

# An Ecosystem Approach to Community Development Technical Assistance

When Kate Ansorge became Vice President, Chicago Real Estate Solutions, at IFF, a Community Development Financial Institution (CDFI) that serves communities across the Midwest through lending, development and real estate consulting, she found herself working on individual solutions for individual nonprofits. A health care center was looking to purchase and renovate a clinic location to expand to a new neighborhood. A childcare center needed to add more classrooms to serve more infants and toddlers. A community development organization was working to bring a new grocery store to its neighborhood.

In the course of providing technical assistance to these groups, Ansorge and her team began to wonder if there was a better way. While some of their clients just wanted support to move one project forward, others wanted to develop the real estate and capital expertise that would enable them to bring many more projects to completion. Wouldn't it be more effective to provide comprehensive capacity-building support for the long term to support their range of needs? Meanwhile, many organizations and developers faced similar challenges. Wouldn't it be more effective to identify the sources of those challenges in their community development ecosystems in order to address them at a system level? Ansorge took advantage of her Fulcrum Fellowship at the Center for Community Investment (CCI) to consider how to do things differently. Drawing on CCI's capital absorption framework, which centers results, impact, systems change, and collaboration, she envisioned a technical assistance approach for community development that would offer a multipronged approach to getting results. If IFF was able to 1) help organizations and developers get specific projects built, 2) improve the general ability of those organizations and developers to get projects built, and 3) help their local community development ecosystems make it easier to get projects built, then their communities and residents would see significantly better results.

## CAPITAL ABSORPTION FRAMEWORK



Ansorge's Real Estate Solutions team now uses such an approach. Their technical assistance work has three critical components:

1. Assessing real estate readiness, capital readiness, and organizational capacity and helping organizations find resources and build skills in all three areas to help their projects progress more quickly.
2. Providing technical assistance in multiple ways—including pipeline management, one-on-one coaching tailored to the project and informed by the readiness assessment, and peer learning opportunities.
3. Providing every organization with a system navigator who both oversees all its technical assistance needs and can use its experiences to inform and advance changes in the local community development ecosystem so that all local projects can progress more quickly and easily.

## WHAT DOES THIS LOOK LIKE IN PRACTICE?

**Example 1:** A generous donor gave a vacant building to a beloved, small neighborhood cultural organization that had been operating out of a couple of rooms in another organization's offices. The building required a multimillion-dollar renovation, which was a tall order for an organization with a small budget. Though funders were interested in the effort, they were concerned by lack of detail in the project budget and whether it was shovel-ready for construction. IFF worked with the organization to assess their readiness to undertake the project, reviewed their project's budget, financing plans, and timeline, and created a thorough set of project real estate and budget documents that gave funders confidence in the organization and its project plans. The organization was successful at raising all of the project capital and renovation is currently underway.

**Example 2:** A childcare program, a critical resource in its community, had outgrown the space it rented from a local church and was planning to build a new facility. IFF helped the center create a realistic project budget. They also provided critical assistance during the design and permitting process when the center discovered a parking requirement, for which they had no land. IFF helped the center to determine that they were half a mile from a train station, which meant that their community's recent equitable transit-oriented development ordinance exempted them from the parking requirement. Drawing upon their knowledge of the local community development ecosystem and their work with other clients, IFF was able to save the center months of time and legal costs.

**Example 3:** Ansorge has been able to put her experience as a system navigator to work on the Cut the Tape Task Force, a group of 50 real estate development leaders charged with evaluating policy proposals for streamlining and expediting development in Chicago. The Task Force's purview includes funding, design and environmental reviews, zoning and permitting, and more. Ansorge knows well how critical the funding process and its timing are for local developers and projects. When and how the city awards and distributes capital can be a significant factor in project costs. Changing these procedures involves everything from rethinking risk to revising procedures. Ansorge has been able to make meaningful contributions on these issues as the city does the due diligence that will lead to recommendations for policy changes. The resulting ordinances have the potential to make a significant difference in the work of organizations and developers across the city. Work to date has included zoning process improvements, more guidance on funding and permit processes, and a review of the timing and process to disburse funds into projects.

Deploying IFF's approach requires two critical skill sets: multisector expertise in real estate, capital alignment, and capacity building as well as a systems view. When Ansorge began her work in Real Estate Solutions, she provided real estate expertise; however, she soon learned that many nonprofits also needed help raising capital. Helping those organizations build their own expertise so that they could develop project-specific real estate and capital solutions almost always called for building organizational capacity. Technical assistance providers with skills in all three of these areas are best prepared to serve as system navigators. When technical assistance is limited to a real estate focus, for example, a developer may get stuck with a capital or capacity challenge.

The multisector expertise supports system navigators who have the ability to take a systems view. Navigators can use their system-level insights to identify common and systemic real estate roadblocks, funding gaps, and capacity needs not just to see real estate projects completed in community and build stronger organizations, but also to build better systems to support those organizations, as Ansorge is doing on the Cut the Tape Task Force. Ansorge has also found that multisector expertise can support funders to identify capital needs and assess funder's pipeline progress. Ultimately, the approach Ansorge's team at IFF has developed and implemented has the potential to dramatically improve community development results in communities everywhere. It can help technical assistance and capacity building practitioners provide more effective support for local organizations and ecosystems. It can mitigate risk for impact investors and other funders to help capital get out the door more quickly, which means projects are more likely to be successful. It can make the work of community development practitioners more successful. As a result, the system will work better for investors, developers, and especially communities, whose needs will be met more efficiently, effectively, and equitably.

#### About the Center for Community Investment

The Center for Community Investment, a sponsored project at Rockefeller Philanthropy Advisors, works to ensure that all communities, especially those that have suffered from structural racism and policies that have left them economically and socially isolated, can unlock the capital they need to thrive. Our work is supported by the Robert Wood Johnson Foundation, The Kresge Foundation, JPMorgan Chase & Co, and The California Endowment.

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