deployment of capital and other resources to underserved areas;
   c) Make recommendations to the Policy Committee regarding policy issues and barriers that are identified by meeting with community stakeholders;
   d) Identify opportunities for individual member and collaborative investments, obtain information for Coalition members to pursue follow-up activities as desired, and track investments made by Coalition members.

   The Neighborhoods Committee shall meet on a monthly basis on the 2nd Wednesday of each month.

2. **Public Policy Committee**
   The purposes of the Public Policy Committee are to:
   a) Identify policy or other barriers to closing CDFI loans in Detroit and develop common strategies for reducing / removing said barriers.
   b) Develop and recommend advocacy and educational strategies to reduce or eliminate identified policy barriers.
   c) Foster and strengthen relationships with local, state, and federal officials and agencies to promote the work of the Detroit CDFIs and bring more resources to the Detroit community.
   d) Work effectively with existing resources such as OFN and the CDFI Coalition to promote the work being done by CDFIs working in Detroit.
   e) Identify external policy initiatives that will impact the Detroit CDFI Coalition and determine and communicate a collective response.

J. **General Operations**
The CDFI Coalition shall:
1. Approve an annual work plan and budget at the end of each calendar year for the upcoming year.
2. Establish and maintain a separate checking account to manage income and expenses pertaining to the activities and operations of the Coalition.
3. The Executive Committee shall have authority approve a contract with a person, or entity, to coordinate the administrative tasks of the Coalition. Such contract amount shall not exceed budgeted amount for this activity found in the Coalition's annual work plan. Tasks shall include, but not be limited to, the following:
   a) Attend all committee meetings, prepare committee minutes, and coordinate administrative duties pursuant to committee activities.
   b) Coordinate the updating and publishing of the CDFI Investment Grid and Coalition's web page on a bi-annual basis.
   c) Work with Executive Committee to prepare annual work plan and budget for member approval.
   d) Assist in applying for funding as agreed on with the Executive Committee.
   e) Other tasks as mutually agreed with The Executive Committee.

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Memphis Outreach Materials

Memphis CDFI Network
www.cdfimemphis.org

LiftFund

Jerome Gentry, CSPA, Market Manager
Lift Fund (formerly Accion Tennessee)
Business Lending
516 Tennessee St, Suite 407
Memphis, TN 38103
901-831-9754 (cell)
Office: 888.215.2373, ext.1880
www.liftfund.com

FOCUS: Microlending & Small Business lending range from $500 to $250,000. Startup loans up to $50,000. SBA lender and Non-profit lender

GEOGRAPHIC REACH: 8-state Footprint including Tennessee, Mississippi and Arkansas.

River City Capital Investment

Eric Robertson, President
Tracy Buckley,
Business Development Officer
Community LIFT–River City Capital
119 S Court, Suite 100
Memphis, TN 38103
Office (901) 521.4232
www.communitylift.org
www.rivercitycapital.org

FOCUS: Microlending and Small Business Lending up to 100k per business. Two citywide loan packages for Community Development Corporations (CDCs) and Charter Schools that help us fulfill our mission of creating thriving communities across Memphis.

GEOGRAPHIC REACH: 3 target specific neighborhoods to include Greater Binghampton, Frayser and Upper Soulsville.

20 years of Hope — Hope Credit Union, Hope Enterprise Corporation

Cassandra Williams
Hope Credit Union
Hope Enterprise Corporation
5048 Harvester Lane
Memphis, TN 38127
Office: 901-354-7451
Fax: 800-658-9656
www.hopecu.org
www.hope-ec.org
www.[illegible].org

FOCUS: Strengthening communities, building assets, and improving lives in economically distressed parts of the Mid-South. Provides affordable financial services; leverages private, public and philanthropic resources; and engages in policy analysis.

GEOGRAPHIC REACH: Katrina affected areas and distressed communities in Arkansas, Louisiana, Mississippi and Tennessee.

Communities ... Unlimited

Cynthia Norwood, Managing Director
Entrepreneurship
Communities Unlimited
(formerly alt. Consulting)
516 Tennessee Street, Ste. 234
Memphis, TN 38103
Office: 901.312.9797
www.communitiesu.org

FOCUS: Microlending, small business managerial assistance, and rural water and wastewater work. Our small business loans range from $500 to $50,000. Managerial assistance working one-on-one with small businesses at their business location to implement management systems and solve growth issues. Our loans and our work is customized for each client.

GEOGRAPHIC REACH: 7 southern states: Arkansas, Mississippi, Tennessee, Texas, Oklahoma, Louisiana and Alabama.

United Housing

Tim Bolding, Executive Director
United Housing, Inc.
2750 Colony Park Dr.
Memphis, TN 38118
Office: 901-272-1122
www.uhinc.org

FOCUS: Sustainable homeownership. Offer a HUD certified homebuyer education course, one-on-one financial coaching, affordable loan products, and construction services. We serve families between 60% and 120% area median income.

GEOGRAPHIC REACH: West Tennessee, Memphis and Shelby County

TSB Tri-State Bank of Memphis — Enabling, Enriching & Enhancing Dreams

Jesse H. Turner, Jr., President
Harold Shaw, AVP/Bus Dev Mgr
Tri-State Bank of Memphis
180 S. Main Street
Memphis, TN 38103
Office: 901-525-0384
Fax: 901-526-8608
www.tristatebank.com

FOCUS: To change and improve the economic conditions of our community by delivering financial products and services in a professional and personal manner, providing access to capital to underserved populations, and offering the tools and support necessary to help members of our community realize their dreams; while conscientiously preserving our cherished cultural foundations of faith, family, education, enterprise and benevolence.

GEOGRAPHIC REACH: Memphis Metro Area.

Pathway Lending

Sean Norris
Pathway Lending
201 Venture Circle
Nashville, TN 37228
Sean Norris Cell – (901) 569-7243
Nashville Office – (615) 425-7171
Fax – (615) 425-7172
www.pathwaylending.org

FOCUS: Business & Energy Efficiency Lending

GEOGRAPHIC REACH: All 95 counties in Tennessee

CDFI Fact Sheet
Community Development Financial Institutions

mission-driven

What are CDFIs?

CDFIs are mission-driven financial institutions that provide financial products and services to people and communities underserved by traditional financial institutions.

More than 800 CDFIs have been certified by the CDFI Fund in the Department of Treasury. They operate in low-wealth communities in all 50 states and the District of Columbia. CDFIs can be banks, credit unions, loan funds, venture capital funds, community development corporations or microenterprise loan funds. All are united in their primary mission of community development.

Why are CDFIs needed?

CDFIs fill a vital niche in the nation's financial services delivery system, offering loan products and financial services to families or in communities that are difficult for traditional financial institutions to serve. They provide loans and investments to support the development of quality affordable housing, finance businesses, and finance community facilities, including health centers, daycare and education facilities, all with the level of technical assistance needed by their borrowers. CDFIs often serve "micro" borrowers and offer a range of business assistance services to help them succeed. Through their lending and investing CDFIs create jobs and build wealth for low income individuals. Many CDFIs also provide basic financial services to the unbanked and products to combat predatory lending in addition to mortgage products for lower income borrowers. Those services frequently incorporate technical assistance and training such as financial literacy and education, housing or foreclosure counseling and other types of training.

A Unique Federal Partner: The CDFI Fund

The US Treasury Department's CDFI Fund is an innovative federal agency created to support the growth of CDFIs and to build their capacity to greater expand the availability of credit, investment capital and financial services in distressed urban and rural communities. The CDFI Fund administers a range of programs accessible to CDFIs. Foremost is the Financial and Technical Assistance program, a competitive grant program that provides capital to CDFIs to carry out their business plans. Since its first round of funding in 1996, the CDFI Fund has made almost $770 million in awards for the FA and TA Program. In total, since its creation in 1994, the CDFI Fund has awarded $1.13 billion to CDFIs, community development organizations, and financial institutions through the CDFI Program, the Bank Enterprise Award (BEA) Program, and the Native Initiatives. In addition, the CDFI Fund has allocated $26 billion in tax credit authority to Community Development Entities (CDEs) through the NMTC Program.

Visit www.cdfifund.gov for more information.

Demand for CDFI Funds is Strong

The demand for CDFI Fund resources is strong and growing. In November 2009, the CDFI Fund received more than 460 CDFI program applications requesting over $484 million and yet the CDFI Fund has less than $120 million in FY 2010 funds available to award. This means the CDFI Fund will be able to fund less than 25% of the demand. Similarly, in FY 2009 the CDFI Fund received 452 applications requesting $529 million but could only fund 27 percent of the demand and many highly qualified CDFI applicants were awarded less than the full funding amount requested.

The American Recovery and Reinvestment Act (ARRA) provided $100 million in stimulus fund to the CDFI Fund. Six months after ARRA was signed into law, the CDFI Fund had deployed 100 percent of its stimulus dollars to qualified CDFIs.

Where do CDFIs get their money?

CDFIs are capitalized by a diverse group of investors, all attracted by CDFIs' double bottom line. CDFIs combine financial return with a social return. Investors include individuals, religious institutions, foundations, corporations, federal and state government, banks and thrifts, non-depository financial institutions (such as insurance companies or mutual funds), national intermediaries, credit unions and others. The top four investors in CDFIs are:

- **Individuals**, primarily in the form of savings and checking accounts in community development banks and credit unions. Some wealthy "angel investors" make equity investments in venture capital funds.
- **Banks and Thrifts**, mostly mainstream institutions making loans to loan funds for relending. They often receive CRA credit for these activities.
- **Non-depository financial institutions**, primarily finance companies, but also insurance companies and socially responsible mutual funds. Most make loans to loan funds for re-lending.
- **Corporations**, mostly as deposits in community development banks.

Investment by the Federal Government accounts for only 7% of all CDFI capital. However, it is important to note that oftentimes federal money serves to attract private resources.

bridge the gap

CDFI Coalition www.cdfi.org info@cdfi.org CDFI Network: www.cdfimemphis.org

Appendix E: South Carolina Community Capital Alliance Membership Tiers

SCCCA Membership Tiers

2016 Alliance Members

ADVOCATE MEMBERS

Bank of America
BB&T Bank
Business Development Corporation of South Carolina
Charleston Local Development Corporation
CommunityWorks Carolina
Mary Reynolds Babcock Foundation
Midlands Housing Trust Fund
PNC Bank
South Carolina Association for Community Economic Development
South Carolina Community Loan Fund
South State Bank
SunTrust Bank
The Support Center
TD Bank
Wells Fargo Bank

AFFILIATE MEMBERS

Carolina Foothills Federal Credit Union
First Citizens Bank

ASSOCIATE MEMBERS

Benedict Allen Community Development Corporation
Self-Help

ALLY MEMBERS

Homes of Hope
New America Corporation
South Carolina Small Business Chamber of Commerce

South Carolina
COMMUNITY CAPITAL ALLIANCE

MEMBERSHIP LEVELS

MEMBERSHIP BENEFITS	Ally $100	Associate $500	Affiliate $1000	Advocate $2000
Technical Assistance	✓	✓	✓	✓
Access To Industry Experts	✓	✓	✓	✓
Access To Products, Services, Info, And Networks	✓	✓	✓	✓
Policy Updates Through Website, Newsletter, Email/Alerts	✓	✓	✓	✓
Strengthen Capacity	✓	✓	✓	✓
Increased Visibility	✓	✓	✓	✓
Industry Advocacy	✓	✓	✓	✓
Special Membership Partner Offers	✓	✓	✓	✓
Consulting Services Special Rates		✓	✓	✓
Access To Capital Through Connected Grant And Funding Alerts		✓	✓	✓
Access To Network Members		✓	✓	✓
Co-Lending And Partner Lending Opportunities			✓	✓
Access To Policymakers			✓	✓
Access To Capital			✓	✓
Capital Conference Recognition And Free Admission To Conference				✓
Eligibility For Seat On The Board				✓

Aeris Ratings, Descriptions, & Documents

AERIS RATINGS AND DESCRIPTIONS

IMPACT PERFORMANCE[4]

The Impact Performance rating is an assessment of how well the CDFI does what it says it is trying to do. This rating is based on an assessment of the CDFI's effective use of its financial resources to achieve its stated mission and the CDFI's own evidence of how its activities contribute to its mission and benefit disadvantaged people and communities. The assessment is based on four key criteria:

- Alignment of strategy and operations: how well the CDFI's mission, strategies, products and services, output data, and impact data are tied together.
- Effective use of financing resources: how well the CDFI uses its financing resources in support of its mission and target population.
- Tracking of outputs that indicate effectiveness: how well the CDFI tracks its own relevant outputs (activities such as loans disbursed, participants trained, etc.), whether those data indicate that the CDFI is accomplishing its goals, and how the CDFI uses those data to improve its effectiveness.
- Tracking of outcomes or impacts that indicate effectiveness: how well the CDFI tracks the actual outcomes of its work for disadvantaged people and communities (such as jobs actually created, housing units occupied by low-income families, improved community conditions), whether those data indicate that the CDFI is benefiting disadvantaged people and communities, and how the CDFI uses those data to improve its effectiveness.

The analysts score each of these areas on a scale of 1 to 3, with 1 being best. Using those scores and the full analysis as a guide, the ratings committee assigns the Impact Performance rating based on which of the following descriptions best fits the CDFI.

RATING

AAA. A CDFI in this group has clear alignment of mission, strategies, activities, and data that guides its programs and planning. The CDFI presents data that clearly indicate that it is using its resources effectively to benefit disadvantaged people and communities and achieve positive impacts related to its mission. It has processes and systems that track output and outcome data on an ongoing basis, and it can provide data showing positive changes in the communities or populations being served. This CDFI uses its data on an ongoing basis to adjust strategies and activities in line with its desired impact.

AA. A CDFI in this group has clear alignment of mission, strategies, activities and data that guides its programs and planning. It accurately tracks appropriate output data that indicate that it is using its resources effectively to benefit its target populations or communities in line with its mission. The CDFI uses its data on an ongoing basis to adjust strategies and activities in accordance with its desired impact. It may track a limited number of impact indicators as well, but impact data tracking may not be rigorous or consistent.

A. A CDFI in this group has reasonable strategies and activities given its mission. It tracks basic output data that indicate fairly effective use of its resources to benefit its target populations or communities in line with its mission.

B. A CDFI in this group may lack alignment of its mission, strategies, activities and data. The CDFI either lacks data to form an opinion of its outputs and impact, or the data show that the outputs and impact are unsatisfactory. This CDFI may also have a history of not using its financial resources fully to serve its target populations or communities.

4 *See the attached "Explanation of Outputs, Outcomes, and Impact" for a more complete explanation of the terminology and methodology behind the impact performance assessment.*

POLICY PLUS

Policy change is an integral part of this CDFI's strategies. The CDFI leads initiatives to change government policy to benefit the community development finance industry or disadvantaged people and communities. The CDFI can provide evidence of its leadership role in recent policy changes that produced benefits beyond additional resources for the CDFI itself, and management can clearly articulate the CDFI's leadership role in current policy activities.

FINANCIAL STRENGTH AND PERFORMANCE

The rating for Financial Strength and Performance (FSP) is an assessment of the CDFI's overall creditworthiness. This rating is based on an analysis of past financial performance, current financial strength, and apparent risk factors. The methodology is based on the CAMEL analysis used by regulators to rate banks. CAMEL stands for Capital (or capitalization), Asset quality, Management (including strategy, governance, management and staff, and infrastructure and management information systems), Earnings, and Liquidity.

The analysts score the CDFI in each of these areas on a scale of 1 to 5, with 1 being best. Using those scores and the full analysis as a guide, the ratings committee assigns the CDFI its Financial Strength and Performance rating based on which of the following descriptions best fits the CDFI.

RATING

SOUND

1. A CDFI in this group is sound in every respect. It exhibits exceptional financial strength, performance and risk management practices. Any weaknesses are minor and can be handled in a routine manner by the board of directors and management. This CDFI is resilient to significant changes in its operating environment. It generally has a score of 1 or 2 in all five of the FSP areas.
2. A CDFI in this group is fundamentally sound. It exhibits solid financial strength, performance, and risk management practices relative to its size, complexity, and risk profile. Challenges are well within the board of directors' and management's capabilities and willingness to strengthen. The CDFI is stable and is capable of withstanding fluctuations in its operating environment. Generally, most FSP scores for this CDFI are 2 or better, although it may have received a 3.
3. The current financial strength and recent performance of this CDFI is satisfactory. It exhibits satisfactory financial strength, performance, and risk management practices relative to its current situation. It is stable but less capable of withstanding fluctuations in its operating environment than a CDFI rated 1 or 2. Generally, most FSP scores for this CDFI are 2s and 3s, although the CDFI may have received a 4.

VULNERABLE

4. A CDFI in this group is facing challenges that compromise its financial strength and performance. It exhibits weaknesses in one or more areas that could compromise its financial situation in the medium term, even in a stable operating environment. The CDFI exhibits somewhat weak financial strength, performance, or risk management practices relative to its current situation. Generally, this CDFI received FSP scores of 4 and better, although it may have received a 5.
5. A CDFI in this group exhibits significant weaknesses in several areas that compromise its short and long-term financial viability. Although the CDFI may be able to sustain operations for a period of time, its financial stability is extremely sensitive to any fluctuation in its operating environment. Generally, this CDFI received FSP scores of 4 and 5, although it may have received higher scores in one or more categories.

EXPLANATION OF OUTPUTS, OUTCOMES, AND IMPACT

To understand the CARS® approach to Impact Performance it is important to understand how Aeris uses the terms output, outcome, and impact. **Output** refers to activities or services provided by the CDFI. Any data that can be collected at the time of the CDFI's intervention is considered output data. Output data includes things such as: characteristics of borrowers, loan amounts, number of existing jobs in the business, estimated number of jobs to be created, number of housing units in the financed project, estimated number of childcare slots to be created, number of participants trained, ethnicity or income level of participants, and so on.

Outcome data refers to information that is gathered at some point **after** the CDFI's intervention. Outcomes describe the value of the CDFI's work for disadvantaged people or communities. It is information related to what has happened since the CDFI provided capital or training or any other output. Outcomes include things such as the number of jobs actually created in financed businesses, the number of training participants who started a business (or became employed), the number of housing units occupied by low-income families, changes in the affordability of housing in a certain neighborhood, information about how access to affordable housing has changed the lives of low-income families, changes in access to affordable childcare in a community, and so on.

According to academics, **impact** implies causality between the outputs and the observed change, which requires control groups and a level of rigor beyond most, if not all, CDFIs. For the fourth impact performance criteria, "tracking of outcomes or impacts that indicate effectiveness," Aeris examines both intermediate outcomes and end outcomes (as opposed to true impact), with the highest score for CDFIs that are tracking some kind of "end outcomes." Table A shows the difference between outputs, intermediate outcomes, and end outcomes.

Table A. Outputs, Intermediate Outcomes, and End Outcomes

TYPE OF LENDER	OUTPUTS	INTERMEDIATE OUTCOMES	END OUTCOMES
Affordable Housing	• Number of loans • Number of units in funded projects • Number of community development corporations assisted	• Number of houses rehabbed • Number of units developed • Number of units occupied by low-income people	• Stable, revitalized neighborhoods • Low-income families spending less on affordable housing • Increased availability of affordable housing
Small Business	• Number of loans • Characteristics of borrowers (income level, gender, ethnicity, etc.) • Number of entrepreneurs trained	• Number of businesses with improved access to financing • Number of participants that start businesses	• Number of jobs actually created by borrowers • Increased income of borrowers/ participants • Increased employment opportunities and economic activities in the community

ATTACHMENT 7

AERIS DOCUMENT REQUEST LIST FOR CDFIs

Attached please find the Aeris document request list for ______________________________

As you can see, the document request list is organized by the sections of the Aeris Rating Report. To make it easier for the analysts to understand your organization, please organize the documents you send in the order shown. A couple of things to remember as you go through the list:

- The list looks long but most CDFIs are likely to have many of the documents on hand.
- Some of the documents you may have to pull together from existing sources of information. Doing this in advance should decrease the questions from the analysts as they begin their analysis and prepare for the site visit.
- Some of the information for the sections you will need to fill into a separate attachment.
- Some of the documents we are requesting may not apply to your CDFI. If you don't have a document, just indicate that you do not have it.

Please add these documents to your Library on the Aeris Cloud. On the Cloud you can see what files you have already provided to Aeris. Please update all of the documents to provide the most recent version.

We will be providing access to these documents to the Aeris analysts working on your rating. For your unaudited financial statements and other spreadsheets, please provide them in Excel.

If you do not have the exact document requested, please send whatever information you have that might include the same or similar information. Indicate if certain information is included in other documents (for example, the organizational chart may be in the business plan).

Requested information that may not be documented (such as asset liability matching strategies, for example) may be explained to the analyst by phone or during the site visit.

The list includes a request for contact information for board members and a limited number of investors and donors. The analysts will inform you in advance if they plan to contact any of these individuals.

Thanks for your cooperation. The more complete your materials are, the easier it will be for the analysts to do a thorough analysis. They should have fewer questions or additional information requests for you, and will be more prepared for the site visit, taking up as little of your time as possible.

Date of Request: ______________________________

Date Materials Requested By: ______________________________

	Requested Document	Aeris Files	CDFI Comments
GENERAL FINANCIAL INFORMATION			
1	Audited financial statements (five years), including cash flows.		
2	Auditor's most recent management letter and management's response		
3	Interim financial statements as of most recent quarter-end.		
IMPACT PERFORMANCE			
If applicable, please include data from both your on-balance sheet and off-balance sheet lending activities. Please segregate and identify the data that pertains to each.			
4	Mission statement		
5	Most recent annual report		
6	Recent reports/memos to investors, donors, mgmt, or board that provide good information on strategies, activities.		
7	Description of programs, financial products, non-financial products, and services.		
8	Any available documentation of off-balance sheet financing activities for the last five years.		
9	Reports that track annual ***for the last 5 years and the last interim period:*** loan closed ($ and # by loan product), loans committed but not disbursed and other key financial outputs. **PLEASE FILL OUT ATTACHMENT #1, WORKSHEET #2 AS WELL**		
10	Reports that track annual ***for the last 5 years and the last interim period:*** volume of non-financing activities, other key outputs and outcome data (i.e. characteristics of borrowers, clients trained, affordable housing units completed, jobs created or retained, changes in the communities or populations served, etc.). **PLEASE FILL OUT ATTACHMENT #1, WORKSHEET #2 AS WELL**		
11	Impact studies done by the CDFI or contracted out within the past five years.		
POLICY			
12	Public policy agenda and priorities.		
13	Reports on public policy activities, successes, etc. within the past five years.		
CAPITALIZATION & CAPITAL STRUCTURE			
14	List of 5 largest investors and amount of their investments, interest-rate, maturity and allowable uses of capital. **PLEASE INCLUDE THIS INFORMATION ON ATTACHMENT #1, WORKSHEET #1 AS WELL**		
15	Break-out by category debt capital and EQ2 sources as of most recent FYE. **PLEASE INCLUDE THIS INFORMATION ON ATTACHMENT #1, WORKSHEET #1 AS WELL**		
16	**Copies of EQ2 Notes OR Fill In EQ2 PLEASE INCLUDE THIS INFORMATION ON ATTACHMENT #1, WORKSHEET #3 AS WELL**		
17	Break-outs on most recent quarterly financial statements AND last five years: • Cash for Operations versus for Financing • Major categories of temporarily restricted net assets and related restrictions. • Major categories of permanently restricted net assets and related restrictions. **PLEASE INCLUDE THIS INFORMATION ON ATTACHMENT #1, WORKSHEET #1 AS WELL**		
18	Current capitalization plan		

	Requested Document	Aeris Files	CDFI Comments
19	List of significant covenants with significant investors and brief description of how you ensure compliance.		
20	Financial statements of unconsolidated affiliates in which you have exposure or investments.		
21	List of any contingent liabilities, including indemnities provided to NMTC investors.		
ASSET QUALITY			
Asset Quality data should reflect ONLY your on-balance sheet lending activity. Off-balance sheet lending, if any, should not be included in the various portfolio reports and lending data provided to Aeris. If provided it should be provided separately.			
22	List of Loans Outstanding for most recent quarter-end. Data should include disbursement date, maturity date, amount outstanding, interest rate, risk rating. If possible, by product line and in excel format. **PLEASE ALSO FILL OUT ATTACHMENT #1, WORKSHEET #1 AS WELL**		
23	Reports/analysis to management on portfolio quality or status, indicating risk rating, delinquency (with aging of loans receivable), nonaccruals, reserves, etc. as of end of last 5 audited periods, and most recent quarter-end. NOTE: please identify what amount of loans on nonaccrual are delinquent, and whether the delinquent loans on nonaccrual are also reflected among the delinquent loans on aging reports.		
24	Current Loan Terms – **PLEASE ALSO FILL OUT ATTACHMENT #1, WORKSHEET #4 AS WELL**		
25	Underwriting and portfolio management policies and guidelines.		
26	Risk rating policies and guidelines		
27	Provide historic break-out of loans outstanding in each of CDFI's risk rating categories for each FYE and as of the most recent quarter (interim period). **PLEASE ALSO FILL OUT ATTACHMENT #1, WORKSHEET #1 AS WELL**		
28	Recent Exceptions Report: list of approved loans outside of policy parameters, and reasons for approval.		
29	Package of materials sent for most recent loan or investment committee including due-diligence memos considered by the committee.		
30	If due diligence memos provided for #29 do not represent all of the CDFI's loan products, please include a memo for each of those loan products, and one for a delinquent loan and a restructured loan.		
31	Minutes from Investment or Loan Committee for last 2 meetings.		
32	List of loans (with amount) on non-accrual and/or > 90 days past due as of end of most recent quarter, preferably by sector or product. Note if non-accruals are not considered delinquent.		
33a	List of and amounts of loans restructured **during** each of the last five fiscal year-ends and **during** your current FY through the most recent quarter.		
33b	List of and amounts of **total** restructured loans outstanding in loan portfolio at each FYE and most recent quarter. Please include definition used for "restructured loans".		
34	Amount of loans/investments charged off and recoveries each year for past 5 years and the most recent quarter.		
35	List of and amounts of New Markets Tax Credit Leverage Loans		
36	Recent internal or external loan review or loan file audits.		

	Requested Document	Aeris Files	CDFI Comments
37	Information about other significant assets, such as project names and values of real estate development or real estate owned (OREO).		
38	Idle funds investment guidelines/policies		
EARNINGS			
39	List of 5 largest donors and amount of their support , whether grants are restricted or not, and allowable uses of grants. **PLEASE INCLUDE THIS INFORMATION ON ATTACHMENT #1 WORKSHEET #1 AS WELL**		
40	Budget versus Actual reports (last completed year and most recent quarter-end).		
41	Policies and procedures for internal financial management		
LIQUIDITY			
42	Strategies, practices, tools for managing operating and loan fund liquidity.		
43	Strategies for managing credit risk, interest rate risk, and liquidity risk		
44	Asset liability matching policy and/or spreads used to ensure appropriate matching. (Spreads or other tools may need to be reviewed with staff during site visit.)		
MANAGEMENT – STRATEGY			
45	Current strategic and/or business plan and any recent updates to these documents. If current plan is one year old or less please provide old plan.		
46	Current financial projections		
MANAGEMENT – GOVERNANCE			
47	Bylaws		
48	Board roster with affiliations noted, Board terms, and email or phone numbers		
49	List of board committees and members		
50	Minutes of board meetings for past year		
51	Most recent board packet		
52	Succession plans for key staff and board leadership		
MANAGEMENT – STAFFING & HR			
53	Organizational chart and job descriptions for key positions		
54	List of management staff departures over past 3 years, including start and departure dates and position.		
55	Resumes/bios for key staff members. Please note date each person started with CDFI.		
MANAGEMENT – INFRASTRUCTURE & MIS			
56	MIS description and plan		
57	Disaster recovery plan or procedures		
58	Recent internal or external operations audit.		

Please send questions to:
Jon Schwartz
Operations and Ratings Manager, Aeris
267-233-5154
Jschwartz@aerisinsight.com

East Side Aligned Materials

Intervention Mapping Grid – copyright The Forum for Youth Investment

theBIGPICTUREAPPROACH

ALIGN: Intervention mapping

Common Cause Condition: ______________________________

To which issues/goals and root causes is this condition related?

Strategy for Changing the Condition	Potential Actions	Who Could Do This In Your Community?	How Much? Effort	Cost
Provide Information				
Build Skills				
Provide Support				
Change the Physical Design of the Environment				
Reduce Barriers & Enhance Access				
Change the Consequences				
Modify Policies				
Align Resources				
Strengthen Constituent Voice				

TARGET ACTION 1

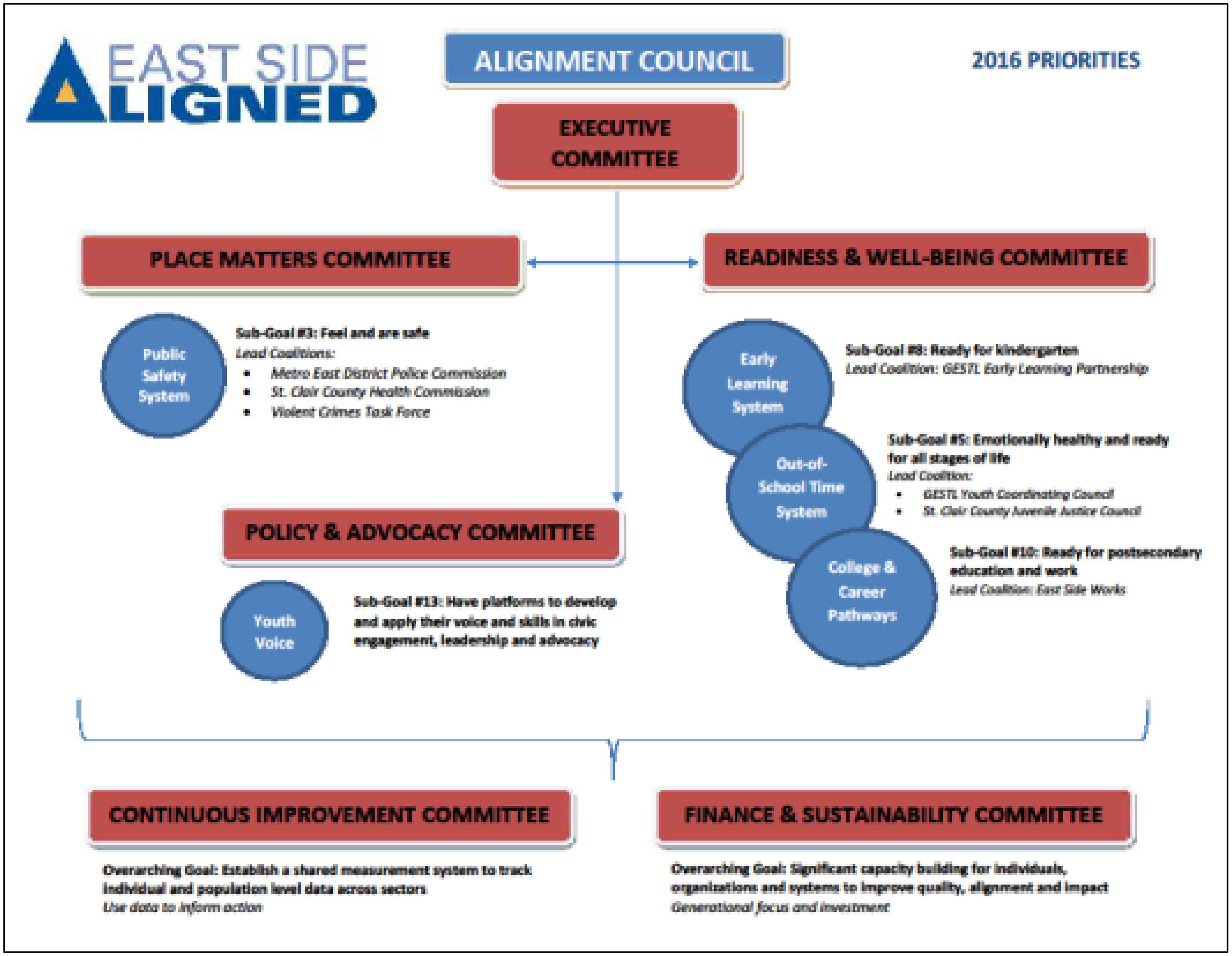
theBIGPICTUREAPPROACH

Local Condition: Merchants are selling alcohol to minors.

Measure 1: 19% of 12th grade students report being able to buy alcohol at a local outlet.
Measure 2: 45% of alcohol outlets failed compliance checks in the past year.
Measure 3: The last three youth focus groups have identified retailers as a key source.

Strategy for Changing the Condition	Potential Interventions	Who Could do This in our Community?
Provide Information to change agent	Mass mailing to all outlets providing information about existing laws and consequences. [Jones County Model]	The Chamber of Commerce, the local Association of Petroleum Retailers, Quick Print, Inc. and AdCo Advertising.
	Inform key local leaders about the problem and data documenting the current problem. [Use Model from Last Policy Campaign]	Coalition policy committee, chief of police and Commissioner Bowden of the Alcohol and Beverage Control Commission.
Build Skills of change agent	Provide training to retail clerks on how to identify fake id's and correct id check procedures. [Use National Curriculum]	The Chamber of Commerce, the local Association of Petroleum Retailers and two coalition volunteer trainers.
Provide Support to change agent	Convene liquor outlets at an annual owners meeting to facilitate sharing of ideas to increase compliance. [Use the Texas, "Business Town Hall Meetings" Model]	The Chamber of Commerce, the local Association of Petroleum Retailers, the coalition special events committee, KTVR Channel 5, Crown Regional Distributing.
Reduce Barriers and Enhance Access	Offer recurring retail clerk training on-site. [Use National Curriculum]	ABC Commission, coalition volunteer trainers, M.A.D.D. volunteers, Mr. R. Smith (owner of North Town Liquors).
	Offer non-English version of retail clerk training. [Use National Curriculum]	ABC Commission, coalition volunteer trainers, M.A.D.D. volunteers, Lawndale Community College foreign language department teachers and students.
Change the Consequences	Provide recognition for high compliance outlets in quarterly advertising section of the newspaper. [Mercer County Model]	The Daily News and Gazette, coalition media committee.
	Create "thank you business cards" (with 10% mall discount incentive) for distribution to clerks who are seen to follow correct id process. [Mercer Co. Model]	AdCo Advertising, Chamber of Commerce, Quick Print, Inc., South County Mall Merchants Association.
	Increase the number of compliance checks to at least two per quarter.	County Sheriff's office, ABC commission, youth committee volunteers.
Change the Physical Design of the Environment	Increase the amount of in-store signage reminding patrons of id check law and procedures followed by store clerks.	AdCo Advertising, Chamber of Commerce, Quick Print, Inc., ABC Commission.
	Create yearly "born on this date" reminder stickers for each point of sale.	AdCo Advertising, Chamber of Commerce, Quick Print, Inc., ABC Commission.
Modify Policies	Increase fines for consecutive compliance check failure by 50%	ABC commission, Lawndale County Council
	Make rates of past compliance a condition for awarding new / renewing licenses.	ABC commission, Lawndale County Council
	Establish a probation period of one year for newly awarded liquor licenses requiring 100% compliance or revocation.	ABC commission, Lawndale County Council
Align Resources	Work with corporate sponsors of the various "We Card" programs to coordinate outreach efforts to retailers.	Chamber of Commerce
	Coordinate county sheriff and city police chief resources to increase the number of compliance checks.	County Sheriff; Police Chiefs, ABC Commission
Strengthen Constituent Voice	Engage young people as compliance testers.	Youth organizing group, student leadership groups
	Coordinate outreach efforts with local MADD and SADD Chapters.	Coalition advocacy committee; MADD, SADD (four area chapters)
	Identify champions among retailers.	Coalition advocacy committee; Owner of Huck's Speedway

East Side Aligned Structural Overview



Useful Reference Links

CDFI Collaboration Websites:

Appalachian Development Alliance: www.adaky.com
Baltimore CDFI Roundtable: https://baltimorecdfis.org/
Detroit CDFI Coalition: http://programs.lisc.org/detroit/detroit_cdfi_coalition/index.php
Memphis CDFI Network: http://www.cdfimemphis.org/
South Carolina Community Capital Alliance: http://www.sccommunitycapital.org/

St. Louis Collaboration Websites:

St. Louis Graduates: http://www.stlouisgraduates.org/
CBN: http://www.communitybuildersstl.org/
East Side Aligned: http://www.stl.unitedway.org/east-side-aligned/
Social Innovation District: http://www.socialinnovationstl.com/

OFN Resources for CDFIs:

CDFI information and explanation (see video): http://ofn.org/what-opportunity-finance
CDFI Collaborations: Keys to Success report: http://ofn.org/sites/default/files/OFN_CDFI-Collaborations_FINAL_R1.pdf

Reports and Documents

Aeris Ratings Process complete guide: http://www.aerisinsight.com/wp-content/uploads/2016/03/Inside_Aeris_Rating9.pdf

Baltimore CDFI Profile Book: https://baltimorecdfis.files.wordpress.com/2015/05/profiles-of-cdfis-serving-baltimore_march-2015.pdf

Capital Impact Partners report on community impact data: http://www.capitalimpact.org/wp-content/uploads/2015/10/2015-Towards-Inclusive-Growth-in-Detroit.pdf

CDFI Industry Analysis Report, Carsey Institute:
https://www.cdfifund.gov/Documents/Carsey%20Report%20PR%20042512.pdf

CBN foundational report (Creating Whole Communities):
http://pprc.umsl.edu/pprc.umsl.edu/data/EnhancingCapacity2011.pdf

InvestSTL vision and implementation report:
http://static1.squarespace.com/static/53f2a72ae4b0cf69a8da3921/t/568d46729cadb64c795fec13/1452099186227/STLRCEDSImplementationPlan_December_2015_FINAL.pdf

References

Literature Review References

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Foster-Fishman, P. G., Berkowitz, S. L., Lounsbury, D. W., Jacobson, S., & Allen, N. A. (2001). Building collaborative capacity in community coalitions: A review and integrative framework. *American Journal of Community Psychology, 29*(2), 241.

Himmelman, A.T. (1992). *Communities working collaboratively for a change*. Humphrey Institute, Public affairs. Minneapolis, MN: University of Minnesota.

Keuhl, S. (2011). Community Development Financial Institutions: At the Crossroads in Wisconsin. In *ProfitWise News and Views, July*, 13-17. Chicago, IL: Federal Reserve Bank of Chicago.

Nembhard, J.G. (2013). Community Development Credit Unions: Securing and Protecting Assets in Black Communities. *Review of Black Political Economy* (40), 459-490.

Mattessich, P. W., Murray-Close, M., & Monsey, B. R. (2001). *Collaboration: What makes it work* (2nd ed.). St Paul, MN: Amherst H. Wilder Foundation.

Roussos, S. T., & Fawcett, S. B. (2000). A review of collaborative partnerships as a strategy for improving community health. *Annual Review of Public Health, 21*, 369-402.

Smith, B.C. (2008). The sources and uses of funds for Community Development Financial Institutions: The role of the nonprofit intermediary. *Nonprofit and Voluntary Sector Quarterly 37*(1), 19-38.

Zakocs, R. C., & Edwards, E. M. (2006). What explains community coalition effectiveness? A review of the literature. *American Journal of Preventive Medicine, 30*(4), 351-361.