



Equitable Path Forward

A \$3.5 BILLION INITIATIVE TO
COUNTER RACIAL INEQUITIES IN
HOUSING

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THE CHALLENGE
RACIAL INEQUITIES
IN REAL ESTATE
PERPETUATE RACIAL DISPARITIES
IN COMMUNITIES

Racial Wealth Gap and Under-Representation

Inequities in Communities

- Black households comprise nearly **50%** of HUD assisted housing, yet only **13%** of the nation's population
- **21%** of Black Americans, **25%** of Indigenous peoples, and **18%** of Hispanic Americans are under the poverty line, compared to **10%** of whites (all pre-COVID)
- The median white household has over **8x** the net worth of the median Black household and over **5x** that of the median Hispanic household



Inequities in Real Estate

- **2%** of real estate management firms are minority-owned
- **1%** of total Assets Under Management are controlled by minority-owned firms
- **Only 16%** of community development corporations (CDCs), who explicitly serve low-income communities of color, are minority-led

OUR PLAN
REBALANCE POWER
AND PROFIT IN THE
REAL ESTATE SECTOR

CAPITAL IS POWER, AND POWER SHAPES COMMUNITIES

Our Strategy

1. Fill the capital gap in housing created by decades of systemic racism by investing directly in diverse developers
2. Strengthen BIPOC and historically marginalized housing providers through advisory services and other support
3. Create new career pathways in real estate that will diversify leadership in the industry

* In recognition of the Equal Credit Opportunity Act, EPF will support developers, without regard to race, who have traditionally been denied access to capital and who devote significant effort to supporting disadvantaged communities.

A Three-Pronged Approach

NETFLIX has made a \$25 million investment to seed this initiative

EQUITABLE PATH FORWARD



\$350 million Growth Fund

to provide debt, equity, grants and innovative credit enhancement that together will attract an additional \$3.1 billion of capital

- **\$100mm** in CDFI entity-level working capital as well as project lending
- **\$50mm** in grants to build developer balance sheet strength
- **\$50mm** in credit enhancements through a Standby Guarantee Facility
- **\$150mm** in project-level equity from Enterprise's business lines



\$15 million

Developer Advisory Services

program for cultivation of local development organizations and small businesses

- **Comprehensive consulting**, networking facilitation, business services and evaluation support
- **Local, state and federal policy** development and advocacy
- **Partnerships** with MDIs and BIPOC-led CDFIs to build out a national network



\$10 million

Analyst Training Program

two-year program – modeled after the distinguished rotational programs at major industrial and financial firms

- **Original leadership program**, to include experience in different business lines, mentorships and job placement opportunities
- **Partnerships** with HBCUs and other institutions to advance a pipeline of future leaders

PARTNER ENGAGEMENT

Early Input Refined – And Validated – Our Approach

100% of partners surveyed indicated they would participate

““ We need support to increase our liquidity and build our balance sheet. Not having those two things prohibits us from having the necessary resources to grow our development pipeline, bridge public funding, and maintain a steady workforce. Enterprise’s EPF vision is inclusive and intentional. They go beyond a conversation; they bring the best and the brightest to execute and move ideas forward. ””

South Los Angeles, CA
BIPOC-led organization

““ With a significant investment over multiple years, like what is described in Enterprise’s EPF initiative, I feel confident that our organization can move to a new level of consistent, sustainable production. We want to build and sustain a real estate production pipeline capable of meeting the needs of low- to moderate income individuals and families in Baton Rouge; we want to take advantage of opportunities and not be paralyzed by fear or lack of resources. ””

Baton Rouge, LA BIPOC-led organization

““ We are truly partners with the community and we are a very "boots on the ground developer". With capital, grants and subsidies we would be able to grow the organization with a very grassroots perspective not only providing housing, jobs and education but also empowering the community for real economic growth. I think Enterprise understands what needs to be done for real change to happen economically for Black, Native American and other people of Color. ””

Brooklyn, NY BIPOC-led organization

GROWTH FUND CATALYTIC CAPITAL

Catalytic Capital

With Enterprise's ability to leverage further capital through each dollar invested, our \$350 million total investment will attract an additional \$3.1 billion of debt, equity and grants to provide BIPOC-led and other historically marginalized housing providers both entity-level and project-level capital.

* Leverage assumptions based on historical data of leverage resulting from loans, grants and equity investments across Enterprise business lines.

EQUITABLE PATH FORWARD



\$350 million
Growth Fund
Grants, Debt and Equity



\$900 million
Project-level financing
through the Enterprise platform to support
diverse developer-led projects



\$2.3 billion
Project-level leverage*
from other financing partners (i.e., non-
Enterprise financing including conventional
commercial equity and debt)



\$3.5 billion

DEVELOPER
ADVISORY SERVICES
THE FULL
ENTERPRISE
PLATFORM

BIPOC Developer Support Program

Developer Consulting Services



Peer Sharing and Power Building



ANALYST TRAINING
PROGRAM
DIVERSIFYING
LEADERSHIP IN THE
INDUSTRY

Analyst Training Program

CONCEPT

Cultivate an upstream pipeline of talent through a training program for men and women interested in real estate finance, development, asset management and private equity.

ACTIVITIES

1. Two-year program consisting of three 8-month rotations, which will offer 20 emerging leaders varied exposure to different community development products, services and business lines.
2. Direct compensation during program experience.
3. Outplacement support by hiring directly or connecting participants with our 2,000+ network of developers, investors and vendors in the real estate development sector.

GOAL

90% placement rate for graduates following program's conclusion.

OUR PARTNERS DEVELOPERS AND INVESTORS

Early Investment and Funding Support

Commitments



J.P.Morgan



NORTHERN TRUST



CHARLES AND LYNN
SCHUSTERMAN
FAMILY FOUNDATION

Mackenzie Scott



LOCUS

local investing for impact



National
Philanthropic
Trust



BANK OF AMERICA



Community
Foundation
for Greater Atlanta



GoATL Fund



Enterprise®

Developers Chosen Based on Credibility, Need and Potential

Partner Selection Characteristics

- BIPOC-led (>50 percent of board members OR CEO/ED/Managing Partner self-identified BIPOC)*
- Completed ≥3 successful RE projects
- Proven track record with Enterprise (at least one transaction or strong recommendation from internal business lead)
- Track record of engagement with target community
- Experience with requirements of private and public financing
- Adequate staffing and organizational capacity for growth
- Challenged by traditional liquidity or guarantee requirements

Sample Profile: XYZ Development, LLC

- 20 years development experience
- Atlanta market
- Track record of affordable housing development, including 370 rental units and 11 single family homes
- Partners with for-profit developers to “compete” effectively for LIHTC allocations
- Partnerships favor for-profit partner for fee splits, economics
- Active pipeline of \$90mm, 450 units
- Needs balance sheet capital to begin guaranteeing its own financing, fill gaps in predevelopment and retain quality staff

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TARGETED IMPACT

DEFINING WHAT SUCCESS LOOKS LIKE

Key Performance Indicators

