



COMMUNITIES Unlimited

**Strategic Plan
2022 to 2025
Progress Update
January 2024**

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Organizational Framing

Communities Unlimited successfully implemented its 2017-2020 strategic plan which led to its substantial growth in staff and budget from \$4.8 million in 2017 to \$9.6 million for FY2022. This expansion has positioned the organization for growth in three strategic areas:

1. Meeting the Moment: Leveraging Federal Funds for Persistently Poor Rural Places

As a thought leader, CU has been engaged by Department of Treasury, Department of Agriculture and the Environmental Protection Agency in advising agencies on ensuring that federal funding at historic levels reach disadvantaged rural communities. Now we need to work with individuals and communities to access these federal funds by providing pre-development loans and small dollar loans. CU also needs to leverage its deep experience in building local community leadership teams in order to create the local infrastructure to access broadband dollars, implement a broadband expansion strategy and ensure that services are affordable to local residents.

2. Wealth Building

In 2020, the country woke up to the racial wealth gap. The quick solution pointed to supporting Black and Brown entrepreneurs. CU's white paper [Racial Equity Through Entrepreneurship - Communities Unlimited](#) concluded that wealth creation through small business ownership requires a more intentional approach to wealth building, resulting in the new eWealthHealth initiative. The second wealth building strategy focuses on home ownership in small rural places, a gap identified by almost every one of our 30 rural leadership teams. Research also shows that food insecurity is a significant contributor to the racial wealth gap. The third strategy addresses the growing food insecurity in rural communities that have lost their grocery store and with it their access to healthy foods while creating market opportunities for local growers of color.

3. Expanding CU's Thought Leadership

A primary strategic focus of the last strategic plan was for Communities Unlimited, an organization serving communities in the South and the "fly-over" states to become a national thought leader within its various program areas but also through its innovative approach to rural development. Federal agencies and national organizations now recognize CU's work for its innovation in strategically blending CU services to move beyond the individual projects to a holistic, community led move toward prosperity. Each Strategic Goal in this plan highlights the level of strategic blending required to operationalize it: 1) Referrals between teams; 2) Strategic blending light – two teams working together; and 3) In-depth strategic blending – three or more teams working in coordinated way. Finally, CU's thought leadership will be driven by its new, dedicated internal research capacity to utilize its breadth of impact data to inform national research while publishing policy briefs and thought papers on strategies that drive success in persistently poor, rural places.

Meeting the Moment: Leveraging Federal Funds for Rural Communities

Strategic Goal 1: Pre-Development Loans for Water and Waste Water Systems

Context

In November 2021, the Infrastructure Investment and Jobs Act was signed into law. Over the next three years, \$1.1 billion will flow into State Revolving Loan Funds (SRF) targeting water and waste water systems in CU's seven state footprint in the South. Institutional racism, whether intentional or unintentional, have historically prevented persistently poor and predominantly Black, Brown and Native American communities. In order to access SRF funds, communities need to submit an Intended Use Plan which includes an engineering design and project budget in order to be considered. In other words, systems need to be able to pay an engineer upfront for their services running between \$150,000 on average. Small rural systems, especially after more than two years of COVID19, do not have enough cash on hand to secure the necessary engineering services. CU is raising capital for a dedicated fund to pay for these pre-development costs with the expectation that the SRF loan will take out the predevelopment funds.

Objective A: Establish Pre-Development Loan Fund

- Raise \$5 million with a 6-year term **(Accomplished)**
- Make 93 pre-development loans to leverage \$69.8 million in SRF funds (leveraging 6.2% of total available funds)
- Raise a loan loss reserve of approximately 12% of funds lent

Objective B: Outreach Campaign

- Develop marketing materials explaining the pre-development loan product **(Accomplished)**
- Train CU's 35 environmental technical assistance providers on outreach strategy **(Accomplished)**
- Leverage network of partner organizations in each state to promote the product
- Conduct specific outreach to water/waste water engineers in each state to inform them about the resource and their ability to secure their fee immediately on eligible projects
- Provide technical assistance to water/waste water management boards and operators to ensure that system can repay SRF loan and that projects are appropriately sized

Strategic Goal 2: Small Dollar Loans

Strategic Blending #1: Referral by local staff to Lending Team

Context:

Community Resource Group's Nuestra Casa may well have been one of the most impactful programs on individuals living in poverty to move them toward wealth building. The program has potential to support individuals in avoid predatory lenders by expanding the uses of funds. The program has potential to work in other geographies once structured correctly.

Small Dollar Loan Customers will start by borrowing for home improvement. Once they have a relationship with us, we provide follow up loans for other needs that the home owner may have related or not related to their home.

Objective A: Re-Invent Nuestra Casa in the Rio Grande Valley

1. Leverage technology to take applications efficiently
2. Add credit counseling component through partnership with CDCB in Brownsville (PRT Partner)
3. Leverage LMS platform to provide training on credit enhancing skills
4. Support borrowers in becoming banked to allow electronic payments
5. Introduce credit reporting for all small dollar borrowers **(Accomplished)** Credit scores improved for existing borrowers post 2 years.
6. Clearly document all small dollar loan products/uses
7. Small Dollar Home improvement Loan volume goals were established. **In Progress** - \$765,000 by December 2023. 266 loans totaling \$736,060 or 96.2% of goal were closed.

Objective B: Replicate Small Dollar Loan Program in other Geographies

1. Document demand for small dollar loans in Rio Grande Geography through loans made **(Accomplished)**
2. Demonstrate demand in new geography
3. Raise funds to replicate in new geography.

Objective C: Advocacy for Decentralized Water System Loans

1. Work with RCAP to ensure that Decentralized Water System funding is made a permanent part of the upcoming Farm Bill.

2. Leverage relationship with RCAP, RRAN and legislators in our territory to support this legislation
3. Capture data on loan declines due to heir's property issues **(Accomplished)**
4. Create Exceptional DWS Loan Product **(Accomplished)**
5. DS Loans Made:
\$250K Loans closed (2023) **(Accomplished)**
Successfully increased grant increasing \$50K minimum to \$300K for FY 2024 **(Accomplished)**

Objective D: Advocacy for Nuestra Casa Loans

1. Evaluate impact of Nuestra Casa historical lending on wealth creation for families
2. Implement means for tracking wealth creation for families served through small dollar loan program moving forward (metric-property value)

Strategic Goal 3: Broadband in Rural Communities

Blending Level: #3 In-depth

Context

The focus of this goal is to support a community all the way through implementation of a broadband strategy and ensuring affordability via the following steps:

1. Create Technology Taskforce within Leadership Team in community
2. Engage State Broadband Team in each project
3. CU GIS Mapping builds capacity of taskforce and creates map for local Taskforce to map available broadband speeds.
4. Conduct assessment of available download and upload speeds in downtown and surrounding area
5. Begin working with leadership on education campaign for local residents and access to FCC resources to make broadband subscription affordable.
6. Evaluate options for ownership – corporate, entrepreneur, municipal, cooperative
7. Provide support for local ownership, if this is best strategy
8. Write proposals to access state, USDA Re-Connect and other federal agency resources for rural broadband
9. Support negotiations with corporate partner, if this is best strategy
10. Monitor construction phase
11. Implement second phase of education campaign to ensure affordability

Objective A: Broadband Team

1. Hire broadband expert to lead broadband team **(Accomplished)**
2. Hire one broadband technical assistance provider per state as demand drives this
3. Engage all Community Sustainability staff and interested Environmental staff **(Accomplished)**
4. Create internal training resources for Community Facilitators **(Accomplished)**
5. Engage E-Team/Lending team in communities that choose cooperative or entrepreneurial owned model to work with the businesses.

Objective B: Develop In-House Broadband Expertise

1. Develop relationship with CTC Consulting to develop training modules(**Accomplished**)
2. Submit EDA proposal to secure resources (**Accomplished**)
3. Offer training to CU staff, national partners' staff and community leaders across 7 states (**Accomplished**)
4. Engage with Benton Institute training through Arkansas Connectivity Coalition (**Accomplished**)
5. Develop close working relationships with state broadband offices (**Accomplished**)

Objective C: Prioritize Deployment

1. Work with communities who have or are securing broadband resources (**Accomplished**)
2. 5 Texas communities funded through RPIC (**Accomplished**)
3. Community Sustainability communities committed to implementing a broadband strategy
4. Communities identified through Environmental Team
5. Communities where we have identified entrepreneurs who own and want to grow an ISP
6. Persistent Poverty communities

Wealth Building

Strategic Goal 4: e-WealthHealth

Blending Level: #2 E-Team and Lending

Context

e-WealthHealth is an intentional deployment of the Entrepreneurship Team's tools and services to deepen our work specifically with entrepreneurs of color in order to help them build wealth and begin closing the racial wealth gap. It will focus not only on the small business but the entrepreneurs themselves.

Initially focus on closing the racial gap and then expand to rural entrepreneurs. It will include the following strategies:

- Build a profitable financial model
- Manage profitability
- Monitor implementation of financial model
- 3 months of emergency savings
- Develop and implement intentional plan for building wealth, including pay oneself a salary, show a profit even if that means paying some taxes
- Pay down debt
- Create a succession plan to ensure that entrepreneur is able to sell business to fund their retirement and pass wealth onto the next generation
- Identify and secure health insurance for self and employees

Objective A: Form Cohort of Entrepreneurs Committed to Long-Term Engagement

1. Recruit and engage first cohort **(Accomplished)**
2. Develop additional wealth building technical assistance tools **(Accomplished)**
3. Vet and secure third-party services that enable wealth building (investment professionals, 401K plans, etc.) **(Accomplished)**

Objective B: e-WealthHealth Accelerator

Raise funds to be used to match contributions in a retirement or other wealth building investment including personal and business real estate. These contributions act like an employer matches to create an incentive and creates a new investment habit.

1. Raise Funds to be used for wealth building strategies, i.e., retirement account match , down payment toward asset purchase, cost for succession plan, cost for income tax planning **(Accomplished)**
2. Raise funds to be used to create incentive and new investment habits **(Accomplished)**

Objective C: Expand WealthHealth Model Across Other Program Areas

1. Lending: Small business borrowers be afforded opportunity to build wealth, examples may include interest rate incentives to encourage entrepreneurs in e-WealthHealth cohort to fully engage. Offer free payment and easier access to next loan.
2. Lending: As CU develops the Small Dollar Program, create wealth building opportunities
3. **CANCELLED:** Environmental: Build awareness of water systems of LIHEAP and LIWAP program that pays the bill for low income customers. Encourage water systems to change policies that allow for hardship payment plans, conduct rate studies that ensure all rate payers are treated equally and create equitable way to raising rates given different user classes. Funding for continuation of the LIWAP program was not appropriated.
4. Community Sustainability: Track building wealth across 8 forms of capital and create greater focus on local ownership
5. Community Sustainability: Promote Buy-Local programs to encourage building local wealth
6. Connect individuals touched by CU services with sound personal financial literacy programs as first step toward wealth building.
7. Health Foods - Build capacity for wealth creation through ownership of small-scale produce farms
8. Health Foods – Increase access to healthy food for minority children with high BMIs and living in poverty (see research of compounded strong negative impact on wealth capture as and adult)
9. PSS-Intentional focus on sourcing from small businesses in CU’s footprint
10. PSS – Publish small business vendor list
11. PSS – Explore client marketplace concept with CS and ETEAM

Objective D: Research and Impact Tracking

Establish system for third party validation doing collection and interviews, partnerships with universities

1. Secure long-term commitment from cohort participants to track wealth building
2. Create system for regular tracking of WealthHealth measures **(Accomplished)**
3. Publish results in the context of the racial wealth gap

Strategic Goal 5: Grow-Home Affordable Housing Strategy

Strategic Blending #3: This comprehensive strategy requires a dedicated lead person who will rely on Community Sustainability Team to identify communities and leadership team welcoming this strategy, work closely with lending on a new mortgage product, with Entrepreneurship team to launch new contractors.

Context:

Many local leadership teams supported by CU's Community Facilitators have expressed the need for an affordable housing strategy in their community. We know meaningful economic development is not possible without safe drinking water and appropriate disposal of waste water. It is equally challenging when entrepreneurs, workers, school teachers and local professionals do not have a safe place to live. The rural housing organizations of twenty years ago are mostly gone. A new strategy is now required to make housing truly affordable.

Objective A: Grow-Home Model

1. Expand organizational housing capacity by increasing program funding by at least 100% from FY 2022/2023 levels
2. Expand organization staffing capacity to match funding levels and program needs
Develop and implement training plan and certification requirements for existing and future housing staff **(Accomplished)**
3. Increase single-family, affordable housing units for homeownership in rural or persistent poverty communities through the manufacturing of 20 volumetric, modular homes
4. Provide access to financial products for (40) families in rural and persistent poverty
5. Provide needs assessments and strategic housing planning for (40) communities in Rural and persistent poverty communities
6. Become franchise of the cdcB MiCasita model **(Accomplished)** MOU has been signed between WeServe and cdcB
7. Create access to financial products that enable families to design their own affordable home constructed in section panels which the family can add on to over time
8. Pilot model in Pine Bluff in partnership with WeServe
9. Expand model throughout Delta and within feasible transportation distance from manufacturing site

Objective B: Mortgage Financing - CANCELLED

1. Expand organizational capacity for housing and mortgage lending
2. Increase access to homeownership for low and moderate income individuals in rural and persistent poverty areas through the creation of innovative and flexible lending products

3. Support mortgage approval and retention for low and moderate income households by providing homebuyer education and counseling for (40) families
 - Hire experienced mortgage lender
 - Raise capital for mortgage loan fund
 - Create mortgage product to reach those locked out of traditional mortgage lending
 - Provide homebuyer education and counseling to prepare families for home ownership.

Please Note: SLT has decided to partner with cdc (now licenses to make mortgages in Arkansas) to make mortgages for WeBuild homes until a large enough portfolio has been built to sustain a full-time mortgage lender. The new Director of Lending is a licenses mortgage lender, better positioning CU to step into this type of lending when volume justifies this step in the future.

Objective C: Contractor Development Program

1. Successfully assist a minimum of (5) participants to receive journey-level assessment in 1 or more craft areas through NCCER assessment process
2. Partner with intensive apprenticeship program launched by The Carpenter's Daughter in Pine Bluff to get apprentices certified by the National Center for Construction Education and Research in the areas of HVAC, electrical, plumbing and carpentry. **(Accomplished)** Carpenters Daughter is now an integral part in the WeServe and apprentices are positioned to manufacture homes.
3. Develop business training program for contractors available through LMS
4. Provide technical assistance to help graduates start contracting businesses
5. Provide microloans to help contracting businesses purchase tools and equipment

Strategic Goal 6: Food Security and Local Food Producers

Blended Level: #3 – In-depth

Context:

When one removes all other factors, food insecurity is dominant factor that leads to decrease in opportunity to create wealth in the Black population. Farm to school is the best way to break the cycle while building supply of produce to supply the schools that currently cannot access it. Farm to School is a new market opportunity for the small producer.

Objective A: Support Local Farmers to Supply Produce Locally

1. Connect 100 farmers to local food purchasing assistance programs (collecting financial data as applicable)
2. Identify farmers with capacity to or interested in expanding produce production to support Farm 2 School
3. Maintain relationship with existing famer network for purpose of wealth creation tracing (e.g. Cargill group)

Objective B: Create Access to Healthy Foods through the Schools

1. Identify 15 community champion interested in healthy foods program in smaller, rural schools **(Accomplished)**
2. Identify 15 schools to participate in F2S initial assessment **(Accomplished)**
3. Identify 3 school districts to implement full F2S Program
4. Expand No Kid Hungry Food as Medicine/Prescription Program to 2 additional locations **(Accomplished)**
5. Identify opportunities for collaboration with Community Sustainability and providing value-added healthy food access information

Objective C: Create Access to Healthy Foods through Local Grocery Stores

1. Launch Fayes Market in Gould. **(CANCELED)** Project requires substantial grant funds. CU applications were not approved.
2. Monitor Fresh Market pilot launched by Hope through HFFI funding to determine viability of that model
3. Document business model for rural grocery stores that support the local food system
4. Replicate model in CS Communities that have lost their locally owned grocery store and where a store is deemed feasible
5. Explore community owned grocery store model

Objective D: Advocacy for Equitable Access for Black and Brown Farmers

1. Engage with USDA Equity Commission to ensure that farm related funding and programs are equitably accessible to Black and Brown farmers. **(Accomplished)** On February 19, 2024, the Director for Community Sustainability presented to the commission on a number of topics including farm related issues.
2. Provide data/research about barriers facing Black farmers in federal programs

Expanding Communities Unlimited's Thought Leadership

Strategic Goal 7: Strategic Blending 2.0

Definition of Strategic Blending

Communities Unlimited defines three tiers of cross team collaboration:

1. Referrals between teams
2. Strategic blending light – two teams working together
3. In-depth strategic blending – three or more teams working in coordinated way

This strategic goal focuses on in-depth strategic blending.

Objective A: Define Strategic Blending Outcomes

1. SLT develops set of initial outcomes that go beyond individual program area outputs/outcomes. These are outcomes resulting from the blending work.
2. Outcomes are reported annually (more often if needed by funder) in a separate report and integrated in annual report. **(Accomplished)**
3. List of outcomes will expand as CU builds its portfolio of communities where it has delivered blended services.

Objective B: Form a Strategic Blending Team

1. The team will be composed of one dedicated champion from each program area
2. The team will meet monthly to discuss new blending opportunities and progress in existing strategic blending projects
3. The team creates processes for referrals and suggest efficiencies with focus on follow up on outcomes.
4. Capture outcomes SLT are expecting in addition to success stories

Objective C: Dedicated Staff Person

CU will create a new staff position dedicated to strategic blending with the following responsibilities:

1. Facilitate Strategic Blending Team meetings

2. Proactively look for strategic blending opportunities
3. Track outcomes of strategic blending
4. Report on work of the team to SLT during monthly meetings
5. Work with Research to track and report impact of strategic blending
6. Raise funds specifically for blended work.
7. Spokesperson for holistic approach that CU takes

Strategic Goal 8: CU Research Capacity

Strategic Blending: #3 Research will work with data collected across all programs and to showcase the impact of all programs.

Context

Over the past seven years, Communities Unlimited has emerged as a recognized thought leader in a number of different fields pertaining to our program areas. At the same time, the organization has collected a significant amount of impact data. The next phase in thought leadership hinges on CU's ability to integrate our own data in connection with national data and specific studies to make a more convincing case that its strategies and approaches work to move rural communities and entrepreneurs of color toward prosperity and wealth building.

Objective A: Research Priority Areas

1. Develop and measure 2 global Key Performance Indicators across CU that prove that its work builds wealth and has impact over a 10-year periods
2. Define "Wealth Health" for small business development field and analyze Impact of Entrepreneurship Teams' technical assistance on wealth building
3. Demonstrate the connection between sound waste water management and economic development
4. Assess impact of improved broadband on economic development
5. Assess the impact of access to healthy foods on health in distressed communities
6. Support advocacy efforts with new and current partners **(Accomplished)** *This is being removed as a goal as this is now standard operating procedure.*

Objective B: Creation of Repository of CU and Research Data

1. Data repository includes analyzed CU and third party data and ready-made infographics
2. Repository of data available in Sharepoint **(Accomplished)**
3. Metric Dashboard launched, for internal tracking on target goals **(Accomplished)**
4. Staff utilizes data for Congressional hearings, presentations, grant proposals, policy briefs and communications pieces

Objective C: Creation of Research Team

1. Develop two research topics and publish (public forum – not website) annually

2. Implement cause-advocacy social media campaign building to one research publication and track engagement
3. Identify a meeting, conference, research group, or other event where CU would like to be invited to present research in FY24 and network/target connections to secure invitation (***Accomplished***)
4. Research team meets on a regularly basis to discuss research opportunities/needs
5. Research Lead coordinates data collection efforts for their team
6. Each program team appoints a research lead who serves as main contact person to Research Team