

EQUITABLE DEVELOPMENT PLANNING FOR CDFIs

When Community Development Financial Institutions (CDFIs) engage in equitable development planning, they participate in a broad-based effort aimed at fulfilling a wide range of community goals, rather than simply pursuing individual transactions or advancing solutions in isolation from other efforts.

Successful equitable development planning requires that many different interested parties collaborate to create and implement a comprehensive strategy that benefits all members of the community. Having CDFIs as part of the planning process can help produce plans that are more effective because they include feasible paths to financing desired projects.

CDFIs can provide leadership and mission-driven funding in many ways, depending on the needs of the community and the capacity of the CDFIs:

- CDFIs can lead the creation and implementation of equitable development plans
- CDFIs can provide unique types of financing to community-based organizations or developers engaged in equitable development programs
- CDFIs can directly carry out strategies in the plan, like small business lending or homeownership

ACTION STEPS FOR CDFIs

IDENTIFY AND ENGAGE KEY ORGANIZATIONS, COMMUNITY LEADERS, AND RESIDENTS

- Research what groups and leaders are helping to improve the local community and learn about the work that they do
- If joining an existing effort, connect with lead organizations to understand the existing strategies and how a CDFI can further those strategies
- Ensure that all organizations help create the plan that they will help implement
- Throughout the campaign, listen and respond to community residents

COLLECT DATA, AS RIGOROUSLY AND SYSTEMATICALLY AS POSSIBLE, ON WHO LIVES AND WORKS IN TARGETED COMMUNITIES

- Use this data to ground discussions about goals and strategies, rather than relying on peoples' preconceived ideas about neighborhoods
- Present the data in the early discussions with local experts, community leaders, and residents

ASSESS THE TOTALITY OF COMMUNITY NEEDS

- Equitable development may well include addressing housing needs, but should not be restricted to a housing strategy
- Seek ways to incorporate a wide-range of goals, as dictated by local circumstances, such as high-quality employment, small business support, financial health, transportation, education, arts and culture, and the environment
- Even if your CDFI only works in one of these business areas, consider how your work intersects with other community improvement efforts

“ **What is Equitable Development?**
Equitable development combines multiple people- and place-based strategies to improve local communities physically, socially, and economically in ways that are equitable to all elements of the population. ”

GENERAL GUIDELINES FOR SUCCESSFUL EQUITABLE DEVELOPMENT PLANNING

- Have a strong “quarterback” organization to lead planning and implementation
- Engage a broad set of stakeholders and set clear expectations about roles
- Be realistic about what you can accomplish
- Set measurable short, medium, and long-term goals and track progress toward meeting them
- Be flexible and adjust strategies and goals as needed

RESOURCES

- [NALCAB Guide to Equitable Development](#) >
- [PolicyLink Equitable Development Toolkit](#) >

**The Joint Center for Housing Studies of Harvard University is engaged in research on the awardees of the PRO Neighborhoods CDFI Collaborative competition. For reports and case studies, click here.*