



NORTHERN CALIFORNIA COMMUNITY LOAN FUND

STRATEGIC PLAN 2019-2021





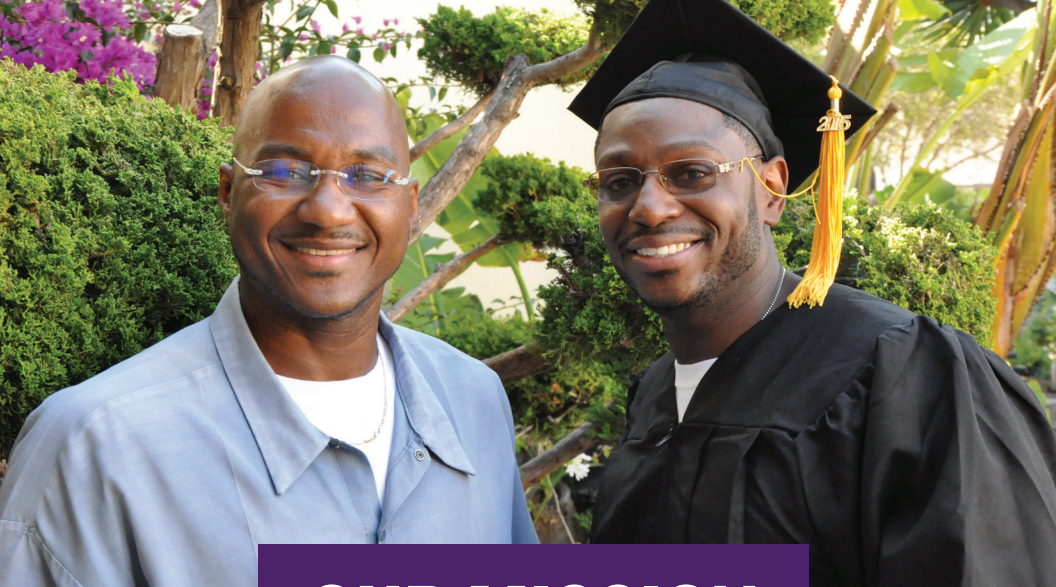
OUR FUTURE

NCCLF is deeply committed to our founders' vision of confronting economic and racial inequity in historically disinvested communities throughout Northern and Central California. As we approached this *Strategic Plan*, we understood that the political uncertainties and fundamental socioeconomic changes taking place in our region, state, and country were creating ever-greater burdens for the people living and working in these communities. This meant that we had a responsibility to address our own internal systems in a way that better deployed our capital and more effectively utilized our expertise in real estate and finance. This affirmed our commitment to frontline, community-based solutions to widening disparities. In this plan, we combined the traditional methodologies of strategic planning with a decision-making and accountability framework that enables us to be nimble, responsive, and manage change effectively with deep consideration for our organizational sustainability.

OUR HISTORY

In 1987, our founders had a vision of putting their money to work as a tool for building financially strong and culturally vibrant communities capable of growing their sown seeds of self-determination. We have successfully carried out that vision since the 1980s, by connecting investors to communities, and lending and providing financial and real estate consulting to organizations that share our vision of sustainable communities and social and economic justice.

Since then we've invested more than \$254 million to projects throughout Northern and Central California, impacting the lives of more than 1.5 million of our neighbors. Our lending and consulting services support organizations that provide affordable housing, equitable and sustainable access to healthy food, and critical social, medical and youth services.



OUR MISSION

We promote economic justice and alleviate poverty by increasing the financial resilience and sustainability of community-based nonprofits and enterprises.

Through flexible financial products and sound advice, we create opportunities to make socially responsible investments that revitalize Northern and Central California communities.

OUR VISION

We envision financially strong and culturally vibrant communities where each person has access to decent jobs, homes, health care, education, and economic opportunities. We work in partnership with individuals and organizations who share our vision of sustainable communities and social and economic justice.



OUR VALUES

CONSCIOUS INVESTMENT

We deploy capital and knowledge that creates long-term systems change to power structures.

LEARNING

We use evaluation, reflection, and knowledge sharing to inform nimble and innovative approaches to solutions that achieve personal and organizational excellence.

HUMILITY AND RESPECT

We value the wealth of experience, insight, and culture rooted in the communities we work with.

CLIENT SERVICE FOCUSED

We are responsive and consistent in our interactions. Everything starts with our clients' needs. We adapt our process and offerings accordingly.



RACIAL AND ECONOMIC EQUITY

We recognize that a history of discriminatory financial practices and intentional disinvestment have contributed to a lack of economic progress in low-income communities and communities of color. NCCLF provides capital and technical assistance for communities that have been systemically disadvantaged to ensure fairness in opportunities, resources, and rights for everyone.

INTEGRITY

We are honest, accountable, and transparent with each other and our stakeholders. We value and practice sound ethical character and behavior.

COLLABORATION

We recognize and engage each other's strengths to achieve a shared vision or goal.



THE PLAN

IMPACT & INFLUENCE

NCCLF believes that the path to achieving equity is by proactively addressing historical and current systemic oppression, to ensure equitable access to opportunities, resources, and rights. Our best work lies in the understanding of structural barriers and the intersection of social justice and financing. Our goals within impact and influence address the most pressing issues currently affecting our California communities.

GOAL I - ECONOMIC EQUITY

NCCLF advances economic equity by providing products and services to enterprises that 1) lack access to capital, and/or 2) fulfill a community need, such as opportunities for ownership, leadership, economic resilience and quality employment for those who are systemically disadvantaged.

STRATEGIES

1. Continue to refine our social impact criteria to reflect meaningful impact and create a corresponding framework to assess performance across departments.
2. Using our refined equity criteria, conduct periodic assessments of existing and potential clients to ensure continual improvement of our impact.
3. Using the results of our periodic assessments, identify changes to the client identification and acquisition processes as needed.
4. Formalize a new internal Innovation Committee to assess existing opportunities, identify new opportunities and research new, effective products and programs.
5. Train all staff on the refined equity criteria and adopt an impact evaluation framework across organizational departments that reflects the equity criteria.



GOAL 2 - RACIAL EQUITY

NCCLF advances racial equity by supporting enterprises owned and led by people of color, and/or organizations that address issues of significance to communities of color.

STRATEGIES

1. See all Strategies within Goal 1: Economic Equity Impact and Influence
2. Continue the work of NCCLF's cross-departmental Leadership & Culture Committee in identifying and implementing equity and inclusion strategies for increasing diversity within the organization at the staff, committee, and board level.
3. Incorporate the objective of racial equity into NCCLF's organizational brand, activities, and communications.

GOAL 3 - SECURITY OF PLACE: AFFORDABLE HOUSING & NONPROFIT ORGANIZATIONS

In order to meet the needs of low- and moderate-income people, NCCLF helps to preserve and support community through lending that fills a gap in the regional housing market. In addition, NCCLF supports the growth, impact, and sustainability of nonprofit organizations aligned with our mission by providing products and services that build capacity, sustain facilities, and enhance community.

STRATEGIES

1. Create a growth strategy that increases NCCLF's affordable housing financing.
2. Conduct a market assessment based on equity criteria, and use the results to adapt client acquisition strategies as needed.
3. Develop and maintain an online platform for nonprofits to find affordable spaces and other resources.
4. Build NCCLF's client base through improved branding, marketing, and referral systems.
5. Assess landscape for sustainable funding for an expanded real estate consulting practice.
6. Assess internal capacity and external demand for fee-generating real estate related services.

GOAL 4 - INNOVATION, THOUGHT LEADERSHIP, & SYSTEMS CHANGE

NCCLF actively seeks new opportunities for increasing impact and leveraging its capacity to develop strategic partnerships, create publications, share best practices, and participate in policy decisions related to systems change.

STRATEGIES

1. Create a system for setting an acceptable level of risk for the organization, making room for innovative pilot programs and research.
2. Amplify the practice of cross-departmental collaboration on organizational publications that communicate the impact and lessons learned from NCCLF's activities.
3. Develop appropriate annual policy objectives and allow for sufficient internal resources to meet these objectives.





FINANCIAL SUSTAINABILITY

In response to an uncertain federal funding and regulatory climate, NCCLF will both pursue its most impactful goals and be adaptable to potential changes in our funding sources.

GOAL 1 - REVENUE DIVERSIFICATION

NCCLF actively seeks a healthy mix of mission-aligned revenue sources (earned revenue, grants and contributions, investments, etc.) to make measurable advances towards its desired impact, while staying financially sustainable.

STRATEGIES

1. Create and implement a development plan for achieving revenue growth in contributions and grants.
2. Develop and implement a plan for achieving a sustainable level of earned revenue based on program growth.
3. Develop an annual capitalization strategy that includes consideration of new and evolving sources of debt capital.

GOAL 2 - SCENARIO PLANNING

NCCLF performs financial scenario planning, allowing for stability in programming decisions in the instance of changes in certain revenue sources, and/or an overall decrease of total revenue.

STRATEGIES

1. Explore and incorporate best practices with other CDFIs regarding scenario planning.
2. Formalize a regular scenario planning process.
3. Conduct annual shock scenario analysis.

ORGANIZATIONAL EXCELLENCE

In identifying how NCCLF will advance our impact and influence, it was critical that we first challenge ourselves to structure our work in a way that reflects our values. In setting ambitious goals for organizational excellence, we prepare NCCLF for success as we grow and innovate.

GOAL 1 - STRATEGIC DECISION-MAKING FRAMEWORK

NCCLF staff and Board consistently use a shared framework and process to guide strategic decision-making based on the organization's core values, intended impact, and financial Return on Investment (among other factors).

STRATEGIES

1. Using core values, equity criteria, and ROI standards, develop clear matrix for regular use by management in day-to-day decision-making, while allowing for continued flexibility and creativity. Enable adoption of this process through trainings and accountability mechanisms.
2. Assign and/or acquire talent necessary to oversee *Strategic Plan* implementation, with an emphasis on guiding internal change management process.

GOAL 2(A) - ORGANIZATIONAL CULTURE

NCCLF's organizational culture is centered on shared core values and promotes collaboration, professional standards, internal communication, innovation, and performance.

STRATEGIES

1. Design and introduce process for measuring overall employee satisfaction, and perceived levels of collaboration, effective communication, innovation, and performance, with findings to inform organizational design and performance management.
2. Develop core values of the organization and professional practices that guide day-to-day work standards, and incorporate into annual staff performance reviews.
3. Improve staff communication to share updates on organizational changes to seamlessly manage through periods of change.
4. Assign and/or acquire talent: see Goal 1 Strategic Decision-Making Framework.

GOAL 2(B) - ORGANIZATIONAL DESIGN

NCCLF's organizational design reflects its business model, core functions, strategic priorities, and core values.

STRATEGIES

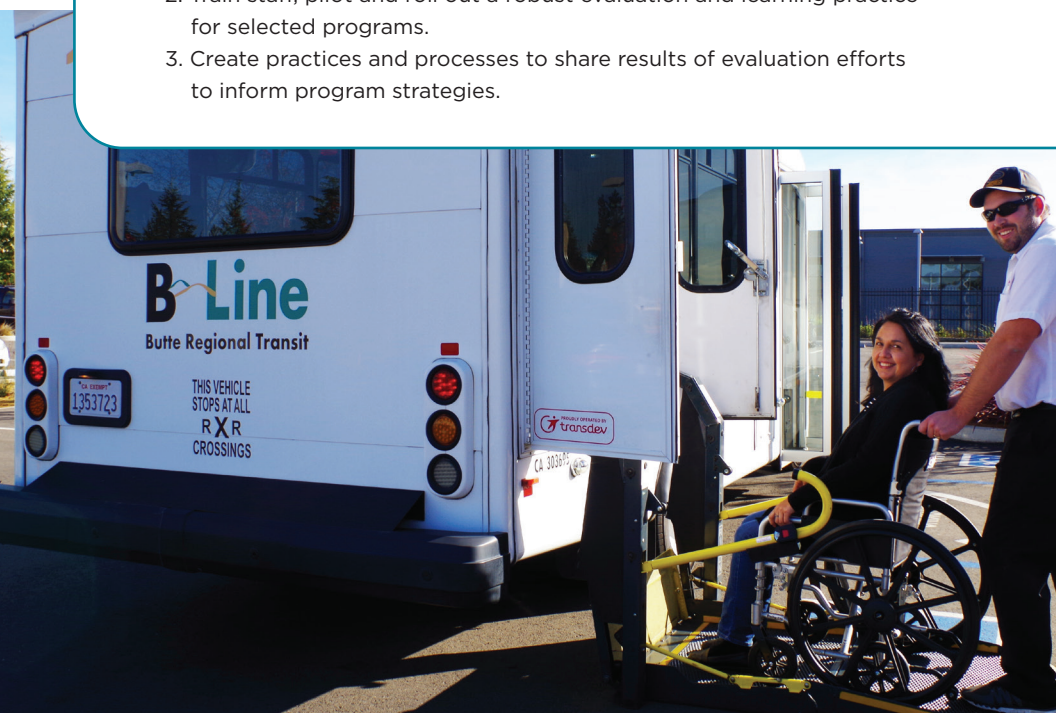
1. Design and introduce processes: see Goal 1 Organizational Excellence Strategic Decision-Making Framework.
2. Make relevant changes to organizational design based on new *Strategic Plan*, gathering input from staff throughout the process.
3. Assign and/or acquire talent: see Goal 1 Strategic Decision-Making Framework.

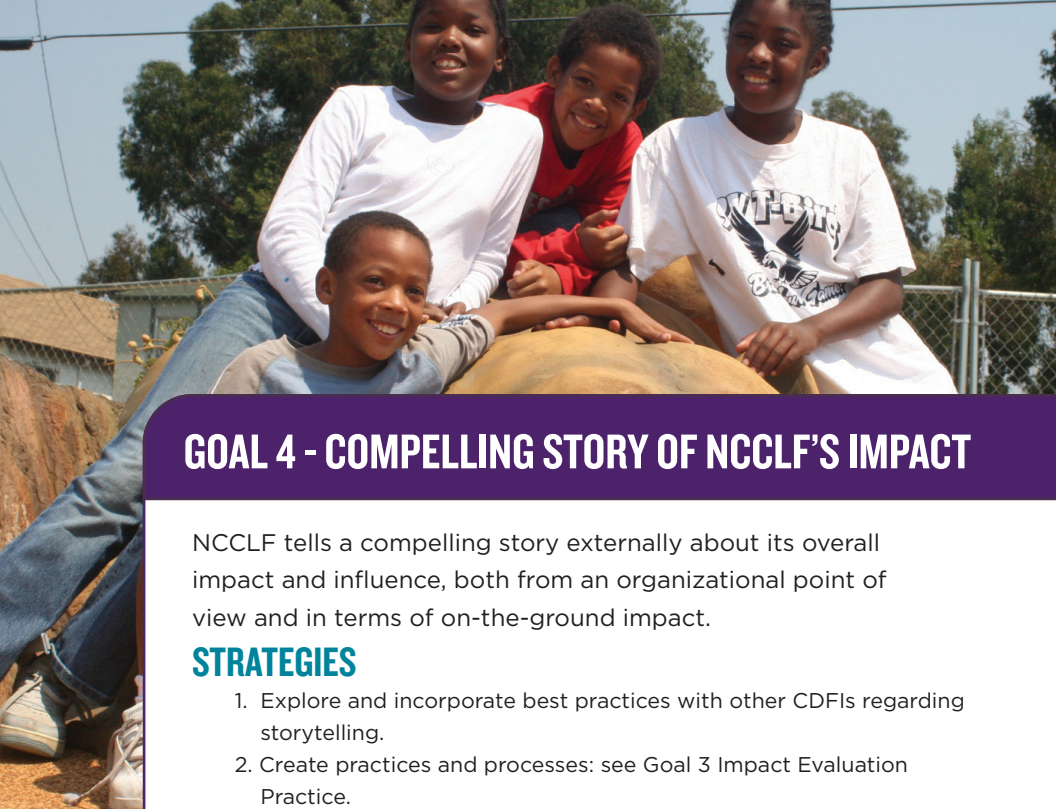
GOAL 3 - IMPACT EVALUATION PRACTICE

All NCCLF programs and initiatives have an understanding of both their programmatic achievements and community impact, and are examining and adjusting intervention strategies where necessary.

STRATEGIES

1. Explore and incorporate best practices with other CDFIs regarding impact evaluation.
2. Train staff, pilot and roll out a robust evaluation and learning practice for selected programs.
3. Create practices and processes to share results of evaluation efforts to inform program strategies.





GOAL 4 - COMPELLING STORY OF NCCLF'S IMPACT

NCCLF tells a compelling story externally about its overall impact and influence, both from an organizational point of view and in terms of on-the-ground impact.

STRATEGIES

1. Explore and incorporate best practices with other CDFIs regarding storytelling.
2. Create practices and processes: see Goal 3 Impact Evaluation Practice.
3. Develop cross-departmental collaboration: see Impact and Influence, Goal 4 Innovation, Thought Leadership, and Systems Change.
4. Develop communications toolbox of data based on Impact Evaluation practice and begin shifting communications accordingly.

GOAL 5 - LEADERSHIP CAPACITY

NCCLF invests in its staff through well-designed, targeted professional development, and cultivates leadership throughout departments and roles.

STRATEGIES

1. See all Strategies within Goal 2b: Organizational Design.
2. Define the critical skill sets and characteristics required of each function and/or position within the organization.
3. Develop and implement trainings for specific roles and departments based on position descriptions and organizational needs.



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