THE OAKLAND FUND PLAYBOOK

CATALYZING CAPITAL IN **UNDERESTIMATED** PEOPLE & PLACES THROUGH COMMUNITY **POWER BUILDERS**

PLACE-BASED **CATALYTIC CAPITAL**

Pacific Community Ventures

NEW**VENTURE**FUND

20**23**

PCV AND AUTHORS

CENTERING COMMUNITY VOICES IN CDFI PRODUCT DEVELOPMENT & SERVICE DELIVERY

Pacific Community Ventures (PCV) is a 501(c)(3) nonprofit impact investor and community development financial institution (CDFI). In 2022, our integrated “loan + advice” model deployed $10M in loans and helped 2000+ BIPOC, women, and other underestimated small business owners create good jobs with dignity, address racial and gender wealth gaps, and build community wealth. This year PCV is excited to have launched the Good Jobs Innovation Lab, a new internal research and policy function aimed at designing and testing new products and services that improve job quality outcomes in our small businesses.

ABOUT THE PLAYBOOK AUTHORS

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Pillar 1
CAPITAL STRUCTURING

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MANAGING DIRECTOR OF LENDING

Robert “Bob” Porter is PCV’s Managing Director of Lending. He has over 20 years of experience in corporate banking and management roles and leads PCV’s Lending program, overseeing its rapid expansion, since becoming a CDFI in 2013. Bob was instrumental in building the Oakland Restorative Loan Fund, overseeing the design, process-building and eventual deployment of the Fund, as well as in doubling PCV’s loan portfolio while maximizing for impact metrics in entrepreneurs of color and low-and-moderate income communities reached through our restorative capital.

Pillar 2
COMMUNITY ENGAGEMENT AND TRUST-BASED OUTREACH

BULBUL GUPTA

PCV PRESIDENT & CEO

Bulbul Gupta is Chief Executive Officer for Pacific Community Ventures. She has 20 years of experience in building innovative finance, public-private, catalytic partnerships—from government, philanthropy, and impact-first investing. She is passionate about solving for market failure and building a catalytic continuum of capital for the most underestimated people and places — starting in emerging and post-conflict countries, to the US after the Great Recession. As PCV’s first CEO of color, Bulbul initiated a decolonized, more inclusive underwriting framework for PCV, democratized access to the organization’s programming through community partnerships, and transformed PCV into a trusted community actor centering Civil Rights and restorative capital for wealth building – starting with the design and launch of the Oakland Restorative Loan Fund in late 2021.

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We also thank PCV staff including Anna Canero, Ashley Rajavadee, Barbara Rodriguez, Beverly Zambrano, Deedre’ Scott, and Robyn Rogin, for their review and comments on this play-book, support in coordinating Oakland Fund community listening sessions, and analysis and lessons learned in partnerships that led to the success of PCV’s Oakland Fund.

Additional contributors include Idil Ali, PCV Good Jobs Innovation Lab Fellow, Fall 2022 and Sarah Su-Wen Anderson, Good Jobs Innovation Lab Fellow, Summer 2022.

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- Carolyn Johnson & Tirzah Love - Black Cultural Zone
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- Tiffany Lacsado - The Unity Council
- Trevor Parham - Oakland Black Business Fund

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- Anitha Jayaprakash - LabGrange Inc.
- Chantel Liggett - Project Prepare LLC
- Domonic "Kingdom" Ware - Good JuJu Good Vibes LLC
- Eddy Aguirre - Studio FitLife
- Judi Henderson - Mannequin Madness
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- Rita Forte - The Olive Street Agency LLC
- Sharee Adriazola - MyGroove Design, Inc.

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- Olivia Rebanal - Chief Impact Officer for Ecotrust
- Pablo Solares - Director of Fondo Adelante CDFI (Community Loan Fund) at Mission Economic Development Agency (MEDA)
- Thelma Adams Johnson - President and CEO of Albany Community Together, Inc.

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We also appreciate the support of our Lab Sponsors who make ambitious impact funds like the Oakland Fund possible. In addition, we are thankful for the support of UCSF and Starbucks, whose investments capitalized the Oakland Restorative Loan Fund, as well as for grant support from GoFundMe, the Citi Foundation, Bank of America, and Battery Powered, which allowed us to provide no fee loans at 0% for Oakland Fund recipients. We further acknowledge and thank the W.K. Kellogg Foundation for their support for our impact underwriting effort cited in this report.

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CAROLYN
JOHNSON
Chief Executive Officer,
Black Cultural Zone

FOREWORD

A FUND FOR OAKLAND: A NARRATIVE OF TRUST AND TRANSFORMATIONAL INVESTMENT

This playbook is a testament to the transformative power of partnership and trust-building, for what is possible if we first listen deeply to those most financially excluded, and co-create from, and with, the community for societal change. As the first Executive Director for the East Oakland Black Cultural Zone Collaborative, I serve a community of residents, artists, entrepreneurs, business owners, agencies, churches, and community groups, dedicated to disrupting further displacement and gentrification of Black residents in East Oakland, Oakland, and other legacy Black communities. Through the Black Cultural Zone's strategy of building power, securing land, and directing more dollars to community-driven projects, we aim to secure a foothold in East Oakland that allows our community to remain, return, and thrive despite the strong headwinds pushing us out.

I met Bulbul Gupta when she first became CEO of PCV. She called me for advice about where and how PCV and other CDFIs failed my community, as she genuinely wanted to learn and change the work of PCV toward a racial equity mission. I invited her to be in the community to understand our needs better, and she visited and even volunteered at our AKOMA Market to learn more about our markets and how we support small businesses. We continued to connect on how the CDFI industry could improve access to affordable capital and critical technical assistance for small business owners and BIPOC micropreneurs.

Our relationship intensified its focus on access to capital during the early days of the pandemic when BIPOC micropreneurs were largely unable to access PPP funding. When I received a call from Bulbul that she'd secured an investor with 1% capital and was ready to distribute it at 0%, we said it sounded too good to be true, and that it would sound the same to our communities. We discussed how critical it was to build trust. She, and her team, remained open to answering our questions and were transparent about their underwriting process, because we could not live with exposing our community to a 99% rejection rate as is usual for many loan programs. Bulbul and PCV worked tirelessly to help us co-create this opportunity through an approach that centered our community's needs.

The Oakland Restorative Loan Fund emerged as a small but essential lifeline of hope for some of our small business entrepreneurs across the city at a time when there was almost no other affordable capital within reach. But it was not just the fund; it was a vision grounded in trust, forged through meaningful collaboration, and engagement with a group of leaders committed to helping our community stay in place and thrive again, that made this work so impactful.

The lessons and insights gathered in this playbook are offered with humility. It invites fellow practitioners, community investors, and change-makers to embark on a similar path: embracing trust, partnership, and genuine engagement as the driving forces for transformative impact. Together, let us uphold the principles of equity, compassion, and justice, and echo PCV's mission to re-imagine capital, and recenter Civil Rights within the CDFI industry. The community-centric design that infused those values into this fund and its partnerships shows that it is possible, when we get into good trouble together, to bend the arc of economic justice toward a racial equity mission.

All the best,

Carolyn Johnson

EXECUTIVE SUMMARY

CATALYTIC CAPITAL

A patient, risk tolerant and flexible investment intended to spark a socially beneficial outcome beyond an expectation of financial return, which would not be possible through conventional investing.

- To learn more about catalytic capital, see the Catalytic Capital Consortium website
- For a report on the potential of catalytic capital to drive deep impact, see Tideline's 2019 report *Catalytic Capital: Unlocking more investment and impact*

Continuum of Capital: The full range of financing options that businesses at different stages in their life cycle need in order to survive and thrive, from seed investments that entrepreneurs require to launch their business (as little as $1000 or less), to the larger amount of funding a more mature business requires in order to scale and reach its full potential.

Historically Underestimated Communities: Groups of people that have been systematically denied by institutions and authorities access to resources that would allow them to thrive due to discrimination and other systemic factors.

In November 2021, as the Omicron variant of the novel corona-virus introduced fresh uncertainty in the economy – small businesses, particularly those in communities of color, were poised to fall off another economic cliff.

To meet this critical moment for Oakland small business owners, Pacific Community Ventures (PCV), a 501(c)(3) nonprofit impact investor and community development financial institution (CDFI), turned toward the community to create a 0%, no fee loan fund: the Oakland Restorative Loan Fund (the Oakland Fund or the Fund). Through pursuit and creative structuring of catalytic capital, **$2.5 million deployed through the Fund reached 37 Oakland entrepreneurs — 100% of whom identify as entrepreneurs of color,** with an average loan amount of $68,000.

The Fund was anchored by the University of California San Francisco (UCSF), in a leading-edge impact investment – their first. A blended approach, leveraging unrestricted grant capital, helped PCV absorb the catalytic, and affordable interest rates charged to PCV on the capital it allocated to the Oakland Fund loan pool (between 1% - 2%), and offer a **truly restorative and catalytic 0% rate with no fees on the loans to small business owners** through the Fund. Like PCV's other lending products, the Oakland Fund was provided credit enhancement by the California Infrastructure and Economic Development Bank (IBank). Combined, these elements of sourcing, blending, securing and redeploying capital were catalytic in their ability to sustain BIPOC ventures for long-term scale, and demonstrate the financial viability and invest-ability of Oakland.

Place-based funds like the Oakland Fund require a continuum of capital to surface overlooked opportunities and drive catalytic impact in historically underestimated communities. Successful approaches are high-touch – addressing persistent, structural and sociological barriers to capital access in these communities – but high value, and arguably critical to address market failures that perpetuate systemic inequities.

BEYOND CAPITAL: KEYS TO CATALYTIC PLACE-BASED SUCCESS

The heart of the Oakland Fund's success is the trust built through community co-creation and human-centered design. A series of community listening sessions conducted by PCV in February of 2023 unearthed the fact that, without these elements, many of the clients receiving funding would have dismissed the Fund as "too good to be true."

Data analytics deepened the impact of the Fund, and proved a valuable tool for developing a marketing strategy for the Fund. By bringing spatial analysis to community partners, hearing what it takes to serve those communities effectively — and collectively co-creating the approach, the Oakland Fund pipeline reached $10 million across 155 applicants in only seven days' time.

Through May 2023, Oakland Fund loans outperformed the overall PCV portfolio of loans deployed since the launch of the Oakland Fund in terms of delinquencies and defaults. The role of the approach in loan performance is deserving of further inquiry.

This guide humbly offers learnings, guiding questions for practitioners and resources, in the hope that similar efforts will further impact and learnings among impact investors and CDFIs, support CDFIs in designing "customer centric" products highly aligned with community needs, and increase funders' comfort level to capitalize new initiatives centering racial equity – in solidarity with PCV's mission to recenter Civil Rights in the CDFI industry, and more broadly into impact investing.

BACKGROUND

RITA **FORTE**
THE OLIVE STREET AGENCY

"I had just opened my brick and mortar space, and about 5 months before then, I got the loan. And literally before I got this loan, I was thinking of shutting down my business and throwing in the towel. Every entrepreneur goes through times of quitting like that, but I was serious at this time. I sent out an email to my clients and let them know that 'I don't see a path forward.' It was heartbreaking. I'm getting choked up again just retelling the journey. Because the feeling is crazy. When I met you, Bulbul, I got choked up as well, because the loan, it just meant so much at that time."

INTRODUCTION

Rita Forte is the founder and owner of The Olive Street Agency LLC, a marketing and screen-printing business she has operated since 2012. A proud Oakland native, Rita's business honors the East Oakland street she and her mother grew up on, and consistently partners with nonprofit organizations, artists, and small businesses working for social and economic justice in and around Oakland. The Olive Street Agency experienced major economic injury during the COVID-19 pandemic, and in 2021, after multiple loan rejections by regional and national banks due to a relatively thin credit file, Forte was deciding whether she would be able to keep going or would have to close for good. Just in time, the Oakland Fund loan she received from PCV in December of 2021 gave her the runway to keep her business afloat and to finally bring the business' merchandising service in-house. Rita credits her 0% loan as "helping to open up a great new chapter for The Olive Street Agency," into what has now become a book with multiple chapters of growth in her business over the last year.

Rita's story is not unique. In the summer of 2021, the Paycheck Protection Program (PPP) was poised to sunset. This federal program provided over $800 billion to keep workers in small businesses employed as the novel corona-virus widely-known as COVID-19 drove millions across the globe to shelter in place for months, creating a massive economic shock from reduced consumer spending and chaos in supply chains.

According to the National Bureau of Economic Research, while no statistically significant differences were found in a sample of $6 million in "first draw" PPP loans disbursed before February 24, 2021 by the top four national banks, Black-owned businesses were 30 percentage points less likely than businesses owned by individuals of another race to receive PPP loans from small and regional banks, where subjectivity is more likely to play a role in credit decisions.[1] Black business owners seeking PPP loans instead primarily turned to FinTech — a common strategy PCV sees among its clients who struggle to access capital through the traditional banking system. In fact, while only accounting for 17.4% of overall loans in the sample, FinTech lenders processed 53.6% of loans received by Black-owned businesses.

While not as low as the PPP outcomes of Black-owned businesses, who received 31% of the total PPP funding they applied for in 2021, similar outcomes can be seen among Latinx- and Asian-owned businesses, who received 44% and 55% of the total PPP funding they applied for in 2021, respectively. In contrast, white-owned firms received 70% of the PPP funding they applied for in 2021.[2] Furthermore, beyond these disparities in loan approvals by race, emerging research also suggests disparities in average loan size, with Black-owned businesses receiving loans up to 50% smaller than observationally similar white-owned businesses through the PPP, though this effect disappeared over time as changes to the program were implemented, allowing for entry by FinTechs and other nontraditional lenders.[3,4]

In November 2021, as the Omicron variant of the novel corona-virus introduced fresh uncertainty in the economy – small businesses, particularly those in communities of color, were poised to fall off another economic cliff. Pacific Community Ventures further recognized that economic recovery was stacked against their favor, and that the country was facing another potential K-shaped recovery. Disparate recoveries from the 2008 financial crisis had previously decimated half of Black and Latinx wealth in the post-Great Recession, pre–COVID-19 period that spanned 2010 to 2019.[5] Black and Latinx families each lost over 40% of their wealth in the years following the crisis, while white families lost 26%.[6] By 2016, there was a larger gap in Black and white wealth than pre-recession.[7] PCV committed itself to working with its partners to try to mitigate that loss from occurring again in its community.

WHY OAKLAND

Historically a hub of African American culture and the birthplace of the Black Panthers' justice movement, Oakland has experienced sweeping demographic changes over the last two decades. As high wage workers from the neighboring tech industry have flooded Bay Area rental markets, rents in Oakland have risen 108% between 2010 and 2020, three times faster than the national average, while the number of renting households earning more than $150,000 has quadrupled.[8] Through the driving forces of gentrification – rising rents, a lack of affordable housing construction and preservation, disinvestment, redlining, and predatory lending, among others – Oakland's population has changed dramatically in terms of race and class.

According to the Census Bureau's 2018 American Community Survey, the Black population has plunged 40% in Oakland, from 160,640 to 97,053 residents, between 1990 and 2018.[9] Research from the Federal Reserve Board of San Francisco demonstrates that nearly all of Oakland's previously persistent poverty neighborhoods, especially those with substantial Black populations in 2000, now show at least some signs of gentrification and declines in shares of low socioeconomic status residents, with West Oakland and parts of North Oakland and Downtown Oakland experiencing the highest intensities of gentrification.[10]

Recent data spanning 2020 further suggests that low socioeconomic residents in Oakland were the most likely to move into crowded households and financial instability after the COVID-19 pandemic, and moderate socioeconomic residents were most vulnerable to displacement.

Data from the Bay Area Equity Atlas on business ownership in Oakland reveal similar inequitable outcomes: in both 2007 and 2017, for every 100 Black workers, 0.8 owned an employer firm, and in 2007, for every 100 workers of color, 1.9 owned an employer firm, though this figure increased to 2 in 2017. In contrast, white business ownership in Oakland has hovered between 5 to 6 white-owned employer firms per 100 white employees between 2007 and 2017, reflecting inequitable access to capital and the resources to start and grow a business among Oakland's entrepreneurs of color, as well as other barriers to capital described later in the playbook.[11]

WHY PLACE-BASED

Place-based Impact Investment (PBII): An approach to investing that prioritizes achieving social, economic, or environmental outcomes within a specific geographic region alongside or over financial returns.

With economic and health crises falling hard on Oakland, Pacific Community Ventures identified impact-first, place-based restorative investment as critical to stabilizing and keeping in place the activities and businesses of Oakland's most vulnerable and underestimated entrepreneurs.

Given Oakland's unique needs, and multiple vibrant communities of residents — a place-based approach would allow PCV to center the self-determined needs of the community in product design and service delivery. A one-size -fits-most approach to funding did not work well in the communities served by PCV when it came to the disbursement of PPP, and PCV knew that deep partnership with trusted community-based organizations closest to their entrepreneurs, was mission critical to achieving its desired impact.

PCV's approach to place-based impact investment (PBII) draws from existing approaches to PBII ecosystems, in which impact investors, intermediaries, and system supports collectively coordinate efforts and leverage capital across a particular geography, benefiting from community knowledge and connection, shared information and resources, relationship building, and even fund infrastructure.[12]

Co-developed with seven other local Black- and Brown-led community partners, PCV's fund strategy and implementation similarly leverages intentionality and community trust and connection to ensure its capital reaches entrepreneurs of color most at risk for further displacement and gentrification in Oakland's neighborhoods. Details on how this approach can be replicated in other geographies will be covered later in Pillars 1 to 3 of the playbook.

The Oakland Restorative Loan Fund was designed to bring value to the community organizations who are closest to their entrepreneurs, and are actively place-making and power-building. PCV's commitment to be additive, not extractive or duplicative, helping build continuum's of capital where there are currently gaps, is reflected in all PCV loan products, including the Oakland Fund: PCV has no minimum credit score for any of its loans, and requires no collateral from borrowers.

In building trust and open communication with community partners to set up the Oakland Fund as a vehicle to provide 0% loans to local entrepreneurs – driven by referrals from these trusted community organizations – PCV could add value not only for the borrowers, but also for the community partners themselves. At the time, the closest model PCV had for such an approach in place-based impact investing was the Heron Foundation's work in Fresno, and a couple of other places in the country, where they have been working to set up a democratically governed, separate funding entity to receive investment to then co-manage alongside their partners at a local level.[13] PCV's approach follows many similar democratic principles, notably power-sharing and honoring community wisdom – while in this case, community partners agreed for PCV to own and underwrite all loans, and for them to drive entrepreneur referrals towards PCV.

There can be philosophical tension in traditional impact investing surrounding place-based approaches, given a perception that they are not efficient or scalable. A negative correlation often exists between the impact and financial returns of a place-based investment, with lower rates of return enabling maximum community impact. It is PCV's belief that this tradeoff is acceptable, and capital deployment is truly catalytic, when impact addresses systemic barriers to economic opportunity in communities of color – where the markets have failed, or been set up to fail specific communities of people. Impact investors and CDFI leaders must remember that both movements were formed to address the market's failure in valuing social or environmental impact, and racial equity, respectively. Market failures cannot be solved purely with market mechanisms – impact-first and blended capital fund innovations like the Oakland Fund are therefore essential to bridge that divide. One hope in the creation of this playbook is that the approach can be efficiently replicated to address systemic challenges facing communities of color – and that PCV's

> Blended Capital: A financial approach that entails combining funding from different types of investors (e.g., philanthropy, government funders, impact investors, traditional investors, etc.) with different expectations of financial return, in order to support initiatives with social, environmental and/or economic development goals.

Figure 1: Overview of PCV's Lending Products

Funding Type	Traditional	Disaster Loan	CA Rebuilding Fund (CARF)	**Oakland Fund**
Description	PCV's Standard loan program (2013-22)	PCV's COVID disaster loan offering (2020-22)	CA state Govt. + private partnership COVID recovery fund (2020-22)	Place-based restorative fund for BIPOC or AAPI-owned Oakland Businesses
# Of loans	140	155	108	37
Avg. Loan Amount	$100 000	$70 000	$67 000	$68 000
Avg. Interest Rate	8%	4%	3%	0%
Avg. Loan Term	4 Years	4 Years	5 Years	5 Years
Fees	$0 - $10 000	$0 - $10 000	None	None

partners in philanthropy and impact investing continue to pursue strategies at the portfolio level that see the value of impact-first, capital preservation investments through place-based work that achieves scope and scale without leaving communities of color behind.

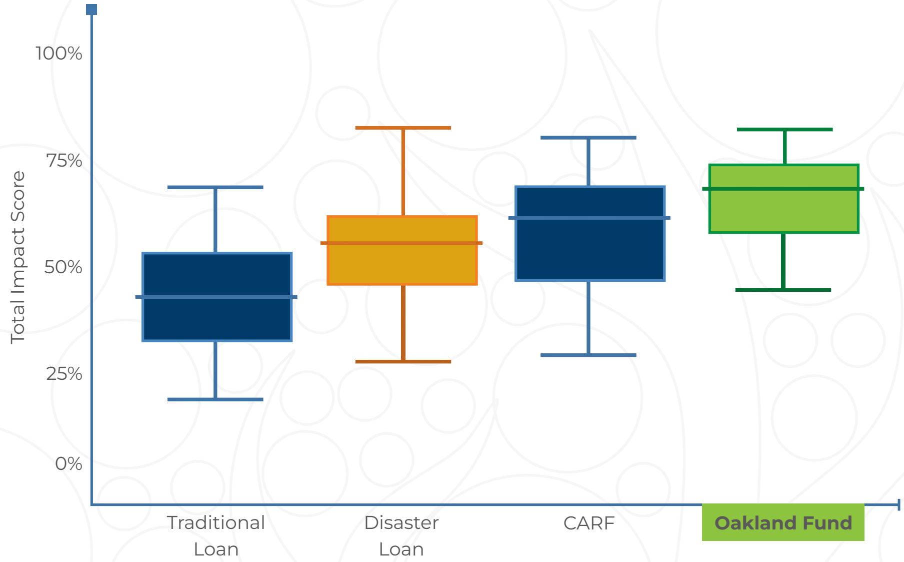
In 2022, Pacific Community Ventures implemented an impact rating tool to support portfolio management along its Theory of Change. PCV benchmarked its four core lending products over the past 13 years to better understand the trade-offs between returns and impact in its portfolio, and to position PCV's Lending team with a tool to monitor the evolution of its impact as PCV grew the portfolio. This benchmarking effort included PCV's 37 Oakland Fund loans, and measured impact across four key dimensions at the loan-level: demographic equity, tied to the background of the business owner as well as their employees; the affordability of the PCV loan itself; the ability of the business to create and maintain quality jobs; and the potential of the business to create trust and positive impact on its community. Under its new strategy to re-center Civil Rights in community impact investing, PCV is dedicated to decolonizing its lending capital, democratizing access to capital and advising programs, and being restorative in the underestimated communities it serves – towards an economy rooted in economic, racial, and gender justice.

Democratizing Access to Capital and Advising Programs:
Encouraging constant input and feedback from everyone representing the communities the lending and technical assistance programs intend to serve and working to implement viable suggestions and requests for programmatic tweaks that come in from the community, regardless of the social status of the individual(s) making the request.

As such, all PCV lending products (described in Figure 1) are designed to serve historically underestimated communities in California, using the same decolonized underwriting process since 2019 as the Traditional Loan product, which eschews the need for applicants to surpass a minimum credit score or provide collateral. The distinctions among the products are only that borrowers of the Disaster Loan product had to demonstrate economic injury due to the COVID-19 pandemic as a condition set by the California IBank, while Oakland Fund loans were offered at 0% with no fees to small businesses in specific Oakland neighborhoods – but recipients of either of these loans would have also been eligible for a Traditional Loan. The only exception are PCV loans made through the California Rebuilding Fund (CARF), a statewide fund launched during the COVID-19 pandemic that PCV participated in and helped to design. CARF loans had criteria mutually agreed upon by its 12 participating CDFI lenders across the state that were more restrictive than PCV's own lending products. For example, all CARF borrowers had to demonstrate retaining at least 30% of 2019 revenue during a similar three-month period in order to be eligible for a loan.

The Oakland Restorative Loan Fund is the kind of impact-first, place-based investing PCV intends to do going forward, under its new strategy re-centering Civil Rights. Accordingly, the portfolio benchmarking exercise validated that the Oakland Fund had a higher impact median and lower variance than PCV's other products — suggesting greater certainty in achieving impact through place-based work.

Figure 2: Impact Rating Results by Funding Type



Impact ratings for the placed-based Oakland Fund have a higher median and a lower variance, suggesting a place-based approach offers more certainty in achieving meaningful impact.

PERSISTENT BARRIERS TO CAPITAL ACCESS FOR ENTREPRENEURS OF COLOR

TIRZAH LOVE

BLACK CULTURAL ZONE

"In our community, we don't typically have relationships with our banks. We make deposits and we make withdrawals, and that's that. People don't go in and talk to a banker, you know, and so they don't have those relationships....When they do need something and they go in, they're like, 'No, I don't even know you, but I'm about to ask you for a ton of money. And you're gonna say "no." Because I don't have all of my ducks in a row and I didn't even know I needed that duck."

Small businesses owned by people of color facilitate ownership within communities while providing essential services to the economy – services like child and elder care, home and auto maintenance, support for mental and physical wellbeing and professional services. Yet, time and again, the small business ecosystem fails to support these entrepreneurs in accessing the capital and resources they need to unlock wealth-building opportunities for both themselves and their workers.

While women of color account for 89% of the new businesses opened every day,[14] almost 75% say their most common obstacle to growth is a lack of capital.[15] In 2021, only 16% of Black business owners and 19% of Latinx business owners got the non-emergency financing they applied for,[16] and only 1% of venture capital dollars were invested in Black founders[17] – a complete market failure in the access to capital space, one even most CDFIs aren't fully addressing, or fully able to.

CATEGORY 1

HISTORIC REDLINING AND BIAS IN THE BANKING SYSTEM

Pacific Community Ventures can trace the roots of this capital access gap in its own portfolio. In 2022, 86% of PCV's lending clients were located in historically redlined neighborhoods, assigned a "C" or "D" grade by the Home Owners' Loan Corporation (HOLC).

Originating in the 1930s, this now-infamous practice systematically excluded people of color from credit access through the traditional banking system. Despite its illegality, the practice of redlining nonetheless resulted in chronic underinvestment in neighborhoods that today are primarily Black, Latinx, or other communities of color.[18]

CATEGORY 2

CREDIT HISTORY, COLLATERAL AND FINANCIAL DOCUMENTATION

The ill-effects of redlining are perpetuated through a lack of assets and credit history among historically redlined populations. Underinvestment continues to make it difficult for entrepreneurs of color to meet lending requirements, as the financial instruments that credit agencies and traditional lenders use in their financing decisions – mortgages, student loans, car loans, and credit cards – have often deliberately been kept out of reach – unaffordable, or inaccessible – of these communities for decades.[19] Rooted in racism, historic underinvestment in BIPOC and low-income communities itself can fan a false perception of these populations as "too risky" for business investment. BIPOC and immigrant entrepreneurs with limited credit histories or who are located in bank deserts, in particular, lack access to affordable and equitable financing – and are at a higher risk of taking on predatory loans to make ends meet.[20]

CATEGORY 3

FEAR AND TRUST

Beyond structural barriers, PCV is learning more and more about sociological "fear" and "trust" barriers that are widespread throughout the communities it serves. Thus, the small business owners who most need access to patient, affordable capital are often not receiving it fully, even when it's offered by the community organizations they trust most.

On February 15th and 16th of 2023, PCV convened a listening session with community partners that helped launch the Oakland Fund, and with small businesses in the Oakland community who were among its recipients. In both sessions, community leaders and Oakland entrepreneurs alike spoke to the "fear" and "trust" barriers that inhibit entrepreneurs of color from taking steps to grow their business and approach capital providers.

One entrepreneur described her initial concerns about taking on debt, without the guarantee of business performance to support it. Though her own feelings towards capital have evolved over the course of the COVID-19 pandemic, she stresses the challenge of convincing entrepreneurs like her to take on business loans:

CHANTEL **LIGGETT**

PROJECT PREPARE LLC

"Many entrepreneurs are terrified. For those who haven't been in business for decades, or who've never carried business debt – it's a huge leap. It can be difficult to cultivate the security of 'I can go for it. I'm going to be supported. I know I'll be able to pay it back.' "

A community partner reinforced this fear, as well as a variety of other barriers that entrepreneurs of color face in accessing capital, starting with their widespread distrust of financial institutions:

TIRZAH **LOVE**

BLACK CULTURAL ZONE

"You know, when offering money to our community — we don't always believe in it. This is the overarching theme. We don't always believe that it's available to us without having to jump through hoop after hoop after hoop. And you may find this theme, this belief, this protective attitude within our community because – historically speaking – this is the pattern that we have experienced."

These sociological barriers reported by entrepreneurs of color and those looking to support their businesses reflect racial disparities in access to capital that continue to this day: entrepreneurs of color – independent of their credit score – are systematically less likely than white entrepreneurs to receive funding that they have applied for, whether they apply to bank or non-bank lenders.[21]

Solutions working to close the capital access gap and unlock wealth-building opportunities for entrepreneurs of color and their workers must acknowledge their institutional distrust stemming from redlining and the extraction of wealth in communities of color by the traditional banking system – and be trauma-informed to acknowledge this past harm, repair relationships, and build trust. A one-size-fits-most approach scratches only the surface of deeply embedded sociological barriers to capital access.

OAKLAND FUND OUTCOMES AND IMPACTS

The 37 small businesses funded through the Oakland Restorative Loan Fund – including retail shops, restaurants, child daycares, and other professional services – represent the multiple vibrant communities of residents in Oakland. These essential businesses keep jobs in their local communities and build financial health and well-being for those families.

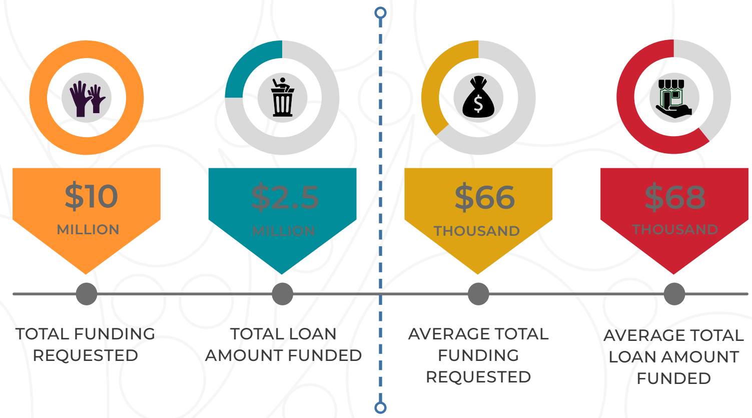


Figure 3: Oakland Fund Summary

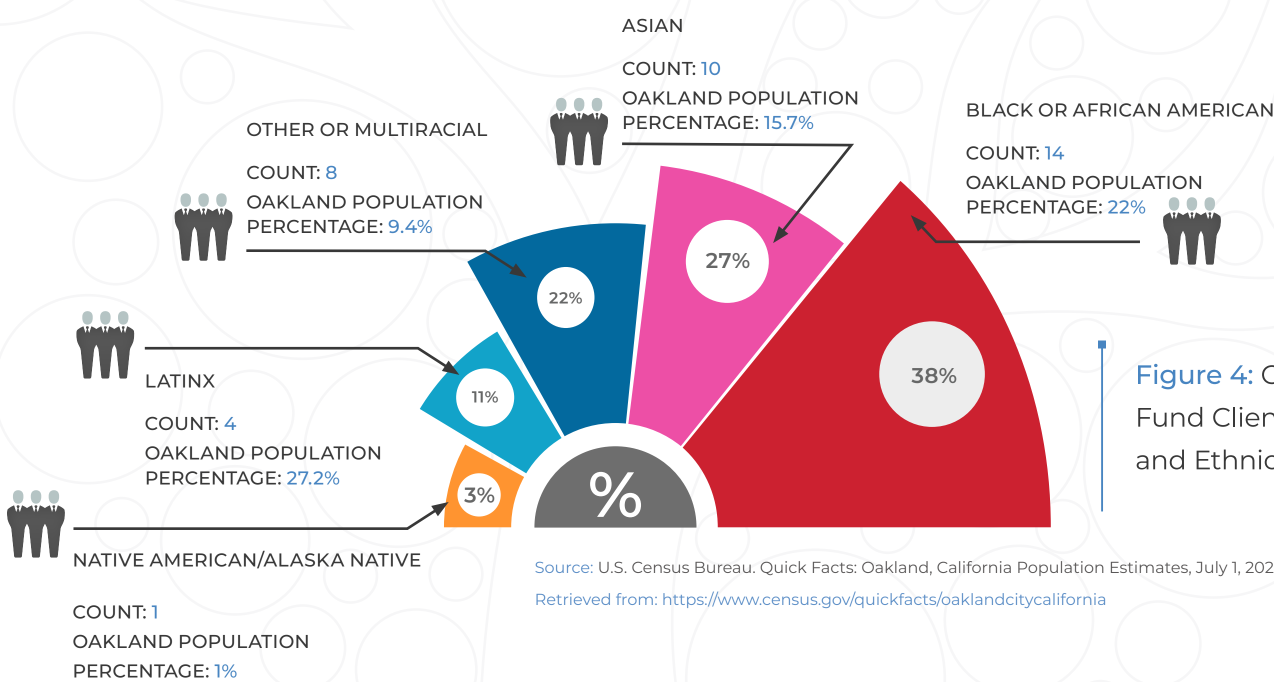


Figure 4: Oakland Fund Clients by Race and Ethnicity

Source: U.S. Census Bureau. Quick Facts: Oakland, California Population Estimates, July 1, 2022 (V2022). | Retrieved from: https://www.census.gov/quickfacts/oaklandcitycalifornia

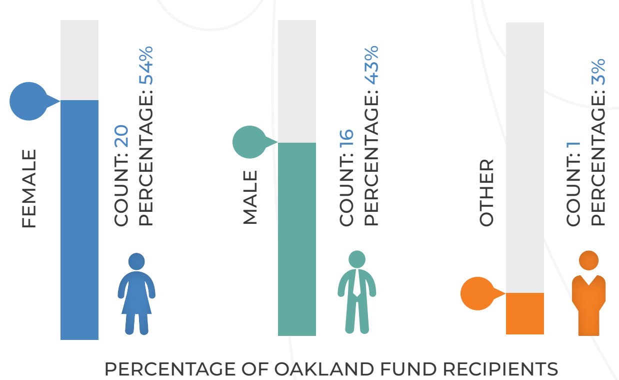
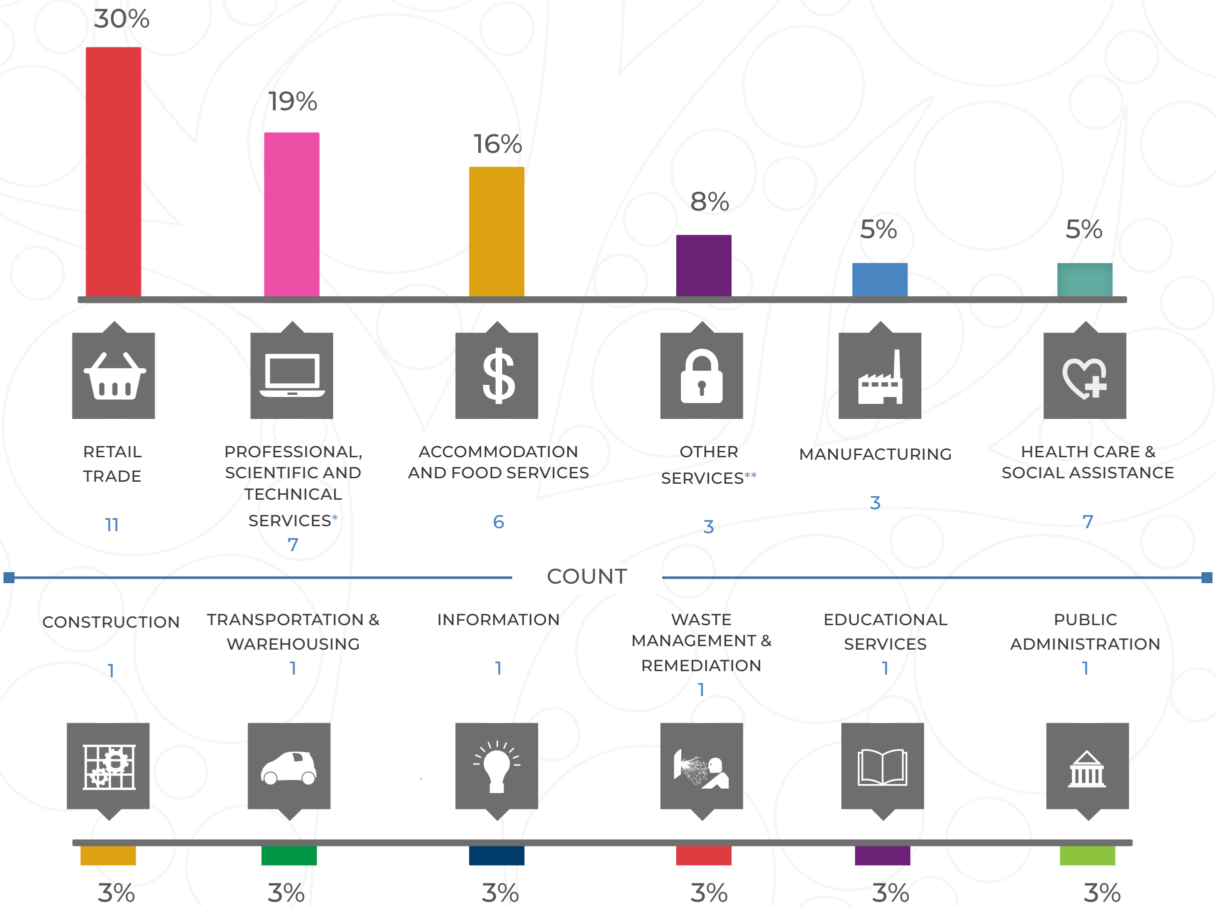


Figure 5: Oakland Fund Clients by Gender

Figure 6: Oakland Fund Clients by Industry



* Professional, Scientific and Technical Services businesses include two marketing firms, two tax services firms, a financial planning firm, a medical testing service, and a staffing agency.

** Other Services businesses include an event planning firm, a barber shop, and a gym.

Aligned with PCV's mission to reach entrepreneurs of color most at risk for gentrification and displacement in Oakland's neighborhoods, 100% of the Oakland Restorative Loan Fund recipients are entrepreneurs of color, 54% identify as women, and 96% are located in historically redlined communities.

Figure 7: 96% of Oakland Fund Recipients Located in Historically Redlined Neighborhoods

Source: University of Richmond, University of Maryland, Virginia Tech, and Johns Hopkins University – Mapping Inequality: Redlining in New Deal America. Retrieved from: https://dsl.richmond.edu/panorama/redlining/#loc=5/39.1/-94.58.

Note: 96% (22/23) of Oakland Fund client small businesses are located in neighborhoods that were classified as "Hazardous" or "Definitely Declining" by the Home Owners' Loan Corporation (HOLC). Only 23 of 37 Oakland Fund business addresses were tagged by the HOLC dataset and the remaining were classified "Insufficient Data," likely representing neighborhoods outside major urban areas between 1935 - 1940.

In listening sessions with 10 Oakland Restorative Loan Fund recipients, PCV learned of the many ways these small businesses used their loans. Though this was many awardees' first-ever loan, entrepreneurs expressed ways their loan was more of a game changer rather than an additive, fundamentally changing the nature of their business.

One entrepreneur shared that his PCV loan enabled his business, for the first time, to generate sustainable cash flow, untied to his personal income:

DOMONIC "KINGDOM" WARE
GOOD JUJU GOOD VIBES LLC

"[Through] the loan that we got from PCV, I was able to finally break myself free from tying my wages and my outside income to the business. The business was able to sustain [itself], in its existence."

Another described how their loan allowed them to create and sustain good jobs — jobs which later supported residents of the West Oakland Lower Bottoms, a predominantly Black neighborhood, to stay in place:

AISHA GAINES
AISHA'S MOBILE NOTARY LLC

"But with PCV, I have to say that I was able to take off several hats and actually designate, because it gave me the funding to say, 'Hey, I can pay you a little bit more. Can you learn this position?' Instead of me being everything, I can be half of everything, but not everything...This funding allowed not only for our company to make money, but for our community to close on their homes and not have a [notary] shortage...We were able to hire more people to help our community and we thank you for that."

Entrepreneurs also voiced how the timing of their 0% loan was impactful, helping them to weather financial hardship brought on by the pandemic. One entrepreneur stated:

JUDI HENDERSON GAINES
MANNEQUIN MADNESS

"So I just wanna say, even having been in business for, you know, almost 20 years, that 2020 was just a lot of body blows. So your funding really helped. Even though I feel like I've spent it all already and I'm still paying on it, it allowed us to stay afloat during that difficult time...Then once we pivoted to a new direction, [it] allowed us to help fund that as well."

Despite a perception among lenders that operating in the neighborhoods PCV supported with this Fund requires some type of special underwriting, PCV did not need to adjust its underwriting to originate or fund Oakland 0% loans – all Oakland Fund loan recipients would have also been eligible for PCV's Traditional Loan product.

Furthermore, in the months following the official close of the Fund and through May 2023, Oakland Fund loans consistently outperformed the portfolio overall when looking at on-time payments and late payments, as well as charge-offs.

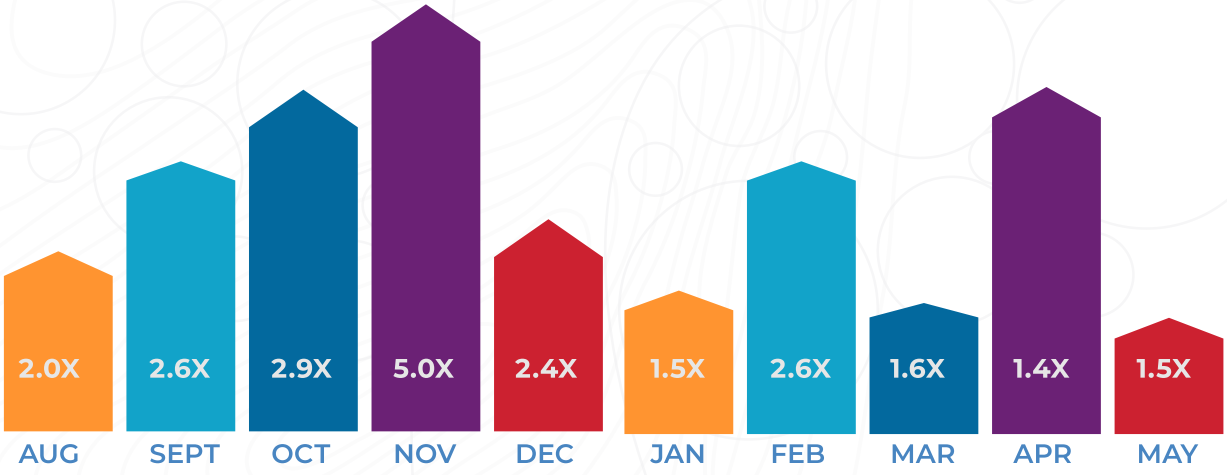
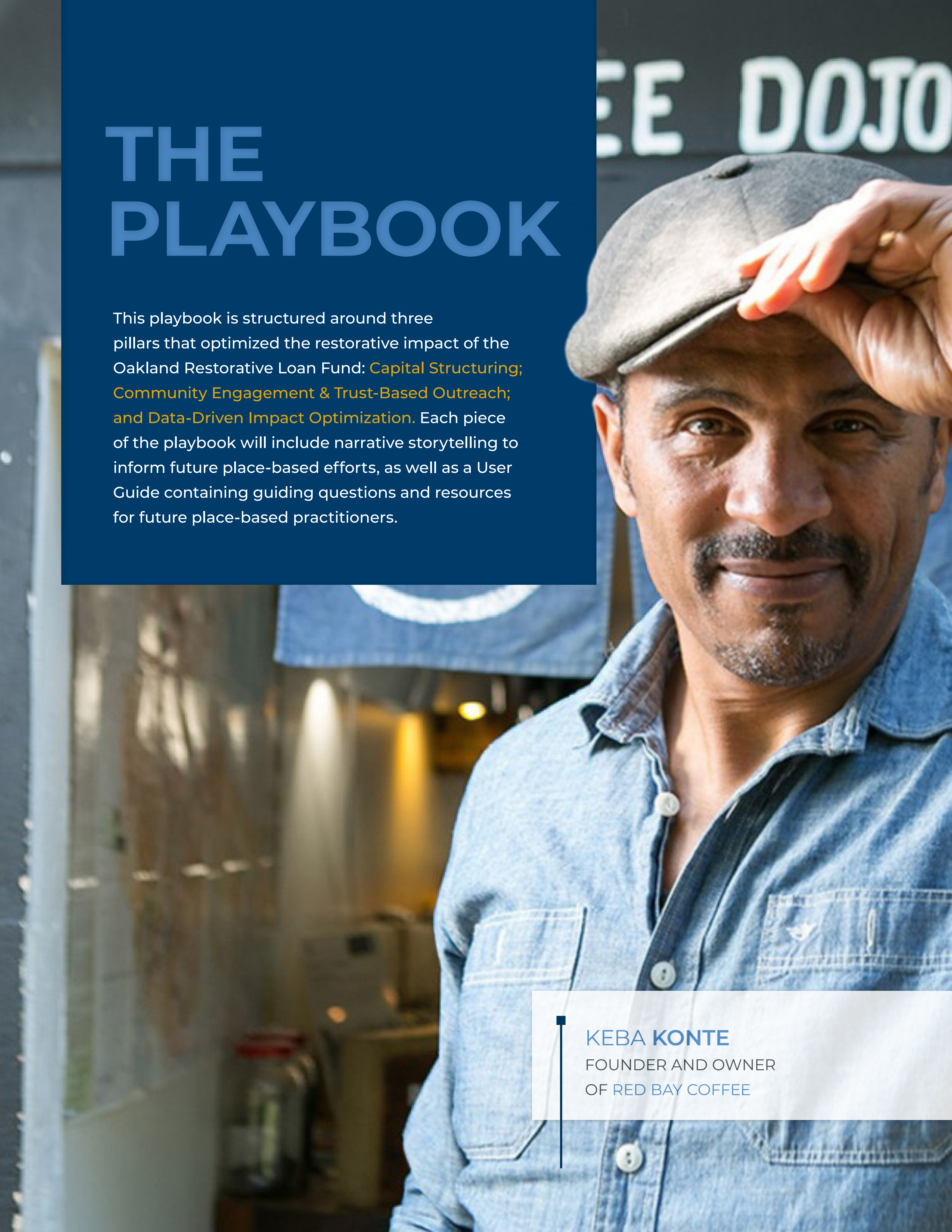


Figure 8: Monthly Overall PCV Loan Portfolio Delinquency Rate Divided By the Oakland Fund Delinquency Rate, Aug 2022 - May 2023

THE PLAYBOOK

This playbook is structured around three pillars that optimized the restorative impact of the Oakland Restorative Loan Fund: Capital Structuring; Community Engagement & Trust-Based Outreach; and Data-Driven Impact Optimization. Each piece of the playbook will include narrative storytelling to inform future place-based efforts, as well as a User Guide containing guiding questions and resources for future place-based practitioners.



KEBA **KONTE**
FOUNDER AND OWNER
OF RED BAY COFFEE

PILLAR 1

CAPITAL STRUCTURING

SECTION AUTHOR
BOB PORTER
PCV MANAGING DIRECTOR OF LENDING

BULBUL GUPTA

PCV PRESIDENT & CEO

"This was very intentionally designed as an impact-first, anti-displacement fund. In order to accomplish that and to help folks keep their businesses – those who had been most excluded from PPP and were facing another economic cliff – to literally stay in place and hold onto their house and business at that time, we had to make this 0%."

OAKLAND FUND GENESIS : LESSONS FROM THE CALIFORNIA REBUILDING FUND

Pacific Community Ventures' pandemic relief efforts did not begin with the Oakland Fund. In November of 2020, PCV co-founded the California Rebuilding Fund (CARF) alongside Accion Opportunity Fund, Calvert Capital, Kiva, Community Reinvestment Fund, and 10 other CDFIs across the State — the first time a group of CDFIs this size came together to agree on one underwriting approach. With a $50 million anchor

LOAN AMOUNT

$ 10 000 - $ 100 000

TERM 0% INTEREST 0 FEES

Figure 9[a]: Oakland Restorative Loan Fund

PCV TOTAL DEPLOYED FROM NOVEMBER 2021 TO MARCH 2022

$2.5 MILLION

Figure 9[b]: Oakland Restorative Loan Fund

commitment from the California IBank Loan Guarantee Program, this public-private partnership blended capital from private, philanthropic, and public sector organizations to rapidly finance under-resourced small businesses via a streamlined, 24-hour CDFI underwriting process.

As the first CDFI to make loans under this facility, PCV deployed $7.6 million between November 2020 and December 2022. Starting in July 2021, the City of San Francisco deployed additional grant support into the loan fund, so that CDFIs could lend to businesses within the city limits at 0%.[22] These funds were structured to pay back the lenders for foregone interest.

A 0% lending product open to entrepreneurs in Oakland, leveraging the California IBank Small Business Disaster Recovery Loan Guarantee Program and drastically sped up underwriting as in CARF, did not exist at this time. PCV felt strongly that Oakland — and its historically underestimated neighborhoods — deserved similar relief, and had begun to raise capital as well as grant support to offset origination and servicing costs towards such a fund in February 2021.

CAPITAL RAISE

Ultimately, PCV was able to pull together the $2.5M Oakland Restorative Loan Fund by combining catalytic debt capital offered to PCV at 1-2% interest from UCSF and Starbucks, and blending it with unrestricted grant funding from Bank of America, Battery Powered, Citi Foundation, and GoFundMe, as well as some of PCV's own reserve funds at the time. The grant funding covered all the costs associated with offering no fee, 0% loans of $10k to $100k to small business owners in PCV's target Oakland neighborhoods.

Initially, Pacific Community Ventures' first prospect for capital was the City of Oakland. Throughout 2021, the City was working hard to deploy federal relief funds from the U.S. Economic Development Agency (EDA) to small businesses that experienced severe income loss as a result of the pandemic, and PCV's portfolio reflected the intended audience. PCV submitted a proposal to the City in February 2021, and began conversations with City staff in late spring, when the City convened PCV, The Unity Council, Feed the Hunger Fund, and Black Cultural Zone to work together on a joint proposal for JPMC's Advancing Cities initiative in Oakland.

The joint proposal was submitted in summer 2021, and although it was not successful, PCV was able to build more trust with this group of community organizations, who would later become Oakland Fund community partners. When PCV began the City's due diligence process in August 2021, for the proposal it had submitted back in February, the City was keen on deploying EDA funds to entrepreneurs of color in Oakland. Despite deep mission alignment with PCV, the federal approval process allowing the City's

LOAN AMOUNT
UP TO $100,000
CALIFORNIA
INTEREST RATE
4.25% FIXED
CITY OF SAN FRANCISCO 0%
INTEREST RATE

Figure 10[a]: California Rebuilding Fund

allocated relief funding to be used in support of the Oakland Fund proved much longer than expected. Ultimately, when the approval process was complete in March 2022, it did not happen in time for the EDA funding to be used on the Fund.

As PCV engaged with the City of Oakland, it sought additional sources of capital for the Oakland Fund throughout 2021. In January 2021, PCV learned of the University of California San Francisco (UCSF) Community Investment Program, a three-year community investment pilot program that aims to address health equity in under-resourced communities in the San Francisco Bay Area, through strategic social investment by financial intermediaries into the geographic communities surrounding UCSF campuses.

In a response to UCSF's request for qualification in February 2021, PCV laid out a catalytic plan to blend a $2 million investment award at a 1% rate from UCSF with grant capital, to provide flexible, affordable disaster loans and pro bono, one-on-one, crisis response business advising to under-resourced small business owners in the San Francisco Bay Area. In a follow-on interview with the UCSF Community Investment subcommittee in April 2021, PCV surfaced the idea of a blended capital approach to specifically bring the interest rate for Oakland borrowers to 0%. Ultimately, Pacific Community Ventures received an anchor investment from UCSF

PCV TOTAL DEPLOYED
NOVEMBER 2020 - DECEMBER 2022
$7.6 MILLION

TOTAL COMMITTED
$100 MILLION+

Figure 10[b]: California Rebuilding Fund

of $1.5 million at 1% interest in late Summer 2021. PCV was one of four Bay Area financial intermediary partners to receive funding, as part of the $5 million Community Investment pilot. Although the three-year pilot is ongoing, PCV is optimistic that the success of the Oakland Fund for UCSF will lead to similar anchor investment programs rolling out across the University of California system in the near future.[23]

In June 2021, PCV received an invitation from Starbucks to apply to its Community Resilience Fund, an initiative that provides access to capital to small businesses and community development projects in the San Francisco Bay Area and 11 other U.S. metropolitan areas, through investments in CDFIs and other impact-focused financial institutions. PCV had previously pitched to Starbucks, after it announced its first-ever investment into CDFIs operating in Chicago in October 2019, and now aimed to funnel funding from the Community Resilience Fund into the Oakland Fund and other pandemic relief lending.

PCV and Starbucks had an introductory call in September 2021, and PCV was notified of its selection as a "potential investee" in late September. The final agreement was discussed over the next couple of weeks, with Starbucks originally offering a 2.25% interest rate on a 10-year term, on an investment amount that they would determine. Through conversations with Starbucks covering the needs of entrepreneurs of color, the geographical boundaries of the Oakland Fund, and the financial health and high impact of PCV's lending portfolio into BIPOC and low-income communities, PCV was able to negotiate this rate down to an even more catalytic rate of 2%. Pacific Community Ventures was awarded a $3 million investment award, as one of the first seven CDFIs to receive funding from the Community Resilience Fund, in January 2022.[24] Needing to make up for City of Oakland funds that had still not come through, PCV funneled $1 million of this forthcoming award towards the Oakland Fund at this time, bridging with its own strategic reserve assets during that window.

GETTING TO 0%

The Oakland Fund would not have been possible without unrestricted grant funding. Prior to launching the Fund, PCV secured unrestricted grant support through GoFundMe in February 2021, Citi Foundation in July 2021, Bank of America's Neighborhood Builders program in September 2021, and Battery Powered, a philanthropy program of The Battery, in November 2021. PCV's CEO participated in Battery Powered's pitch contest for vetted organizations supporting economic and racial justice, and was able to bring in Oakland Fund partner Black Cultural Zone to participate. PCV won $234k in unrestricted grant funding from Battery Powered, the highest amount awarded in the contest, while Black Cultural Zone was awarded over $100k.

The original loan pools for the Oakland Fund consisted of $1.5 million from UCSF, to be repaid at a 1% annual interest rate in five years, and $1 million from Starbucks, to be repaid at a 2% rate in 10 years. PCV applied a combination of unrestricted grant funding from the aforementioned sources to offset the interest expense owed to UCSF and Starbucks, as well as the fees incurred to originate Oakland Fund loans, which included the IBank Loan Guarantee fee, the cost of pulling credit, loan application software expenses, and administrative and overhead costs. By blending unrestricted grant funding with the $2.5 million loan pool in this way, PCV was able to bring the interest rate for Oakland Fund borrowers down to 0%, as well as to cover the Fund's origination and servicing costs.

Like most PCV loans, the Oakland Fund was credit enhanced using the California IBank Loan Guarantee Program, a program that facilitates capital accessibility for small businesses by providing loan guarantees of up to 80% of the loan amount to banks and other small business lenders.[25] PCV highly suggests that eligible small business lenders subscribe their loan funds to similar loan guarantee programs, which in addition to mitigating risk and providing reassurance to funders, may help lenders in accessing more flexible and larger amounts of capital.

When designing any loan fund – but especially one charging no fees and 0% interest to borrowers – it is also critical to correctly price all the costs associated with the fund. For PCV, this included accounting for the cost of the loan capital, the fee for the IBank Loan Guarantee across each loan, translation services, the costs for originating and then servicing each loan over 5 years, including pulling credit and technology expenses, as well as the cost of providing pro bono one-on-one mentoring through PCV's Business Advising program to each borrower, through the life of the loan and beyond. In order to estimate the total costs associated with the $2.5 million Oakland Fund, PCV used the lower ($10,000) and upper ($100,000) limits on the size of loan small business owners could apply for in order to calculate the total number of entrepreneurs it could serve through the Oakland Fund, and therefore estimate the cost of the Fund and how much grant capital would be required to sustain it. If one assumes that all loans deployed will be at the lowest possible amount, that will allow one to calculate the maximum number of small business owners that could be served through the fund.

Given that loan fund costs are largely driven by the number of small business owners served, using this maximum number of borrowers then allows one to calculate a conservative estimate for the most that supporting the loan fund could cost the lender.

The Oakland Fund launched on November 18, 2021. A $10.5 million pipeline developed over the course of seven days. By January 2022, PCV had deployed $1.94 million, and had to close the funnel to seek additional funding. PCV officially closed the Fund in March 2022, after deploying $2.5 million in loans. Ultimately, the creation of the Fund was as much art as it was science. While PCV worked to structure an attractive, appropriate and timely product, it was its Oakland community partners, and their support driving fund referrals and promotion, that made the program a success.

KEY TAKEAWAYS

- Launching a catalytic loan fund can require a continuum of capital to be available to CDFIs and other mission-driven lenders, as well as some creativity to pull different loan pools and grant resources together, in order to create a place-based fund that achieves deep impact.
- Maintaining warm relationships with potential investors and grant funders, including after unsuccessful applications for funding, can open the door to future successful applications for affordable, flexible capital and/or grants.
- Unrestricted, trust-based grant funding enables impact-first CDFIs to create and deploy products that are truly restorative.
- In the absence of philanthropic support, cities, localities, and port authorities can be great partners, but under-resourced communities are harder to serve through these approaches.
- Innovation in institutional impact investing, as modeled by UCSF, can be transformative.
- State resources such as the California IBank Loan Guarantee Program support fund innovation – in the specific case of the Oakland Fund, the place-based loans out-performed the broader portfolio. The impact of community co-created funds and products on catalytic capital portfolios is an area for future research.

USER GUIDE & RESOURCES

FRAMING QUESTIONS TO GUIDE CAPITAL STRUCTURING

As your organization thinks about Capital Structuring for future place-based work, here are some guiding questions to consider as you work to be restorative.

1. Which small business owner community are you trying to serve through your place-based fund, and how might that community's lived experiences contribute to its capital needs?

2. What size loan fund are you aiming to raise based on the community's needs and your knowledge of available investor and philanthropic resources?

3. What is the highest rate of capital – and what is the amount – you are able to absorb and blend with lower-rate investments, in order to keep the interest rate of the loans offered to small businesses in the target community truly restorative?

4. Do you have access to small business loan guarantee programs similar to the Small Business Loan Guarantee Program offered by the California IBank?

5. What criteria, if any, do you plan to use to determine eligibility for your loan fund to optimize impact – and how will you verify these details provided by applicants?

6. Are there institutions in your community who could be persuaded to pursue impact investments through their treasury?

7. Are there any peer lenders you could partner with to access larger amounts of capital together, and/or to extend the geographic area where businesses are eligible for your place-based loan product?

8. Do you have existing grant funding that could support the administrative costs of your fund?

9. What capacity do you need to create and track a separate place-based loan pool, engage the target community of small business owners and community-based organizations about the opportunity, and process a surge of new loan applications?

10. Do local city and regional governments have economic development offices with interest in reaching this community of small businesses, as well as funding they can leverage in your fund and/or connections to other investors they can introduce you to?

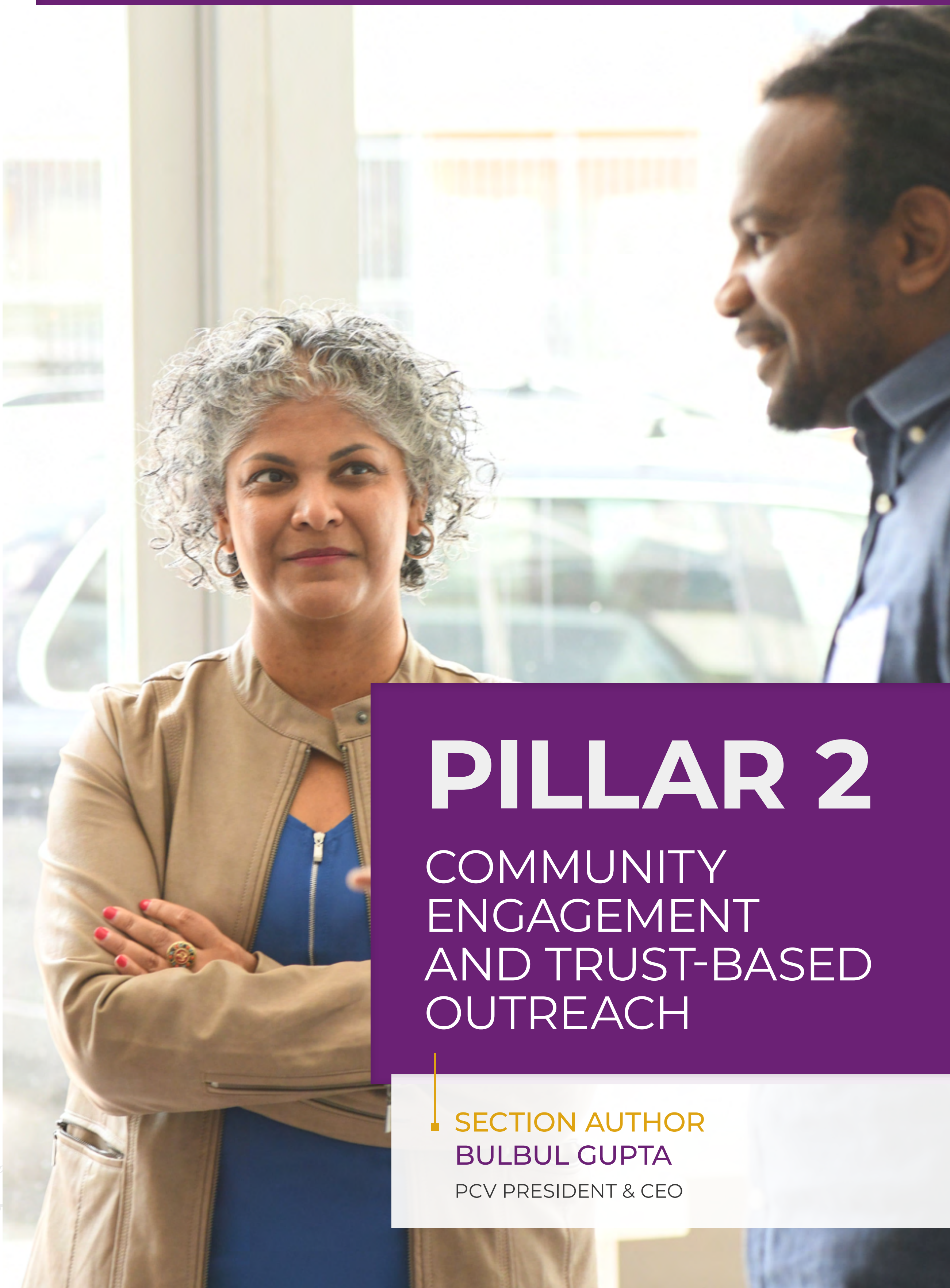
11. Are your investors willing to consider loan forgiveness, rebates or a first-loss position for hitting certain impact benchmarks in terms of which small business owners receive loans from your fund?

12. Are there other small business investors that reach this community that might be interested in pooling resources?

13. What, if any, are the restrictions on deployment of capital specified by investors in your fund, and what process do you need to set up to administer the place-based fund while abiding by these restrictions?

ADDITIONAL RESOURCES

- California Infrastructure and Economic Development Bank Small Business Loan Guarantee Program: https://www.ibank.ca.gov/small-business/loan-guarantees/. Loan guarantees of up to 80% of the loan amount to banks and other small business lenders.
- California Small Business Coalition for Racial Justice's Lending with a Racial Equity Lens: The New C's of Credit: https://www.self-help.org/docs/default-source/PDFs/confronting-racial-inequity-in-small-business-lending.pdf?sfvrsn=2. A revised set of underwriting criteria to prioritize racial justice in small business lending and technical assistance.
- Community Capital Management's Community Foundations and Place-Based Impact Investing: http://www.ccminvests.com/wp-content/uploads/2023/09/CCM-Community-Foundations-and-Place-Based-Impact-Investing-September-2023.pdf. Options for community foundations looking to make place-based impact investments, and case studies of foundations currently engaged in this work.
- Innovative Finance Playbook: https://innovative.finance/. A resource designed to help investors think creatively about the types of investment products they can offer to support entrepreneurs and small businesses.



PILLAR 2

COMMUNITY ENGAGEMENT AND TRUST-BASED OUTREACH

SECTION AUTHOR
BULBUL GUPTA
PCV PRESIDENT & CEO

Deep Partnerships:
Close collaboration with two or more partners in a manner that prioritizes building mutual trust, defining shared goals, and demonstrating a high degree of engagement in the pursuit of common objectives.

78% OF OAKLAND FUND LOAN RECIPIENTS CAME FROM PARTNER REFERRALS

As Pacific Community Ventures structured the debt and grant funding that would become the Oakland Fund, it knew that to achieve deep impact in Oakland communities, PCV's fund strategy and implementation had to be co-developed with community-based organizations in Oakland. One-size-fits-most relief programs like the PPP had offered attractive financing terms, but fell short of serving Black, AAPI, Latinx, and other communities of color in Oakland — and in cities across the nation — equitably, for many reasons including the ones cited earlier in this playbook.

Those who are closest to the problem are also closest to the solution, and a community-centered approach – enabled via deep partnerships with trusted, local community organizations – would ensure that PCV's capital met the needs of historically underestimated Oakland communities.

BRYAN STEVENSON
EXECUTIVE DIRECTOR OF THE EQUAL JUSTICE INITIATIVE

"[Current solutions] don't work because they haven't been shaped by the insights and knowledge that come from proximity."

Oakland is not one, monolithic community. It is composed of multiple communities with diverse cultures, and a vast array of lived experiences in business ownership and with the banking system. Oakland is a powerful hub of Black history and culture, where community groups including the Black Panther Party, Oakland Community Organizations (PICO/OCO), Unity Council, and many others formed in the 1960s to demand protections and equal access to jobs,housing, employment, and more during the Civil Rights Movement.[26] While the Black Panther Party started the first school and community feeding programs, universal Pre-K programs, and many other social services now mainstreamed in the United States, with little attribution to them, they largely faced persecution in their time. It is also well understood in Oakland that the infrastructure racism that occurred there in the 1960s and 1970s, in how and where the I-980 was designed and implemented, was intentionally done to divide and diminish the strong Black community of West Oakland from downtown and East Oakland – where Black Cultural Zone's neighborhood is one of the most sizable left of its kind. Oakland's Chinatown is one of the country's oldest, where members can trace family histories from the first Chinese to arrive in America shortly after the Gold Rush in the 1850s, and to Vietnam War refugees who arrived starting in the 1970s, through several periods of political strife and discrimination. Today, the community is best served by the Oakland Chinatown Chamber of Commerce and the Oakland Vietnamese Chamber of Commerce. East Oakland, historically heavily settled by Black and Latinx families dispossessed from West Oakland by the construction of the Nimitz Freeway (I-880), is now home to a robust population of Latinx business owners. East Oakland, and in particular the lively immigrant neighborhood of Fruitvale, is where partners such as the Unity Council and Feed the Hunger Fund have a strong footprint. PCV staff recognized early that it would take intentionality to earn the trust of these communities PCV wished to serve, to counter further displacement and gentrification in Oakland.

OUR OAKLAND PARTNER NETWORK

The process began by mapping Oakland community needs, and PCV's community partner assets – to hear from those most proximate. In late 2019, when PCV's new CEO assumed leadership, PCV re-engaged with Carolyn Johnson (CJ), founding CEO of the Black Cultural Zone (BCZ), a community development corporation that spearheads projects in the arts, economic development, community development, and commercial development in East Oakland. CJ serves on PCV's Advisory Council, was born and raised in Oakland, and is committed to the Black community's socio-economic mobility and wellbeing – with a strong understanding of what has worked or not for the community, over previous decades of financial inclusion or discrimination. Throughout 2020, PCV checked in with CJ to see what more PCV could do to support BCZ and collaborate, including through its Business Advising program. In spring 2021, PCV began a series of conversations on how to collaborate with the City of Oakland to leverage pandemic recovery efforts, including through some 3% lending that PCV was able to raise and deploy in the city that Spring.

That same opportunity allowed PCV to begin ongoing conversations with Trevor Parham, who founded Oakstop, an Oakland-based social enterprise that provides co-working, meeting, and event spaces to entrepreneurs, artists, and businesses, in 2013 and Oakland Black Business Fund, a Black-led grantmaking program that provides capital and technical assistance to Black-owned businesses in Oakland in 2020 — and went on to receive his first of two loans from PCV for Oakstop in 2021.

In spring and summer 2021, conversations through and with the City of Oakland to activate local and city support allowed PCV to also build some trust and interest in collaboration with The Unity Council (with whom PCV also shared a Board member), and Feed the Hunger Fund – both local CDFIs that serve micro and small businesses and immigrant-led businesses uniquely well. In October 2021, some of the AAPI-led small business owners in PCV's current lending portfolio, who appreciated how PCV was trying to show up in the city and for historic Chinatown, also encouraged the Chinatown and Vietnamese Chambers of Commerce to connect with PCV and partner. The UCSF team introduced PCV to the Temescal Business Improvement District as the last partner of the Fund, given their hospital presence in North Oakland, and the needs of the BIPOC and immigrant-led businesses in it.

PCV asked these most proximate partners what they were hearing from their Black, Latinx, Indigenous, and AAPI entrepreneurs. What did they need a year into the pandemic? Were they able to access PPP or other grants programs? How long would those last for them? How could PCV show up for them over the coming months to preempt another economic cliff, as the PPP and other relief programs came to an end?

Particularly for organizations new to launching a fund alongside community partners, it may makesense to monitor trust-building with peer organizations by tracking the relationship-building process. Through the Oakland Fund

partnership process, PCV has begun to track the frequency of communications with partners and the number of their community events attended. Additional metrics to track could include the number of resources shared between organizations, and the expansion of the organization's network following engagement with this partner, among other options.

OVERCOMING FEAR AND TRUST: MARKETING THE OAKLAND FUND

Through shared conversations with community partners, PCV knew that it needed to build trust, so that entrepreneurs in Oakland would take advantage of 0% loans. In the week before the launch of the Oakland Fund, PCV held two webinars to raise awareness of the Fund – largely for partners to learn more about PCV's underwriting and application process, and the financial paperwork needed to get to 'yes' – in order to support them in their outreach to the micro and small business entrepreneurs they know best, and to build trust in applying for a product that sounded too good to be true to most of them. Furthermore, PCV staff wanted to build trust in PCV itself, among any entrepreneurs who had not worked with PCV

BOB PORTER

MANAGING DIRECTOR OF LENDING, PCV

"Neighborhood organizations helped us with not only the application flow but with making sure that the word got out – that this was not only an opportunity, but it was a trusted opportunity, because when you hear 0% loans, what's the catch? And there wasn't any, but there had to be, but there wasn't any...A lot of the success goes to those partners, because it was a 0% fund, and it was trusted. We did deliver exactly what it said it was. And they helped us convince local businesses that, that was the case."

before… or to overcome distrust or harm if they had been turned down by PCV in the past – before PCV began to intentionally decolonize its underwriting in late 2019.

Recognizing the criticality of centering lived community experiences, Trevor and CJ offered to speak up to build local trust, and to communicate PCV's desire for non-extractive ties to the community. Two weeks before the launch of the Fund, PCV also reached out to entrepreneur Keba Konte, founder and owner of Red Bay Coffee — a successful and high-growth Black-owned coffee business in Oakland, committed to lifting up other Black-owned local businesses — who had worked with PCV multiple times over the previous ten years as he grew from startup to multiple locations. Keba agreed to support the marketing campaign of the Oakland Fund, with his picture being part of the launch materials to raise awareness — a name and a business trusted and respected by local BIPOC businesses and communities.

TRANSLATION SERVICES

A week before the launch, PCV introduced an English-language toolkit for Oakland Fund community partners to advertise the Fund. Jessica Chen from the Oakland Chinatown Chamber of Commerce recommended that PCV consider the language barriers facing many immigrant communities. For example, by creating marketing materials in Cantonese, PCV could communicate the intentionality in the Fund to meet the needs of her specific community – a community that had been largely left out of PPP given their language barriers. Both the Chinatown and Vietnamese Chambers of Commerce worked with PCV to turn the launch language into easy to read graphics in their languages, and PCV did its first earned media placements in World Journal and Sing Tao Daily – the local language newspapers most read by AAPI-owned small businesses in Chinatown. Tiffany Lacsado at The Unity Council similarly affirmed that Spanish-language marketing would help PCV achieve success in Fruitvale, and collaborated with PCV staff to create marketing materials in Spanish.

At the suggestion of the Chinatown and Vietnamese Chambers, PCV quickly reached out to local translation service Lan Do & Associates with an additional $50K commitment from PCV's unrestricted grant funds, to be ready to provide translation support to small businesses who expressed this need upon the launch of the portal on Friday, November 18th. After reaching out to all of the partners to confirm the top 5-6 languages most spoken and needing support in their neighborhoods, PCV secured translation services in Cantonese, Mandarin, Tagalog, Spanish, Vietnamese, and French (given a community of West African immigrant businesses in North Oakland). PCV's Business Advising program, which provides pre- and post-loan mentorship to entrepreneurs through a national volunteer network, also began reaching out to advisors speaking these languages, to be ready to partner with clients needing support promptly.

PROCESSING APPLICATIONS

DOMONIC “KINGDOM” WARE

GOOD JUJU GOOD VIBES LLC

“It was around the holiday time, I think it was around December, and we were just like, ‘You know what, what the heck? Let’s try it out.’ And I tell you this: the response, the speed of the response, the communication — I feel like the application was very easy to do. I’ve applied for loans at [credit] unions, at [major banks], and it’s so confusing that you have to have somebody sit there with you, walk you through it, and you still won’t get it. PCV did it remotely through tech. That was amazing. And the amount, the time for feedback, ‘Now you need this. Now you need that.’ That was beautiful. I really feel like normally when I deal with loans and money, with outside sources, it’s very traumatizing because for one, you’re coming with a vulnerability, but then you have to jump through all these hoops to prove your validity or that you are worth whatever it is that you’re requesting. And it really doesn’t come off feeling good. PCV changed that for us. PCV felt like it was a conversation from a friend that knew you were in need, but wanted you to check some marks to make sure you knew what you were talking about and what a beautiful experience.”

A key success of the awareness-raising measures and level of transparency that PCV co-created with Oakland Fund community partners, is that it built enough trust for the partners to agree to send their entrepreneurs directly to PCV for underwriting, whereas previously there was a curiosity as to whether they would be part of that process throughout, to ensure that PCV was able to get to ‘yes’ with more applicants. Keeping that trust and transparency each month – via email updates and phone calls to the partners of what PCV was seeing, the high demand, who the first loans were getting to, and more – was important to the PCV team, and has since become a more regular practice for PCV with partners. Setting recurring meetings with partners supported trust-building and transparency by creating the structure to answer any questions that came up in a timely manner, and is a good practice for setting expectations and building transparency and trust between organizations.

For most of the partners, it was also important to ensure that funds didn't "dry up too fast" in case their referred entrepreneurs needed more time to process the application paperwork due to translation needs or other factors. PCV's Lending team was able to work with these applicants who needed more time to upload their paperwork, reserving funding for these active loans rather than simply approving applicants who applied later but might have been faster on document collection, while keeping partners updated as needed.

In approaching Oakland Fund borrowers, the PCV Lending team was higher touch than ever before, and most exercised PCV's organizational value of 'coming from a place of yes.' Prior to launching the Fund, the team implemented a new, mobile friendly application software, which provided a better user experience to applicants, while allowing each credit analyst to work on more applications with the same level of service and response times, as well as downloaded and shared the application as a PDF with partners, so that they knew what their entrepreneurs needed to have ready, and what the application would look like before having to go to the site to do it. In the days and weeks following the launch, the team equipped PCV staff answering the PCV office line with an internal FAQ, updated daily, that addressed the many questions coming into PCV about the Fund, and ensured that staff knew how to quickly access and give referrals to PCV's contracted translation services.

KEY TAKEAWAYS

- Beyond traditional capital access barriers for entrepreneurs of color, fear and distrust in financial institutions can be significant barriers.
- Co-creation of place-based funds facilitates high impact outcomes, especially when trusted members of communities who can validate the legitimacy of the fund are actively engaged in fund design and building trust.
- By creating marketing materials in languages most spoken within client communities, you can communicate that your services are designed intentionally.
- Holding trust requires investment in transparency, maintaining regular communications with partner organizations to set expectations, as well as creating an intentional, quality user experience.

USER GUIDE & RESOURCES

FRAMING QUESTIONS TO GUIDE COMMUNITY ENGAGEMENT

As your organization thinks about community engagement for future place-based work, here are some guiding questions to consider as you work to be restorative.

1. What are the small business owner communities within the geography you aim to serve that have historically been most disadvantaged, overlooked, or left out of opportunities to access affordable capital?

2. What organizations can you partner with that are closest to these communities?

3. Do these communities need support in languages beyond English in order to access your funding opportunity?

4. In addition to translating your loan fund documents, are there partners you can work with to provide more comprehensive support to communities of small business owners with language barriers, in order to ensure they can access your funding?

5. Do your community partners have suggestions around what support the small business owners they are closest to need, in order to be ready to access your funding?

6. What technology can you leverage to make the process of applying for funding easier for small business owners?

7. How will you equip your community partners with a full understanding of your underwriting criteria, so they have a clearer idea of which small business owners to refer to your fund?

8. How can you communicate about the opportunity to access your funding to the small business owners who need it most, in a way that makes them understand that the opportunity is intended for them?

9. Do you have existing clients who could communicate about working with your organization in an effort to build trust with small business owners less familiar with your organization, whom you wish to apply for your loan fund?

10. What role do you want community partners to play in your fund? Are they referral partners, will a portion of the fund be set aside to support the businesses they refer, or will they even be involved in the underwriting process?

11. How do you plan on tracking small business owner referrals to your loan fund?

12. What resources can you offer to small business owners referred to your loan fund who are ultimately unable to qualify for funding?

13. How do you plan on reporting to community partners around the funding outcomes for the small business owners that they referred to your fund, particularly those cases of small business owners that were unable to qualify for funding?

14. How will you gather feedback from your community partners about the success of your outreach strategy?

15. How will you grow these partnerships with community organizations after the loan fund has closed?

ADDITIONAL RESOURCES

- Beneficial State Foundation and Transform Finance's *Participatory Investment in Banking:* https://www.transformfinance.org/blog/participatory-investment-in-banking. Opportunities and options for banks to shift power to the communities they serve.
- California Small Business Coalition for Racial Justice's *Racial Economic Equity In Small Business Funding - A Playbook:* https://www.self-help.org/docs/default-source/PDFs/policy-playbook.pdf?sfvrsn=2. Strategies for embedding racial economic equity into small business lending.
- Civil Society Academy's Overview on Participatory Budgets: https://www.civilsocietyacademy.org/post/participatory-budgets. Introduction to this method of channeling community input into the allocation of public resources.
- Heron Foundation's *Dare to Change*: https://www.heron.org/wp-content/uploads/2021/05/Dare-to-Change-2021.pdf. Five principles guiding the private foundation's investments into people and places.
- John McKnight and John Kretzman's *Mapping Community Capacity:* https://www.ojp.gov/ncjrs/virtual-library/abstracts/mapping-community-capacity. Guidebook on asset mapping, by the authors who developed the asset mapping approach to community development. Chapter available online courtesy of Racialequitytools.org: https://drive.google.com/file/d/17HFDj6xwqhPm8mXCDVfLQpMq_-YI0y9G/view.
- Michigan State University's Best Practice Brief on Community Mapping: https://outreach.msu.edu/bpbriefs/issues/brief4.pdf. Overview of the community asset mapping process, with an example of mapping for youth development.
- Seventh Sovereign Monthly Briefs: https://www.seventhsovereign.com/briefs. Strategies for community engagement and presence rooted in Tribal Relations.
- The Urban Institute, the John D. and Catherine T. MacArthur Foundation, and Mission Investors Exchange's Place-Based Impact Investing Briefs for Practitioners: https://missioninvestors.org/resources/place-based-impact-investing-three-briefs-practitioners. Three practitioner briefs designed to focus on elements of place-based impact investing that have surfaced in research and conversations with practitioners as opportunities for knowledge exchange: building strong ecosystems, mapping opportunities and capacities, and deploying capital on the ground together through impact investing collaborations

PILLAR 3

DATA-DRIVEN IMPACT OPTIMIZATION

SECTION AUTHOR
KENNETH KITAHATA
PCV DATA & ANALYTICS MANAGER

A human-centered approach was essential to the creation of the Oakland Fund. However, the team also leveraged mapping and analytics in parallel, to confirm that the Oakland Fund was to be deployed in the highest-impact Oakland neighborhoods – those that are predominantly BIPOC, low-income, and historically underestimated. Leveraging PolicyMap, a mapping and analytics platform that aggregates data from hundreds of sources into the indicators most relevant to policy makers, PCV's data-driven approach to deploying impact capital identified specific ZIP Codes and census tracts where Oakland small businesses should be located, in order to be eligible for place-based funding.

The PCV Lab team used the following four variables from PolicyMap in this analysis.

1

TRACT STATUS FOR COMMUNITY REINVESTMENT ACT (CRA) ELIGIBILITY

AS OF 2020

TO IDENTIFY TRACTS WITH RESIDENT COMMUNITIES THAT ARE IDENTIFIED AS PREDOMINANTLY:

- **LOW** INCOME
- **MODERATE** INCOME
- MID. INCOME **DISTRESSED**
- MID. INCOME **UNDESERVED**
- MID. INCOME **UNDESERVED** AND **DISTRESSED**
- MID. INCOME **UNDESERVED** OR DISTRESSED.

2

UNEMPLOYMENT RATE BY TRACT **AS OF 2011-2015**

3

POVERTY RATE BY TRACT **AS OF 2011-2015**

4

PREDOMINANT RACIAL OR ETHNIC GROUP BY TRACT AS OF 2013-2017

Cognizant of historical redlining that had denied homeownership and wealth-building opportunities to low-income and communities of color, PCV staff used tract-level data to understand the communities of small business owners with the greatest unmet need for affordable capital. To supplement this tract-level analysis, PCV staff also examined the presence of CDFIs in a given community, using the CDFI Fund's Program Awardees Database, to further identify those potentially highest-impact census tracts, where CDFI lending activity and thus the likelihood of obtaining low-cost small business capital were particularly low. While not in the scope of this analysis, PCV recognizes that income- and poverty-related data points alone do not paint a complete picture of what is happening in a given tract. Additional metrics to consider in similar analyses could include measures around community accessibility and other social determinants of health, such as distance to the closest supermarket, etc.

After pulling the above datasets, the team mapped the census tracts to ZIP codes using the 2021 Q3 HUD USPS ZIP Code Crosswalk Files, before aggregating the tract-level datasets to ZIP code-level, sorting the ZIP codes by highest CRA Eligibility and Poverty Rate, and aggregating the priority Oakland ZIP codes to neighborhoods. Community partners validated which neighborhoods were most important to consider for funding, examining the spatial data around areas in Oakland to further specify greatest need. They also identified areas of the city where PCV needed to find a trusted community partner in order to reach that area's small business owners. Ultimately, PCV arrived at five neighborhoods essential to support through the Oakland Fund:

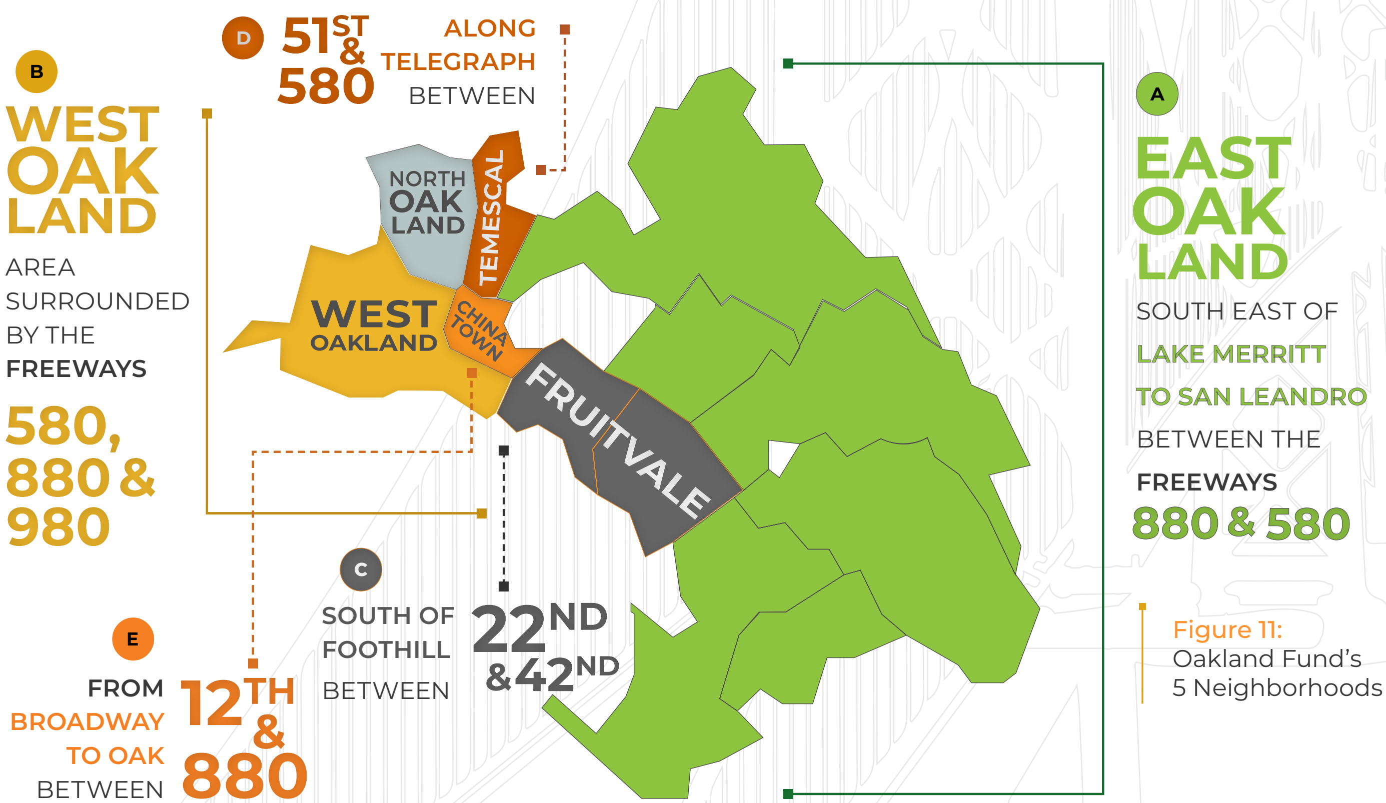


Figure 11:
Oakland Fund's 5 Neighborhoods

It is worth noting that the PCV team used the above neighborhoods as a guideline for where the funds should be disbursed, as opposed to an uncompromising, determining factor for which businesses were eligible for funding. In truth, neighborhoods are not precisely fixed and areas can utterly transform in a relatively short amount of time. Thus, if a business was technically located, for example, one block away from the region that PCV's sources asserted constituted Chinatown, they could still be considered for funding. Acknowledging that data analytics work — including data collection, analysis and interpretation — is often biased by the analyst's representation of the world,[27] PCV used data as a starting point for what small businesses to consider eligible for funding, rather than a strict, determining factor.

PCV's digital transformation increasingly allows the organization to better serve its mission to close the racial wealth gap, through being able to leverage data to better identify how to allocate resources. New tools such as PCV's Data Warehouse in Snowflake, along with Tableau for visualization, enable better impact tracking, data analysis, and more granular reporting on PCV's Lending and Business Advising program outcomes. While deploying loan fund capital to particular high-need Oakland neighborhoods leveraged publicly available data, PolicyMap made it easier to access this information — and helped ensure that the Oakland Fund deployed to the small business owners and members of the community most at-risk of further displacement and gentrification in Oakland.

KEY TAKEAWAYS

- Visualizing neighborhood data is a powerful approach to identifying high-impact communities, and is a tool that can be useful in identifying communities that could benefit most from place-based approaches — maximizing loans to those who are traditionally excluded from the financial system.
- Data warehousing enables efficient impact management through the connection of internal systems to support impact management.
- Looking at ZIP Codes alone when determining where to deploy catalytic capital can obfuscate impact. Neighborhoods evolve quickly, and street level information complemented by community partner intelligence can help mission lenders work as intended.

USER GUIDE & RESOURCES

FRAMING QUESTIONS TO GUIDE DATA-DRIVEN IMPACT OPTIMIZATION

As your organization thinks about leveraging data analytics for future place-based work, here are some guiding questions to consider as you work to be restorative.

1. What are the geographic boundaries of the community you are aiming to serve?

2. What sources of data about your community are available to you?

3. What data analysis tools can you access – including tools for spatial analysis?

4. What metrics do you believe can help you identify the specific communities most in need of your support, and how do these individual indicators connect to the larger story about the communities you aim to serve?

5. How flexible do you intend to be with the geographic boundaries and metrics you choose to implement to guide who you will serve with your fund?

6. Within the geography you intend to serve, are there any specific areas or neighborhoods you feel ought to be prioritized?

7. Among the metrics you select to help determine who is most in need of your funds, are any prioritized over the others?

8. How recently was the data collected that you are using – and does any more recent turnover or displacement within the communities you are considering, call into question the degree to which the data accurately describes those presently residing in a given area?

9. Which community organization partners can help you sense-check the boundaries and metrics you have selected to guide who is eligible to apply for your fund?

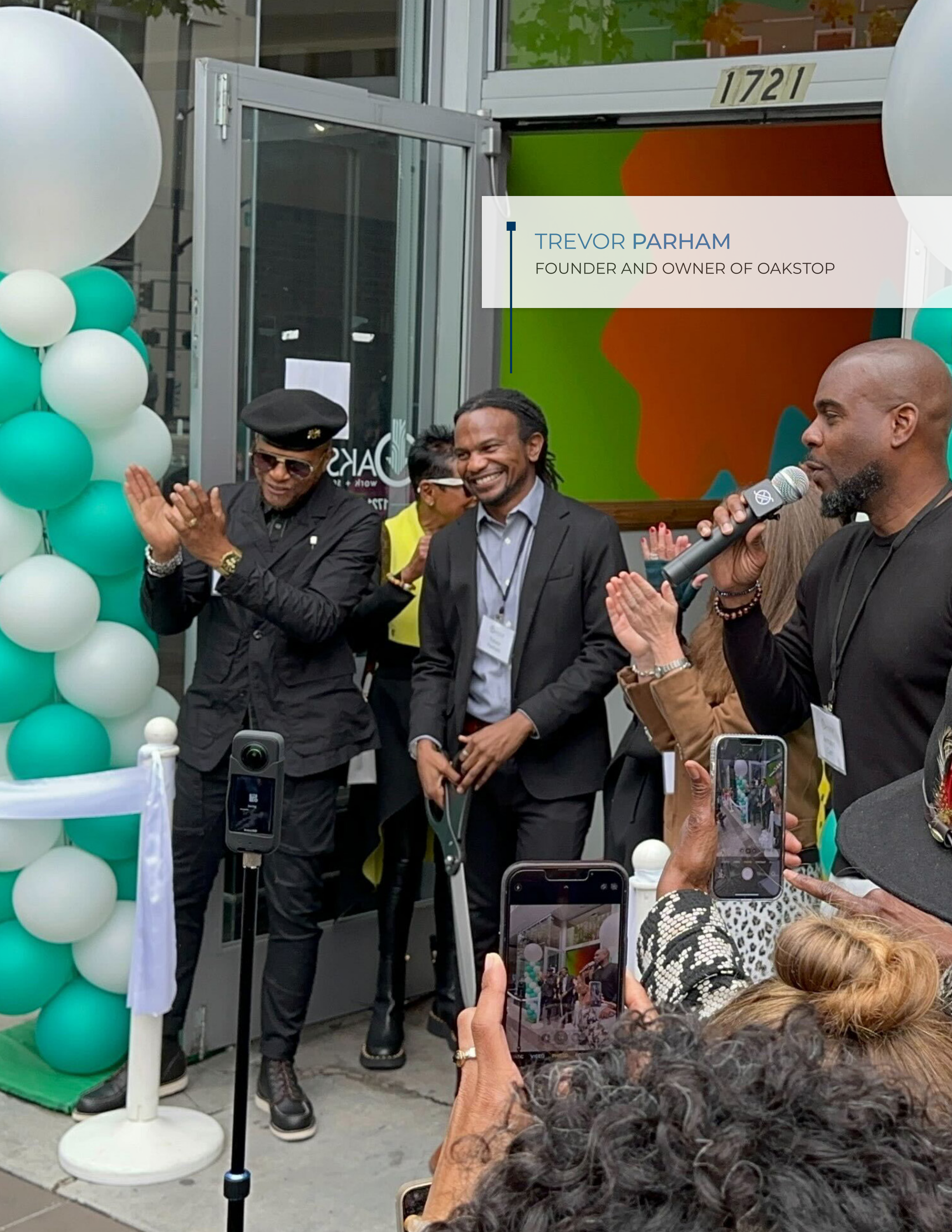
10. Do you have the tools, resources and partnerships in place to support a granular strategy in choosing where within a given municipality to deploy funds – including raising awareness and building trust among small business owners within the given area(s) you have chosen – as opposed to operating at the municipality-level?

11. What biases may your data have and how can your community partners help you mitigate them in your approach?

12. What data are your funders interested in learning about?

ADDITIONAL RESOURCES

- Census Mapper 2020: https://censusmapper.biglocalnews.org/#/. Interface that shows population change by different racial and ethnic groups at the state, county, and census tract levels.
- Census Reporter: https://censusreporter.org/. Interface that allows users to download census data for any geography and time period.
- The Common Knowledge Project: https://commonknowledge.appspot.com/. Interface that pulls together all public data sets for every city in the US.
- Pacific Community Ventures' Growing Michigan's Good Food Future: An Evaluation of the Michigan Good Food Fund, 2015-2019: https://www.pacificcommunityventures.org/2021/10/05/michigan-good-food-fund-evaluation/. An example of community mapping as it relates to social determinants of health and health-related community outcomes, specifically access to healthy food.
- PolicyMap: https://www.policymap.com/. Mapping and analytics platform that aggregates data from hundreds of sources into over 50,000 indicators most relevant to policy makers, business leaders, and researchers.
- United States Census Bureau Data: https://data.census.gov/. Public data collected every 10 years.
- University of Richmond, University of Maryland, Virginia Tech, and Johns Hopkins University's Mapping Inequality: Redlining in New Deal America: https://dsl.richmond.edu/panorama/redlining/#loc=5/39.1/-94.58. An award-winning online repository that allows users to explore detailed maps created by the Home Owners' Loan Corporation during the mid-20th century.
- We All Count's Data Equity Framework: https://weallcount.com/the-data-process/. A systematic way of embedding data equity into data projects, from project funding to communication and distribution.



TREVOR **PARHAM**
FOUNDER AND OWNER OF OAKSTOP

REFLECTION

ANONYMOUS
OAKLAND FUND RECIPIENT

"I found out about PCV through the Oakland Chamber of Commerce's listserv for small businesses, but I did have that moment like, 'What do you mean 0%?' ... The amount of funding you could get, most of the things that would come through that list were like $5,000, $10,000 max. I had never seen something that was so robust."

The success of the Oakland Restorative Loan Fund was enabled through, and helped further develop, Pacific Community Ventures' reputation in Oakland communities as an intentional partner with deep respect for the lived experience of the communities it serves.

"I did know about PCV before, so that helped me be like, 'Okay, they're legit.'"

The Fund reflects the anti-displacement, mission-first small business lending centering communities of color that PCV pursues – but showing up with no-fee, 0% loans for businesses in Oakland's lowest-income, predominantly BIPOC neighborhoods has drawn new-found openness to PCV's work.

Some might say that CDFIs too often fail to distinguish themselves from banks and other traditional financial institutions, or instead might question whether they are truly capable of meeting community needs. Indeed, some financial institutions were incredulous about PCV's Oakland Fund, asserting that it was "perverting the market" and that it was "making [them] look bad." Yet since the Fund launched, more and more people and organizations approach PCV with invitations to collaborate on initiatives in the Oakland community. Meanwhile, even long after the Fund has been fully deployed, many referrals continue to come into PCV's lending program – both from Oakland Fund recipients and community partner co-creators – because of the built trust, which PCV hopes to deepen.

Yet, there is more to be done. The community of impact investors of which PCV is a part, is capable of building investable pipeline in overlooked places, and it needs to meet the moment. In the aftermath of the COVID-19 pandemic, several sobering trends took hold, including notable rollback of racial equity commitments in the midst of high inflation. Affordable capital is harder and harder to come by, and patient, impact-first capital is required to scale this place-based approach and address racial wealth gaps effectively. CDFIs were born out of a market failure in financial inclusion of Black and Brown, low-wealth communities. Impact-first, blended capital like the Oakland Fund is essential to address that market failure and continues to be important, so that the mistakes of the Great Recession recovery period just 10 years ago, in which half of Black wealth in this country was decimated, are not repeated.

It's a critical moment for impact investing and catalytic capital. The work is just beginning.

"If you know Oakland, we are a very active town...The work y'all been doing, it really helped the trust factor."

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GLOSSARY OF TERMS

Blended Capital: A financial approach that entails combining funding from different types of investors (e.g., philanthropy, government funders, impact investors, traditional investors, etc.) with different expectations of financial return, in order to support initiatives with social, environmental and/or economic development goals.

Catalytic Capital: Tideline's 2019 report *Catalytic Capital: Unlocking More Investment and Impact* defines Catalytic Capital as 'debt, equity, guarantees, and other investments that accept disproportionate risk and/or concessionary returns relative to a conventional investment in order to generate positive impact and enable third-party investment that otherwise would not be possible.'

- To learn more about catalytic capital, see the Catalytic Capital Consortium website
- For a report on the potential of catalytic capital to drive deep impact, see Tideline's 2019 report Catalytic Capital: Unlocking more investment and impact

Co-development: Designing an initiative in close collaboration with a partner or partners.

Continuum of Capital: The full range of financing options that businesses at different stages in their life cycle need in order to survive and thrive, from seed investments that entrepreneurs require to launch their business (as little as $1000 or less), to the larger amount of funding a more mature business requires in order to scale and reach its full potential.

Decolonizing Lending: The process of acknowledging the negative effects that colonization continues to have in the way a lending program operates, particularly how underwriting criteria may advantage people identifying with historically dominant groups over those identifying with historically subjugated groups, and then intentionally making changes to the lending program to address these negative effects.

Deep Partnership: Close collaboration with two or more partners in a manner that prioritizes building mutual trust, defining shared goals, and demonstrating a high degree of engagement in the pursuit of common objectives.

Democratizing Access to Capital and Advising Programs: Encouraging constant input and feedback from everyone representing the communities the lending and technical assistance programs intend to serve and working to implement viable suggestions and requests for programmatic tweaks that come in from the community, regardless of the social status of the individual(s) making the request.

Historically Underestimated Communities: Groups of people that have been systematically denied by institutions and authorities access to resources that would allow them to thrive, due to discrimination and other systemic factors.

Place-based Impact Investment (PBII): An approach to investing that prioritizes achieving social, economic, or environmental outcomes within a specific geographic region alongside or over financial returns.

Restorative Capital: An investment approach intended to contribute to the healing, recovery, or growth of communities that have been historically discriminated against, marginalized, or otherwise denied access to resources.

Spatial Analytics: Conducting analysis using location-based data to gain insights about patterns and trends in order to make decisions about geographic regions.

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