Richmond, Virginia: Social Enterprise Feasibility Analysis

Reducing Poverty and Building Community Wealth through Social Enterprise

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DEMOCRACY COLLABORATIVE

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Executive Summary

This report is written in response to an RFP issued by the Office of Community Wealth Building of the City of Richmond. In the following pages, The Democracy Collaborative outlines a strategic plan to create a network of social enterprise businesses that meet anchor institution procurement needs, while creating jobs and building community wealth, with a focus on East End neighborhoods in Richmond. As part of this work, we were asked to identify at least two social enterprise businesses that have the potential to grow to collectively employ at least 50 employees, a majority of whom should be residents of high-poverty Richmond neighborhoods, at a living wage of $15 an hour, within three years. Our scope of work also included the identification of the systems and supports necessary to maximize the chances of social enterprise development success.

In particular, we were asked to look at the possibility for developing two kinds of businesses: 1) nonprofit-owned "training" social enterprises, where the objective is to assist residents to transition from unemployment to private-sector employment and 2) for-profit "wealth building" social enterprises, in which employees co-own the business and in which the goal is long-term, rather than transitional, employment. The proposal also called on The Democracy Collaborative to issue recommendations for next steps regarding the potential business opportunities uncovered. Finally, we were asked to develop a plan that would ensure "the long-term sustainability of the social enterprises and allow for expansion of further enterprises in the future."[1]

To address these questions, we turned to Richmond government, anchor, business, nonprofit, and community leaders to identify what The Democracy Collaborative has found to be key success factors behind a successful community wealth building strategy, identifying the local resources for a social enterprise approach through conversations with over 100 Richmond residents and stakeholders, attendance at community meetings, and presentations made to key stakeholder groups, including the heads of local government departments.

We found that the work of the Maggie L. Walker Initiative for Expanding Opportunity and Fighting Poverty has clearly helped foster the development of a broad range of community stakeholders who are inspired by the City's goal to reduce poverty by 40 percent and childhood poverty by 50 percent by 2030. We found a high degree of enthusiasm among anchor institution leaders, business leaders, city officials, social entrepreneurs, nonprofit organizations, faith-based institutions, and community organizers for social enterprise businesses to succeed as a tool for job creation, community wealth building, and economic stabilization in Richmond.

Based on our research, we believe that social enterprise businesses are a viable and promising strategy for economic development in Richmond. We found strong support from City, community, and anchor institution leaders for **immediate** consideration of three new businesses in the construction, property management, and community health fields. **The Office of Community Wealth Building should proceed with funding the development of business and marketing plans for these business prospects.** We worked extensively with our anchors on preliminary business feasibility, which we detail in this report.

Specifically, the Richmond Redevelopment and Housing Authority (RRHA) is planning to start the first phase of the $100 million redevelopment of the Old Armstrong High School site for new Creighton Court housing utilizing HUD funds. Demolition is scheduled to begin in December 2016 and construction in May 2017. Working with RRHA, we identified this construction project as a possible opportunity for a nonprofit training social enterprise construction business. We have also heard expressions of interest in such an enterprise from other anchor institutions with construction plans, such as Virginia Commonwealth University. We call this first potential business **Richmond Community Construction**.

The ongoing turnover of public housing units as well as general building and grounds maintenance needs of RRHA presents a potential opportunity to develop another viable social enterprise, this one structured as a for-profit, employee-owned social enterprise. RRHA currently contracts out its site maintenance, building and grounds keeping, and apartment turnover services to four separate contractors. The benefits of a business not only staffed by, but also owned by, public housing residents are threefold: 1) providing the RRHA with cost savings on property management, 2) meeting HUD Section 3 requirements, and 3) building wealth for public housing residents. We call this second potential business the **Richmond Community and Property Maintenance Cooperative (RCPMC).**

The third business whose development we recommend, **Richmond Community Health**, is designed to be a for-profit community health worker wealth building social enterprise. The Affordable Care Act provides a financial incentive for hospitals to ensure that discharged patients have a successful transition back into their homes and communities and are not readmitted within 30 days after being discharged. Richmond hospital officials have informed us that the drivers of excessive readmissions include: 1) failure to follow often complex medication regimens; 2) failure to attend follow-up doctor appointments; and 3) failure to follow recommended diets. We envision this business being incubated by the Institute for Public Health Innovation (IPHI), which already provides some community health work services on a grant-funded basis and whose efforts to date have resulted in impressive improvements in health outcomes. As discussed below, this could involve multiple businesses or a single business that combines site visits by community health workers with medical transportation and healthy food delivery service functions.

Beyond these, we uncovered a broad range of business possibilities. We profile three of these—janitorial services, medical translation services, and residential asthma intervention—with an eye toward illustrating additional ways that training and wealth-building social enterprise might be utilized to create living wage jobs, develop career ladders, and build wealth in Richmond.

In our interviews with local stakeholders, we found substantial agreement with the notion that developing an effective social enterprise system requires a number of additional components beyond the businesses themselves. These components include technical assistance and professional services from providers who understand social enterprise, the availability of trained managers to run the social enterprises who understand both the economic mission and the industry, and access to start-up or growth capital and other resources.

Fostering the creation of the appropriate back office infrastructure will enable Richmond to take advantage of its ongoing community based investment, as illustrated by the creation of the Office of Community Wealth Building, and can lay the groundwork for successful East End development. We recommend that a nonprofit businesses development organization capable of incubating, nurturing, and accelerating social enterprise businesses be formed. We call this entity the **Richmond Community Wealth Building Corporation (RCWBC)**, and provide information on its business functions in our report.

A key next step for the Office of Community Wealth Building is to embed development and incubation of the social enterprise businesses in an outside party as soon as practicable—in short, to find a project champion. There are many reasons for this, but, most significantly, we believe that it is important to insulate the business development process from the vagaries of the political climate. The City can and we hope will continue to provide financial support, assistance with zoning and permitting of new businesses, workforce development, and relationship building between anchor institutions and community partners. But we recommend that, long-term, social enterprise business development be driven by a project champion that is outside of city government.

As the work of the Maggie Lena Walker Initiative for Expanding Opportunity and Fighting Poverty makes clear, there is no single solution to the challenges Richmond faces. However, we are encouraged by the high level of support for training and wealth-building social enterprise businesses in Richmond that we have encountered. Supported by the right kind of infrastructure and backed by the complimentary investments in housing, transportation, education and workforce development already being made by the Office of Community Wealth Building, we believe social enterprises can play a vital wealth building role for low-income Richmond residents, in East End neighborhoods and beyond.

Overview, Background, and Methodology

Although she is an important figure in both U.S. and African American history, Maggie Lena Walker is not a household name—not the way, at least, that some of her contemporaries, such as Booker T. Washington, Zora Neale Hurston, or W.E.B. DuBois are. Yet Walker was the first woman (of any race) in the nation to charter a bank, which she did when she opened the St. Luke's Penny Savings Bank in Richmond, Virginia in 1903. In 2013, the City of Richmond uplifted her legacy, when Mayor Dwight C. Jones chose to name the City's anti-poverty program the Maggie L. Walker Initiative for Expanding Opportunity and Fighting Poverty.

Richmond's anti-poverty program, which led to the creation of the nation's first city-operated Office of Community Wealth Building in April 2014, marks an important reimagining of community economic development policy. The use of the phrase "community wealth building" is deliberate and speaks to the "expanding opportunity" part of the initiative. The Office of Community Wealth Building, which was later elevated by City Council to "department" status in December 2015, derives its name from the idea that an effort to reduce poverty that is not linked to a strategy to build neighborhood wealth will not achieve success.

The link between community wealth building and Walker's legacy is clear. The Independent Order of St. Luke, to which Walker dedicated much of her professional life, had a clear community development focus, or, in the language of her day, "self-help." In this spirit, when Walker encountered gaps in the asset-building web of the Order, she helped establish new businesses—the bank being one and the *St. Luke Herald* newspaper being another.

Today, Richmond's Office of Community Wealth Building continues this legacy of community-focused development. The Office interacts with a community advisory board—half of whose membership is comprised of residents who live below the poverty line—that reviews and gives feedback regarding proposals coming out of the Office. This governance mechanism helps ensure that the Office maintains its ear to the ground and avoids the sometimes stultifying effects of bureaucratization.

Broadly, the Office of Community Wealth Building aims to break down divisions among seven different policy areas—transportation, housing, workforce development, targeted economic development, early childhood education, adolescent transition, and college access—to more effectively uproot structural poverty. As columnist Michael Paul Williams pointed out years ago, the Office faces many challenges in this work. The goal, Williams observed, is nothing less than to "undo centuries of Richmond history, including a poverty infrastructure built by ill-advised or malevolent public policies and sustained by latter-day indifference." Indeed, the City of Richmond's Anti-Poverty Commission noted that nearly two-fifths of all children residing in the city live in households that fall below the poverty line.[2]

The social enterprise request-for-proposals, to which this report responds, should be viewed in this context. Social enterprise is, of course, one form of targeted economic development, which is why it falls within the purview of the Office of Community Wealth Building. Alone, social enterprise will not enable the City of Richmond to meet its goals of reducing poverty by 40 percent and the childhood poverty rate in half by 2030.[3] We believe, however, that social enterprise has a critically important role to play in achieving these objectives.

Why Social Enterprise?

If social enterprise alone will not resolve the challenges of poverty, what can its contribution be? The City of Richmond's contract envisioned the exploration of two different types of social enterprise:

- **Nonprofit, "training" social enterprises** that generate earned income by providing value for customers while employing Richmond residents in transitional employment to help build a workforce that earns living wages while learning on the job.

- **For-profit, employee-owned businesses** that, through worker ownership, provide not only living wage jobs for their employees, but long-term wealth building by offering these employees an ownership stake in their company.

A central goal behind this business development approach is to create a means to raise the living standards and assets of long-time East End residents, so that these neighborhood residents themselves benefit from the redevelopment of East End neighborhoods, rather than being priced out and displaced as property values rise.

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Nationally, there are strong examples of both of these models in action. An example of a training social enterprise is provided by DC Central Kitchen (DCCK). Founded in 1989, DC Central Kitchen reduces prison recidivism through job training and placement. Its culinary graduates have an average recidivism rate of only two percent, far lower than the typical DC rate of 50 percent or more.

DC Central Kitchen operates Fresh Start Catering, a business that prepares and distribute meals to public schools, homeless shelters of Washington, DC, and many other nonprofit and for-profit clients. Fresh Start buys from local growers, recovering as much as 737,000 pounds of food "seconds" annually and providing catered event services to over 400 clients a year, as well as supplying healthy meals to eight schools and over 2,600 DC school children daily. Its catering arm serves anchor institutions, including The Smithsonian Institution, The Washington Ballet, *The Washington Business Journal*, the Meyer Foundation, the Department of Commerce, Fannie Mae Foundation, and Georgetown University. Proceeds from Fresh Start totaled over $6.5 million in 2013, helping fund DC Central Kitchen's anti-hunger and job training programs while employing 60 DCCK culinary graduates full-time at an average wage of $15 plus benefits.[4]

An example of a wealth building social enterprise is provided by the Evergreen Cooperatives in Cleveland, Ohio a network of employee-owned businesses that began with two businesses in 2009 and later added a third business as well as an umbrella nonprofit organization which provides the business management backbone to allow the three employee-owned businesses to scale and thrive. The goal of The Evergreen Cooperative Initiative is to create a network of enterprises that are tailored to supply chain needs of anchor institutions (such as hospitals and universities), using large contracts as a springboard to build a larger customer base. In 2014, an external Cleveland State evaluation found that the three social enterprises combined had a yearly payroll of about $1.9 million and employed around 84 people. According to internal Evergreen figures, this employment total has since increased to 120 people.[5]

The management structure of Evergreen is detailed below. The three Evergreen social enterprises are:

- **Evergreen Energy Solutions**, an LED-lighting, retrofit, and institutional solar energy installer, which also does weatherization and related construction contracting. In 2015, it ranked number 48 on *Fortune*'s list of the 100 Fastest-Growing Inner City Businesses.[6]
- **Evergreen Cooperative Laundry**, a green, commercial-scale laundry service, with the capacity to clean 10 million pounds of health care linen annually.
- **Green City Growers**, which operates a 3.25-acre greenhouse, with the capacity to grow three million head of lettuce and hundreds of thousands of pounds of herbs annually.

These enterprises are supported by a central nonprofit holding company, Evergreen Cooperative Corporation, which provides back-office and management services, op-

erates a revolving loan fund, and invests in the development of additional businesses.

As both the DC Central Kitchen and Evergreen Cooperatives examples demonstrate, anchor institution demand (public schools in the case of DC Central Kitchen, hospitals and universities in the case of Evergreen) can be an important driver for social enterprise development. Anchor institutions are nonprofit or public employers which are rooted to place due to both their mission and invested capital. Universities, hospitals, and local government itself are all anchor institutions that fit this definition. All told, anchor institutions are responsible for the employment of nearly one in three Richmond residents and therefore provide a sizeable base around which to build a local social enterprise development initiative.

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The City's proposal called for the design of a strategy that credibly might provide living wage jobs (defined as a minimum of $15 an hour plus benefits) for at least 50 residents by 2019. With an estimated 43,400 Richmond residents in poverty,[7] quite obviously, even if the social enterprise initiative created well over 50 living wage jobs, it would still fall far short of meeting this need. But the social enterprise initiative provides further value to the City, *in addition to the direct economic benefits that the businesses provide*. These benefits include:

Challenging Ingrained Assumptions about Resident Capacity: The impact of structural racism, including what in education has been called the "soft bigotry of low expectations"[8] should not be discounted. One might ask why DC Central Kitchen is able to reduce prison recidivism from 50 percent to 2 percent. Surely part of the "secret sauce" is that they believe in the people they train, who they view not only as clients, but as partners. We believe that highlighting resident business capacity can have a powerful demonstration effect, both within the neighborhoods (i.e., social enterprise employees serve as role models for neighborhood residents), as well as helping those outside the neighborhoods see their fellow residents acting as creative problem solvers.

Fostering Inclusive Development on the East End: The social enterprise initiative, of course, is part of a broader initiative of the City of Richmond's Office of Community Wealth Building that includes investment in expanded workforce development, improvement of educational outcomes, development of a regional transportation system and a bus rapid transit line, and redevelopment of Richmond public housing communities, starting with Creighton Court, with a commitment to avoid any involuntary displacement of residents. Combined, the City's job creation strategies are critical steps to ensure that efforts at revitalization benefit, rather than force out, long-time neighborhood residents.[9]

Forging Partnerships among Anchor Institutions: A central component of the social enterprise approach entails building partnerships. These partnerships have a strong value in and of themselves, independent of the businesses developed. For example, it is common to conflate the Evergreen Cooperatives with the "Cleveland Model," yet the businesses are but one element of that model for place-based, anchor-led development, which, locally, is called the "Greater University Circle Initiative."[10] In addition to the Evergreen businesses, the approach has included: 1) securing federal and state funding to build a bus rapid transit line; 2) an employer-assisted housing project; 3) a workforce development initiative that has created job pipelines from neighborhoods to hospital employment (including custom-designed curricula for phlebotomists and pharmacy technicians); and 4) a local procurement and local hiring orientation that has been widely adopted by area employers. Each of these initiatives depended on strong partnerships between local communities and anchor institutions—and early investment in developing these relationships continues to pay dividends to the City and its residents.

Informing the Development of New Policy: Regarding institutional partnerships, it is worth noting that early on in Cleveland's Greater University Circle Initiative, the partnership began to encourage the development of new institutional policies to foster reinvestment in low-income neighborhoods. For instance, in 2005, University Hospitals Health System (UH), the second largest hospital system in the region (after the Cleveland Clinic), developed a unique approach to construction that set explicit targets for local hiring and local, minority- and women-owned business procurement. As a result, in a five-year, $1.2 billion construction project, UH was able to ensure that 92 percent of construction contract dollars stayed in northeast Ohio, with over 900 Cleveland residents (18 percent of the total) employed on the project.[11] The practices that informed UH's approach have since been codified in a Memorandum of Understanding, signed by the City, as well as the leading contractor trade association.[12]

The Office of Community Wealth Building is indeed taking a holistic approach toward providing policy advice to the Mayor on anti-poverty strategies and leading the implementation of the City's poverty reduction initiative. The Office has five key policy priorities: 1) expanded workforce development; 2) targeted job creation; 3) improved educational outcomes; 4) development of a regional transportation system; and 5) pursuing redevelopment of one or more public housing communities with a commitment to no involuntary displacement of residents. The Office is charged with working across multiple internal departments and City agencies such as Richmond Public Schools and the Richmond Redevelopment and Housing Authority, to advance a comprehensive poverty reduction agenda.[13]

Creating a New Neighborhood-Based Economic Institution: A key benefit of the social enterprise approach is that you not only create individual businesses, but develop a *network* of businesses that is dedicated to business development and reinvestment in low-income neighborhoods. For example, the Evergreen Cooperatives are structured so that employees own 80 percent of the business and the nonprofit owns 20 percent of the business. This "multi-stakeholder" design was put together to ensure that current employee-owners are not the only ones to benefit—the community benefits, as well. In short, while workers do directly benefit from their right to 80 percent of the profits, the remaining 20 percent provides a mechanism to create a reinvestment fund that can help finance more businesses.

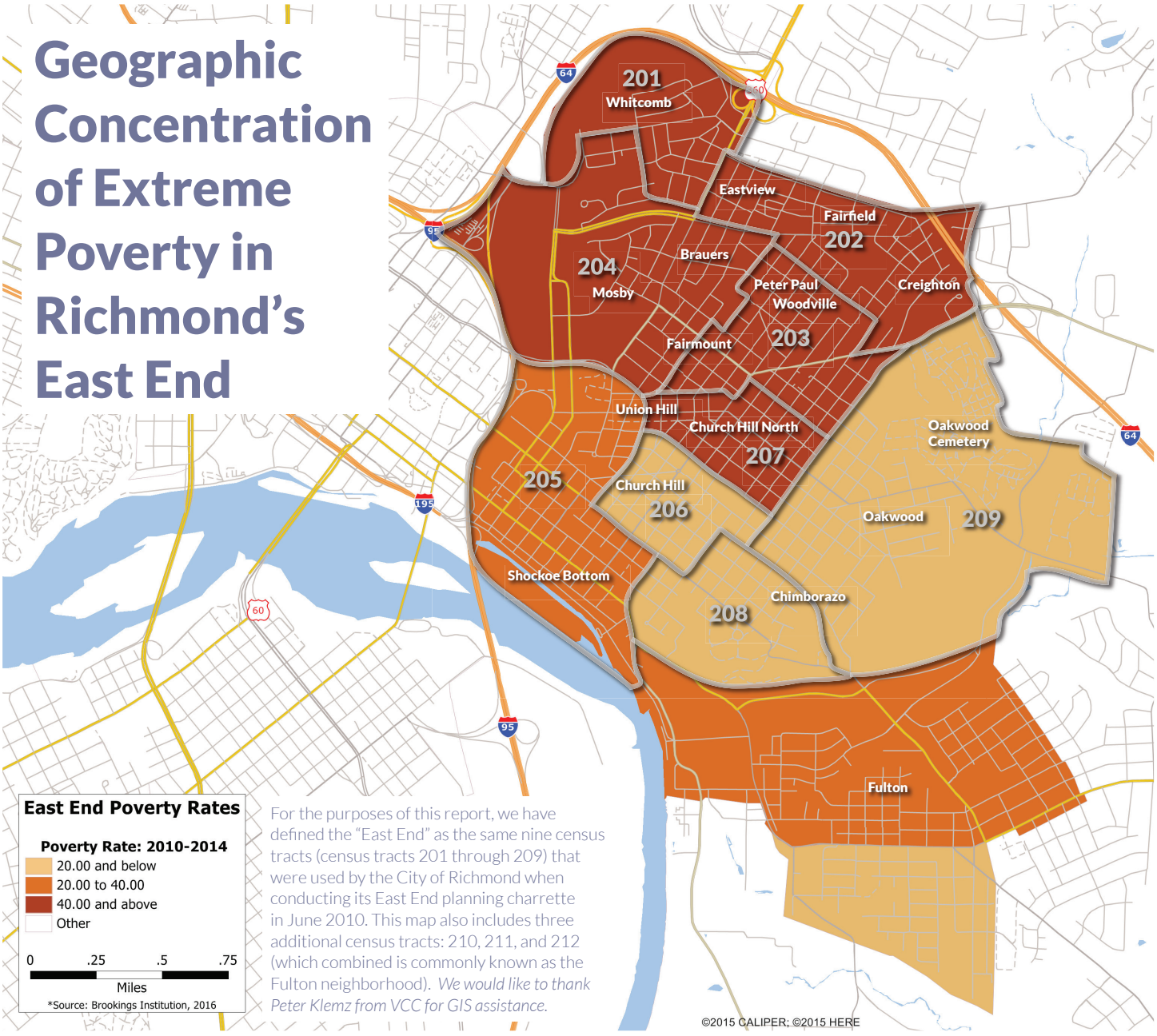
Creating Small Business Infrastructure: One benefit that stems from developing a social enterprise business network is creating the internal capacity to provide business development and back office services (such as human resources, payroll, accounting and marketing). This facet is often overlooked. A major barrier to access to procurement opportunities for small businesses is the lack of operational and management support. In Richmond, a 2016 report acknowledges that: "Many smaller firms lack the backroom capacity to be regularly competitive for procurement opportunities."[14]

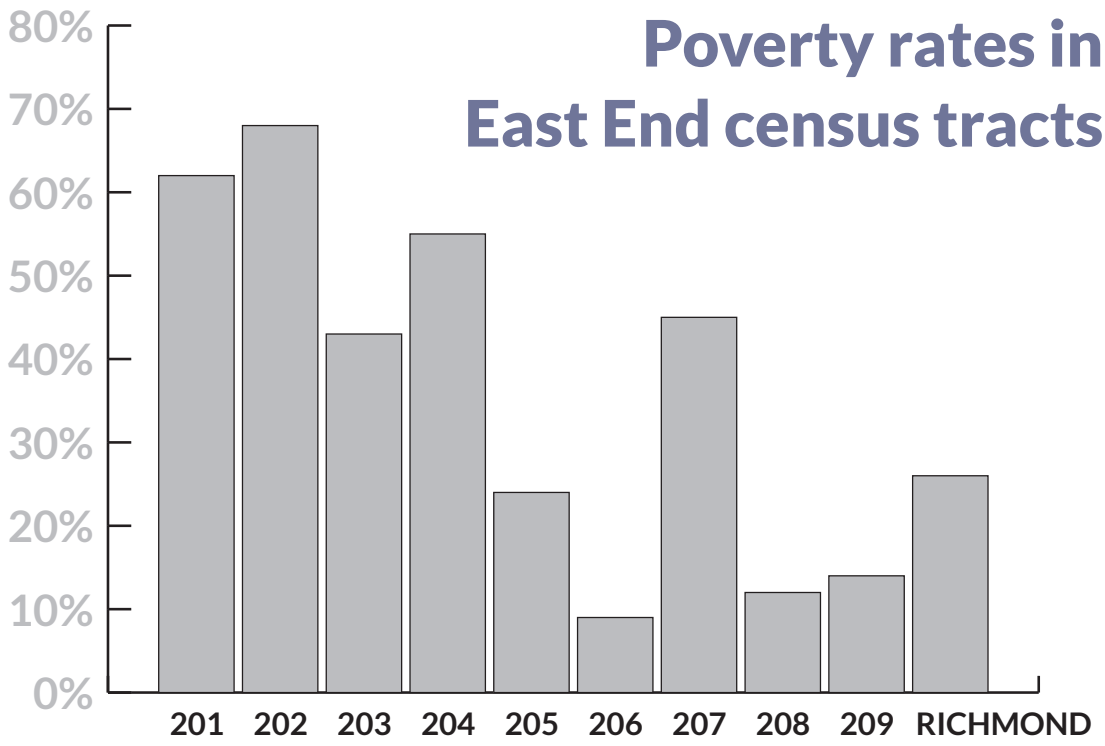
The recommended social enterprise service infrastructure will help close that capacity gap. As noted in a recent study of Evergreen, back office services played a critical role in improving social enterprise financial performance. This was done through "the creation of Evergreen Business Services (EBS). EBS, a separate LLC that operates under the Evergreen Cooperatives umbrella, centralizes many roles related to the management and growth of the cooperatives, including human resources, finance, marketing, and business development."[15] The back office capacity developed through this initiative can not only serve social enterprises, but could also serve this critical "business service hub" function for other small businesses. Indeed, serving existing small business could help scale this service to be financially self-supporting.

The platform might also serve additional needs, such as facilitating the conversion of existing businesses to employee ownership, which can be an important business preservation strategy in those cases where the family business owners are nearing retirement and lack actionable succession plans. While estimates widely vary, even a small percentage of businesses shifting to employee ownership would be significant. U.S. Small Business Administration data indicates that there are four million businesses nationally that are owned by Baby Boom generation owners likely to retire in the next 15 years. This has been called the "silver tsunami." Even considering

the results of a survey by the Principal Financial Group that found only three percent of business owners were already intending to sell their firms to their employees, that still translates to a national pool of 120,000 businesses easily convertible to employee ownership.[16]

- **Meeting Richmond's Social Needs:** Last, but not least, the business approach of social enterprise creates a problem-solving framework that results in real benefits for the Richmond community. Here it is important to recall that the central design principle of this initiative is to develop businesses that meet actual anchor institution supply chain needs that are not being met by existing local businesses. Needless to say, this is hard work—if it were easy, then conventional approaches would have worked.





We have identified at least three potentially viable business development ideas that can help realize these benefits for the City of Richmond and its residents:

- **A wealth building social enterprise construction framing and finishing business**, linked to the need for the Richmond Redevelopment Housing Authority to employ residents in accord with the U.S. Housing & Urban Development's Section 3 mandate, while helping the City of Richmond develop the skilled trades workforce it sorely needs.

- **A property maintenance wealth building social enterprise** (which could be structured as an employee-owned cooperative), also linked to the need for the Richmond Redevelopment Housing Authority, to employ residents in accord with the U.S. Housing & Urban Development's Section 3 mandate, while providing a launching pad for reintegration through living wage jobs and employee ownership.

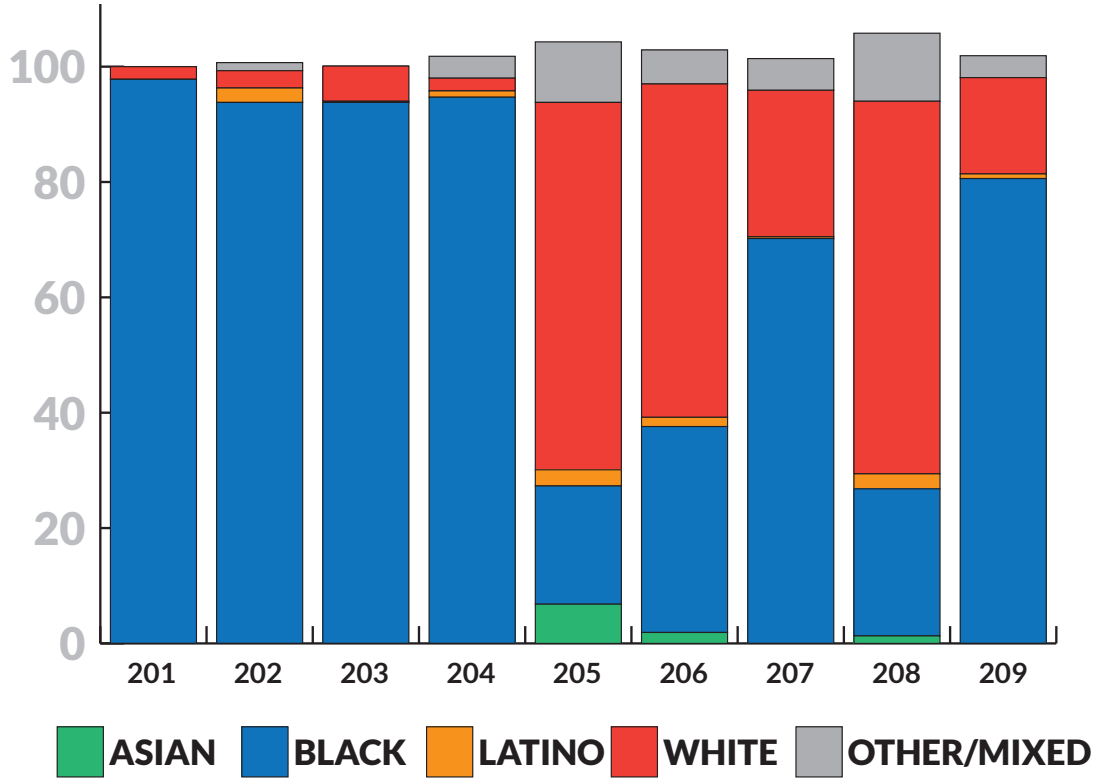
- **A community health worker business** that will be incubated by a nonprofit organization with the ultimate objective of becoming an employee-owned wealth building social enterprise, in which employees make site visits to patient homes, thereby helping area hospitals to reduce Medicare readmission rates (and therefore avoid federally assessed fines) while helping patients stay healthier and administer better self-care.

These are the top three most promising business development opportunities we found, but there are a number of additional options, some of which are also detailed below and all of which are identified in Appendix A.

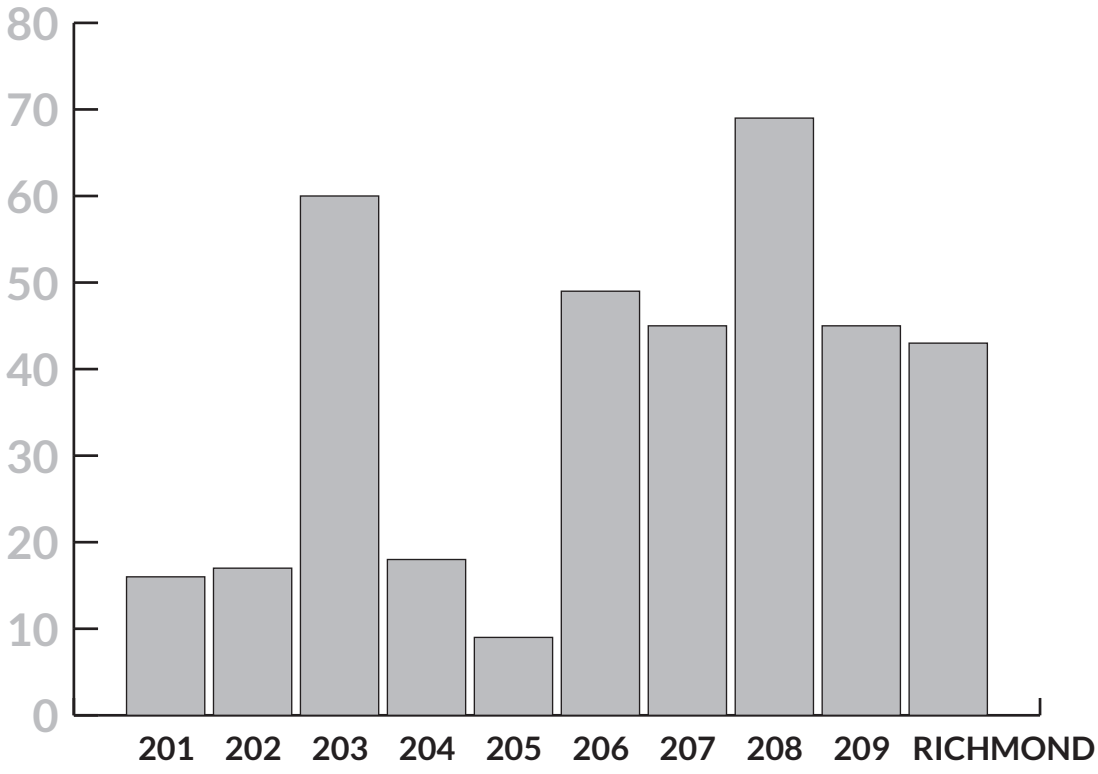
Understanding the Context: Poverty and Assets in the East End

The East End has been the subject of many studies, but since this neighborhood is the focus of the Office of Community Wealth Building's initiative, we believe that it is important to provide an overview of conditions in this area of the city. The boundaries of Richmond's East End were created with the expansion of interstates I-64 and I-95 to the west and north.[17] Its southern and southeastern borders are defined by the Norfolk Southern Railway track. The East End consists of nine census tracts. While the City of Richmond consists of 66 census tracts, half of the census tracts with extreme poverty rates exist in East End neighborhoods.[18]

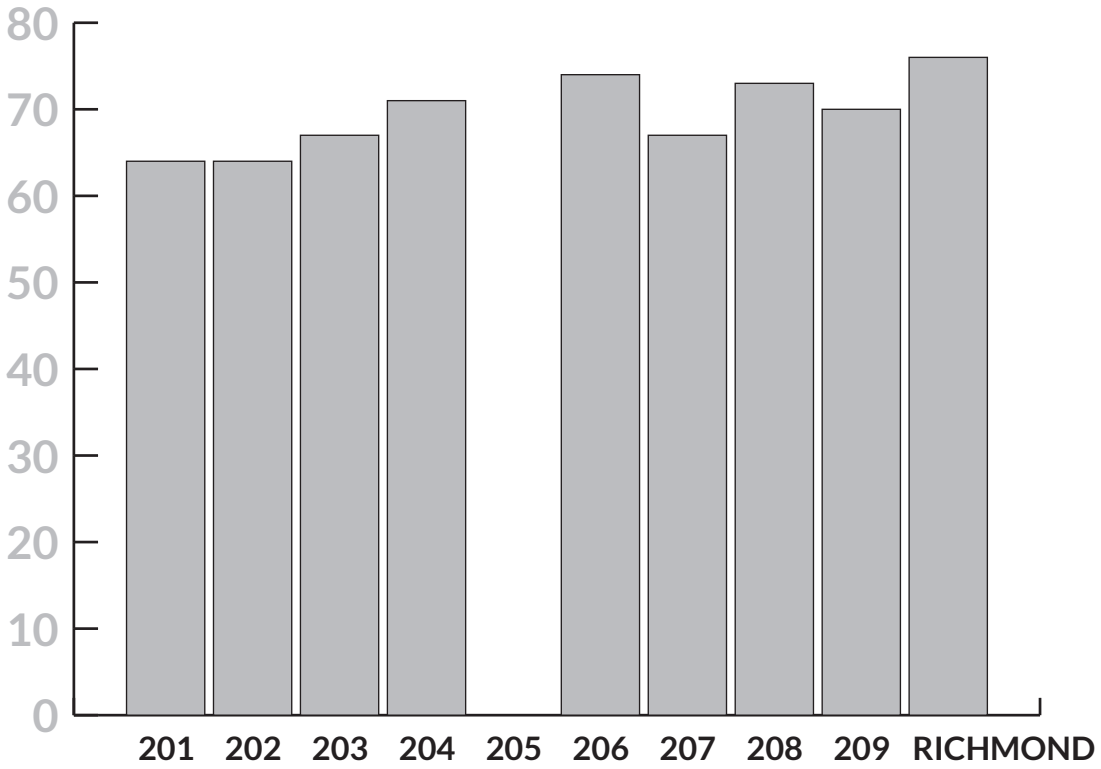
Demographics of East End Census Tracts



Home Ownership in East End Census Tracts



Life Expectancy in East End Census Tracts



Every neighborhood in the East End, except for Chimborazo (Census Tract [CT] 208) and Church Hill (CT 206) falls below the City of Richmond's median household income of $47,200.[19] Whitcomb, Fairfield, Woodville, Church Hill North, Mosby, Brauers, and Fairmont (CT 201, 202, 203, 204, and 207) consist mostly of low-income and African-American households, with median household incomes ranging from $11,000 to $24,000. The majority of households with children (83 percent) are headed by women.[20]

According to the 2013 Mayor's Anti-Poverty Commission Report, Richmond has some of the most concentrated poverty in the nation.[21] The East End neighborhoods of Woodville, Mosby, Brauers, Fairmont, and Church Hill North (CT 203, 204, 207) all have poverty rates of 40 percent or above with Fairfield and Whitcomb having the highest rates of 68 percent and 62 percent of the residents in poverty, respectively (CT 201, 202). In terms of ethnicity, the East End neighborhoods of Whitcomb, Fairfield, Woodville, Church Hill North, Mosby, Brauers, and Fairmont are most heavily African American (92 percent). The East End also has a few Black middle class neighborhoods consisting of Oakwood and parts of Chimborazo (CT 209), with some census tracts—namely, Chimborazo (CT 208), Church Hill (CT 206) and Union Hill/St. Johns/Shockoe Bottom (CT 205)—having a majority white population.

Housing

Most of Richmond's concentrated poverty and unemployment is located on the eastside of the city where a large portion of the city's government-subsidized housing is located. The majority (67 and 66 percent) of residents in Whitcomb and Fairfield (CT 201 and 202), respectively, live in public housing, whereas only 16 and 17 percent of people, respectively, are homeowners. The East End is said to have the largest concentration of public housing between Washington DC and Atlanta.[22]

Health

The life expectancy rates in Richmond's East End neighborhoods are lower than in the City as a whole. In the neighborhoods of Whitcomb, Fairfield, Woodville, and Church Hill North (CT 201, 202, 203, and 207) residents can expect to live 10 to 15 years less than people in other areas of Richmond.[23]

Assets and Opportunity: Emerging Areas of Promise

The East End, once a thriving business center, especially along 25th Street, has been the subject of countless studies. To be sure, residents in low-income East End neighborhoods face major challenges, and it does no one a service to disregard them. That said, it is important to also recognize that residents of this area are working every day to improve their conditions and develop low-income East End neighborhoods into thriving communities. The work of the Peter Paul Development Center (Peter Paul) and Churchill Academy/Church Hill Activities and Tutoring (CHAT) are two nonprofit examples of this important work already under way.

Peter Paul helps students succeed in school and prepares them for post-high school education paths. Students participate in the After School Learning Immersion Program and Summer Promise. The Richmond Promise Neighborhood, which has been coordinated by Peter Paul since July 2014, aims "to break the cycle of generational poverty, improve children's achievement in school, and provide young people and their parents the same choices and opportunities typically associated with neighborhoods with greater resources."[24] CHAT offers after-school tutoring and life skills training, designates street leaders from the East End to serve as role models, and runs the Summer Camp and Work Leadership Institute. The Work Leadership Institute has a program called Entrepreneurship, where students learn screen printing, urban farming, and woodworking.[25] Students sell the products that they produce in the entrepreneurship program to the general public.

Anchor institutions like Bon Secours, Virginia Commonwealth University, and the City of Richmond are also supporting community and economic development. Bon Secours Health System, one of the City's leading anchor institutions, has made a long-term investment in the East End. For example, Bon Secours has invested in its Center for Health Communities at 2600 Nine Mile Road, and expects to make another capital investment across the street for a medical office building to provide community health services. The health system runs the Great Influences for Tomorrow (GIFT), a summer internship program at Richmond Community Hospital for East End high school students interested in pursuing health care careers. It has also partnered with Local Initiatives Support Corporation (LISC) to provide $316,000 in support of 27 East End businesses since 2011 as part of the Supporting East End Entrepreneurship (SEED) grant program. This grant programs helps small businesses and start-ups along Richmond's 25th Street and Nine Mile Corridor. Capital One has been a participating partner for the past two years, providing $25,000.[26]

Virginia Commonwealth University (VCU) has also been engaged on the East End. For example, with the support of a Center for Translational Science Award from the National Institutes of Health, VCU's Center for Society and Health has convened Engaging Richmond, a community-academic partnership based in Richmond's East End that has operated since 2011.[27] The University of Richmond, through its Bonner Center for Civic Engagement, also supports East End partners, including CHAT and Peter Paul, mentioned above.[28]

The City has built partnerships in the East End to improve public housing, food production, and job creation. In 2010, the City of Richmond partnered with the Richmond Redevelopment Housing Agency (RRHA) and Bon Secours Health System to sponsor a week-long charrette on the East End.[29] Currently, RRHA is about to invest $100 million to redevelop Creighton Court, a 21 acre public housing district, to meet HUD Section 3 requirements. To address the issue of the existing food dessert in the East End, RRHA is seeking to organize a coalition that could lead to the creation of a new grocery store at the intersection of North 25th Street and Nine Mile Road.[30]

The City of Richmond has also, in December 2015, purchased the Conrad Center, a site that was "once the area's largest soup kitchen for the homeless and working poor"[31] and which is seen as a possible site for a culinary training program and/or food-based social enterprise business for East End residents. This site is located near the Criminal Justice Center on Oliver Hill Way, a commercial/institutional corridor. The building is 52,490 square feet, on one acre, with ample parking, meeting space, and a kitchen preparation area of approximately 2,500 square feet. The kitchen area would have to be remodeled and new food

equipment and fixtures are needed. Though anchor demand has not been solidified, the City has been working with key local food actors and is proceeding with minor renovations. The culinary training social enterprise model would be similar to the one used by DC Central Kitchen.

Finally, within the Richmond Public Schools system, the nonprofit Communities in Schools (CIS), part of a national network of affiliates founded by Bill Milliken, places site coordinators inside schools to assess the needs for the student body at large as well as to case manage individual at-risk students. CIS partners with local businesses, Virginia Commonwealth University, social service agencies, and health care providers, and has an extensive volunteer program. In the East End, CIS has staff at five elementary schools in Church Hill (George Mason, Fairfield Court, Woodville, Bellevue, and George Washington Carver) and Martin Luther King Middle School. At Armstrong High School in addition to onsite coordinators, CIS runs the Performance Learning Center for students who have not been successful in a traditional high school setting, better preparing them for careers and postsecondary schools.[32]

Methodology

From October 2014 through March 2015 (with some follow-up meetings in April and May 2015), we have sought to evaluate how best to structure social enterprise development on Richmond's East End. As part of this work, we interviewed over 100 people (see list in Appendix B). We also attended community meetings, made presentations to key stakeholder groups, and, of course, also reviewed a wide range of background written materials.

In terms of success factors for social enterprises, The Democracy Collaborative's research has determined ten key categories. These are:

- Leadership in the form of a project champion
- Dedicated support from anchor institutions
- Viable business opportunities
- Business development resources and industry expertise
- Available financing
- Political and community support
- Workforce development capacity
- Wrap-around social services
- Community loan funding
- Presence of complementary strategies or programs

This set of categories has been developed based on our experience in designing and developing similar community wealth building initiatives, most notably, the Evergreen Cooperatives Initiative in Cleveland, Ohio, a network of wealth building social enterprises (employee-owned cooperatives) that currently employ over 120 residents in living-wage jobs. The table on the next page details these ten success factors.

Interview and Research Findings

In our research, we found that Richmond scored highly on many success factors. This is not to say that Richmond scores perfectly on every indicator, but it does mean that we see a strong foundation to build on. We found in Richmond a remarkable level of anchor institution support and a high level of willingness to co-develop what look to be at least three very promising business ideas. The creation of the Office of Community Wealth Building—the only such office in the country—speaks to the high level of political support the approach enjoys, while the programs coordinated by the Office of Community Wealth Building address the very issues that we outline as being critical complimentary strategies. We also found a high level of community support, a product surely of the public planning process undertaken by the Maggie Walker Initiative for Expanding Opportunity and Fighting Poverty. Another important community asset is Virginia Community Capital, which is a highly successful statewide community development loan fund. Consequently, we believe that social enterprises are well positioned to thrive as tools for community wealth building in Richmond. We discuss each success factor in further detail below.

Success factors for wealth-building social enterprises

Success Factor	Description	Impact and Importance
Project Champion	An institution with the convening power, resources, political will, and passion to drive a business development strategy forward and protect the continuity of the mission. Project champions work to develop an ecosystem of support that fosters collaboration amongst diverse actors in a community.	A project champion convenes stakeholders and works to assemble resources for initial staffing, development costs, etc. to incubate a lasting community-owned institution.
Anchor Institution Backing	Anchor institutions (hospitals, universities, government, and other place-based nonprofit entities) agree to patronize social enterprises and are willing to participate throughout the development process.	Anchor institution commitments can give start-ups a base from which to begin to build a larger clientele.
Viable Business Opportunities	A business idea with a well-articulated potential for long-term profitability that can employ significant number of entry-level workers.	Business creates basis for jobs, resulting in individual and community wealth.
Business Development Resources and Industry Expertise	Experienced industry professionals are available to manage, act as consultants, or serve on the boards of new businesses. Resources such as a business association or business schools are available to support business design, launch, and operation.	Success here requires high quality industry and business development expertise to develop and manage sustainable businesses.
Available Financing	A combination of public, private, and philanthropic funds is available to finance pre-development work and initial business capitalization.	Initial pre-development funding pays for research, business planning, legal filings, etc., for the initiative, while initial business capitalization funds the launch of businesses.
Political and Community Support	Elected officials and other community leaders (faith-based institutions, neighborhood or community organizers, private enterprises or nonprofits, etc.) express interest in participating or, minimally, do not object to the initiative.	Community and political support helps align talent, federal resources (e.g., Community Development Block Grant funding), and other city assistance (e.g., land assembly and zoning).
Workforce Development	There are trusted nonprofit intermediaries that can screen, recruit, and train potential employees from targeted neighborhoods, as well as cooperative business development experts that can train employees and managers in cooperative governance.	Workforce development agencies aligned with community groups can recruit and develop a workforce that is prepared for success.
Wrap-Around Services	Employees have access to support services that mitigate common barriers to employment. Services may include childcare, financial education, legal, mental health, re-integration support, or access to transportation.	Wrap-around services support employees with personal challenges so that they are better able to manage the responsibilities of employment and business ownership.
Community Loan Funding	A community development financial institution (CDFI), such as a credit union, which specializes in providing financial services to underserved consumers, businesses, and communities, agrees to host a loan fund or other appropriate financing mechanism.	The CDFI hosts a fund that can receive investments from public, private, or philanthropic sources, and capitalize social enterprises with long-term, low-interest loans.
Complementary Strategies and Programs	Existing community economic development efforts are aligned or could be complementary to the initiative. There are programs or strategic investments being focused toward the same beneficiaries or in the same geographic area, etc.	Complementary strategies and programs increase impact when synergies can be achieved and resources shared.

Project Champion

This is both the easiest and the hardest indicator to satisfy. At one level, the City's Office of Community Wealth Building is the ideal "project champion." This is true, at least for the time being, since the Office has a mission that aligns directly with the social enterprise work. In FY 2016, its budget was $1.3 million, with a total initiative budget of nearly $4.3 million.[33] That said, we believe it is important for the City to embed development and incubation of the social enterprise businesses in an outside party as soon as practicable. There are many reasons for this, but the most important one is that we believe it is important to insulate the business development process from bureaucratic and political pressure, which is hard to do if the initiative remains a City-controlled initiative. Independent, third party leadership will also allow for a singular mission and focus on sustainable social enterprise. Of course, we hope and expect that the City would continue to support the initiative in as many ways as possible, for example through identification of potential sources of financial support, assistance with financing business development and start-up (through such programs as Community Development Block Grant Section 108 loan guarantees), assistance with zoning and permitting, workforce development, and assistance with relationship building between anchor institutions and community partners. But, long-term, we recommend that social enterprise business development be driven by an extra-governmental project champion.

There are a few good candidates for long-term project champions. The initiative could be housed at a large area nonprofit, local foundation, or, possibly, be set up as a separate 501(c)(3) dedicated to the express purpose of developing social enterprise businesses. If the latter start-up route is chosen, it will be important to have a staff person who headlines the effort with the ability to draw broadly on the support of the Richmond civic, philanthropic, and business communities.

Anchor Institution Support

Anchor institutions are nonprofit institutions such as hospitals, universities, local government, and local government agencies, such as the City and the Port of Richmond or the Richmond Redevelopment Housing Authority. By definition, they are tied to place by reason of "mission, invested capital, or relationships to customers and employees."[34] Some anchor institutions adopt what we call an anchor mission, meaning that they strategically reorient their practices to focus resources "to assist in community economic development and problem-solving work."[35] One way that anchor institutions can do this is through simply buying locally the goods and services that they are already purchasing, thereby helping generate business income and employment with a strategic, community wealth building objective in mind.

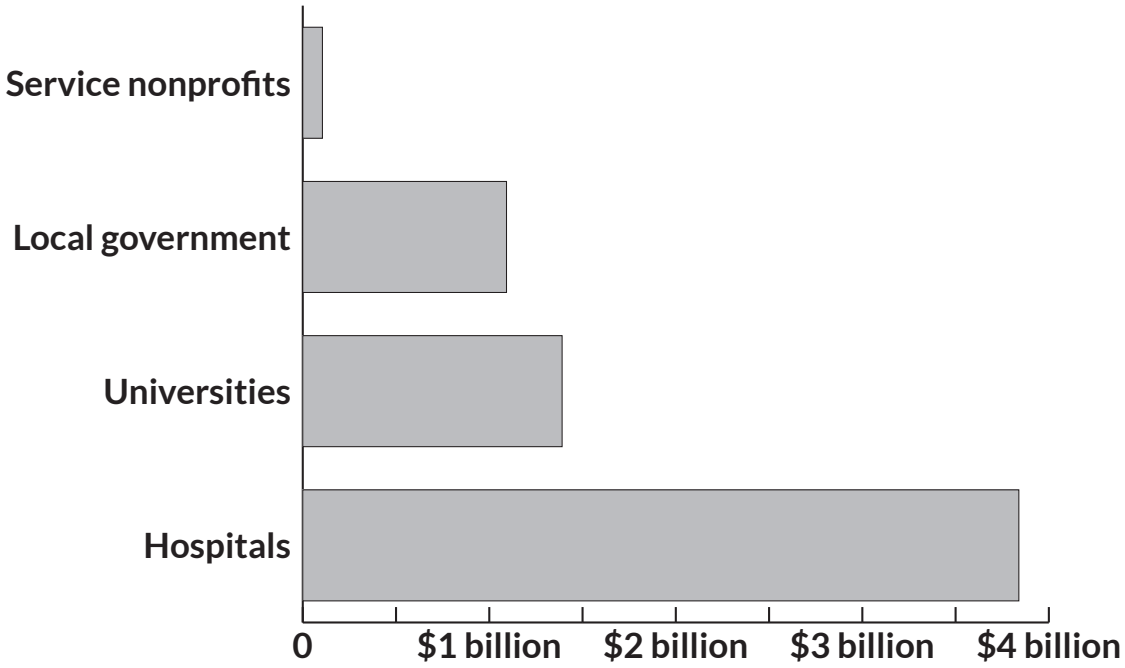
We found in Richmond a remarkable level of anchor institution support and a high level of willingness to co-develop at least three very promising business ideas.

Such anchor institutions are leading employers in Richmond, of course, and they have an outsized impact on the economic well-being of the city. Not including the state government, we estimate that local anchors in Richmond have operating budgets in excess of $6.2 billion, as illustrated in the chart on the next page.

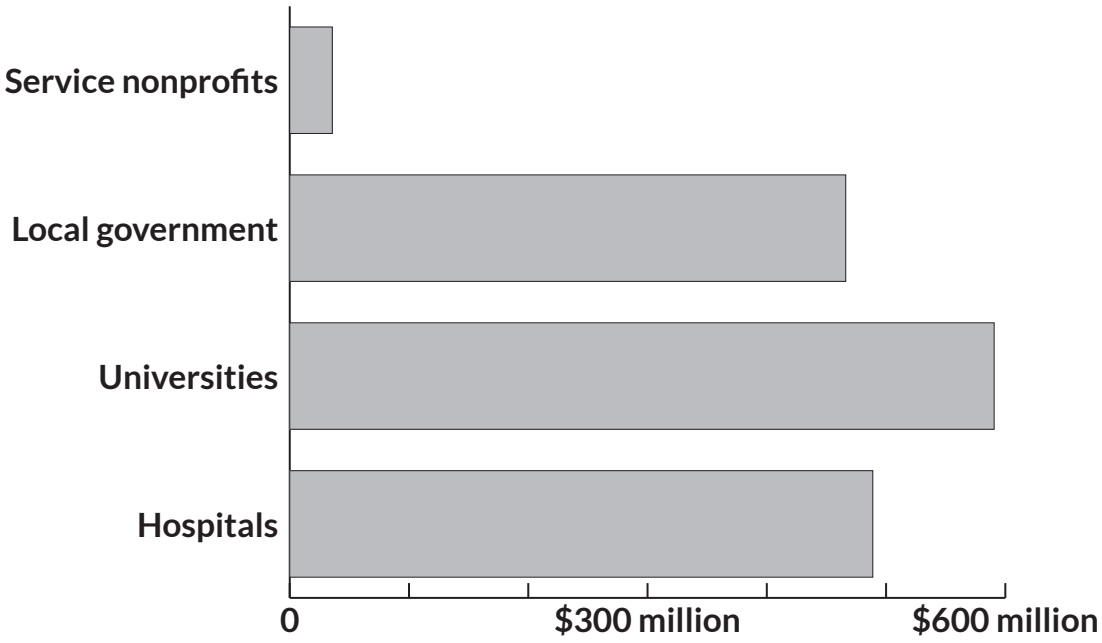
Procurement numbers, of course, are less, since a large percentage of anchor institution budgets go to personnel (wages, salaries, and associated benefits and taxes) or to cover construction. Even so, we estimate that local Richmond-based anchors purchase over $1.5 billion in goods and services annually.[36]

From our meetings with anchor institution representatives, we found a great deal of enthusiasm and support for the idea of developing social enterprise businesses tied to meeting institutional needs. The Office of Community Wealth Building facilitated meetings with the City's Public Works Committee, and the departments of Procurement, Planning, Economic and Community Development, Minority and Business Development, Sustainability, and Workforce Development. With hundreds of millions in dollars of capital

Richmond Anchor Institutions: Annual Operating Expenses (estimated)



Richmond Anchor Institutions: Annual Procurement (estimated)



projects in the works, as well as ongoing procurement, there is a strong potential for the City's combined economic investments to be used to support the development of new social enterprises. The expansion of the Port of Richmond, Richmond Redevelopment and Housing Authority's Creighton Court redevelopment, and Greater Richmond Transit's bus rapid transit project are all large-scale capital projects under way that might help support social enterprise development. We also met with a number of universities, including Virginia Commonwealth University, University of Richmond, Virginia Union University, and J. Sargeant Reynolds Community College. Broadly speaking, at these institutions, we met with representatives from a broad range of areas, including Community Engagement, Small Business and Supplier Diversity, Procurement and Purchasing, Campus Services, and Finance and Administration.

As is detailed below, we found some particularly promising specific opportunities tied to hospitals and to the Richmond Redevelopment Housing Authority. That said, we believe local government, the school district, and the local universities also offer potential social enterprise development opportunities.

Viable Business Opportunities

In our meetings with anchor leaders and others, we have identified many social enterprise business opportunities (see Appendix A for a complete list). The three leading options we uncovered for new business development are described below:

Business Idea 1: Richmond Community Construction

The US Department of Housing and Urban development (HUD) mandates that all HUD-funded housing projects utilize contractors that either are 51 percent or more owned by Section 3 residents and/or employ Section 3 qualified individuals for at least 30 percent of full-time, permanent staff. To qualify for the Section 3 designation, individuals must either be residents of public housing projects or qualify as low-income individuals who live in the area where a HUD-assisted project is located.

In Richmond, the public housing authority, known as the Richmond Redevelopment and Housing Authority (RRHA) is planning to start the first phase of redevelopment of the Old Armstrong High School site utilizing HUD funds, with demolition starting in December 2016 and construction scheduled to begin in May 2017.

This presents an opportunity for the start-up of a nonprofit training social enterprise construction business in which RRHA public housing community members both provide needed services for anchor customers, while also helping the workforce develop trades skills.[37] Workers will be able to earn well-paying jobs in industry, and the business will serve as a pipeline for Richmond's large construction industry. Such a business would be well positioned to be a subcontractor, thus helping RRHA and its general contractors and vendors comply with HUD Section 3 requirements.

Working with a general contractor and in partnership with RRHA, the goal is to create a training social enterprise construction subcontractor that can: 1) help achieve goal 3.1 of the Richmond Redevelopment and Housing Authority's 2015-2019 strategic plan, which involves increasing the "economic and educational capacity of public housing residents."[38] 2) help RRHA comply with federal HUD Section 3 requirements; 3) create living wage jobs and business ownership opportunities for RRHA residents; 4) provide skills training that helps residents achieve trades certifications to build a skilled trades workforce among East End residents; and 5) provide a subcontractor who will be financially competitive and provide quality service and execution on deliverables.

The focus of the construction business will be on framing and finishing work (detailed below), which can be taught on the job. Beyond RRHA, we envision that this social enterprise might eventually be able to provide similar light construction services to other institutional buyers, including universities, the public schools, hospitals, and local government, as well as the general commercial market.

We envision naming the business Richmond Community Construction. Based on our research into similar models, we envision that this business start-up could em-

ploy up to two dozen staff and apprentices, two journeymen supervisors, and a general manager, with the ability to add additional groups of 12 members as future growth allows. A part of the selection process for each member will be the requirement that they obtain a Career Readiness Certificate from a Richmond Resource Workforce Center. This will provide a listing of construction-related skills and aptitudes, thus increasing their chances of success.

Funding for construction-related apprenticeship training can be provided through the Virginia Department of Labor & Industry (DOLI), which has access to funds that can contribute toward the expense of first-year salaries and training. The Capital Region Workforce Partnerships has participated in discussions on this business concept and can provide certifications. In addition, Virginia's local workforce development boards and One-Stop Career Centers have access to federal Workforce Innovation and Opportunity Act (WIOA) funds that can be directed to supporting employer costs for registered apprenticeships in a broad range of occupations and industries.

Products and Services

Richmond Community Construction social enterprise employees/apprentices, along with their journeymen supervisors, would be able to provide framing and interior finishing carpentry services on RRHA projects. This proven model of unskilled labor working with journeymen supervisors has had over four decades of success with Habitat for Humanity International. This experience will form the basis for designing the commercial subcontracting business envisioned here. As demand grows, the business can be easily expanded by adding additional journeymen supervisors and crew.

Activities undertaken by the company could include:

- Insulation around building perimeter
- Floor joists
- Sub-flooring
- Flooring
- Framing of internal and external walls
- Interior insulation
- House wrap
- Exterior vinyl siding
- Trusses
- Roof sheeting
- Roof underlayment
- Roofing shingles
- Front porch
- Back decks
- Drywall hanging
- Painting

Skilled craftsmen would be needed for these tasks, which would not be undertaken by the construction company:

- Windows
- Doors interior and exterior
- Cabinet hanging
- Counter tops
- Electrical
- Plumbing and HVAC

Target Market

Initially, Richmond Community Construction's lead customer would likely be the Richmond Redevelopment and Housing Authority (RRHA). That said, area universities and hospitals have also expressed interest in at least exploring contracting with a construction social enterprise. RRHA plans to begin construction of mixed-income apartments on the Armstrong School site in May 2017, with a target completion date of June 2018. This will include 220 rental units, nine mixed-income homes, and 35 units for sale at market rates.

Potential additional customers include the U.S. Department of Housing and Urban Development and VA Supportive Housing Program (HUD-VASH), the VA Office of Construction and Facilities Management; Better Housing Coalition, Southside Community Development and Housing Corporation, Project HOMES, and Housing Opportunities Made Equal (HOME). Many of these entities are either federal agencies themselves or receive federal dollars for Section 3 covered programs, such as the Community Development Block Grant (CDBG) and HOME Investment Partnerships programs.[39] In addition, Richmond Communi-

ty Construction intends to be positioned to work with general contractors on related construction projects, including those that may be undertaken by the city, school district, and possibly area hospitals and universities.

OSHA and Building Code Compliance

Under the federal Occupational Safety and Health Act, better known as OSHA (1970), employers are responsible for providing a safe and healthful workplace. This means that a critical part of setting up the Richmond Community Construction will be to develop a safety manual for each construction site that will be compliant with all of OSHA's laws and regulations to be adhered to on all worksites. The company will also develop a manual that will insure that all construction is in compliance with Richmond City building codes and able to pass all city code inspections.

Business Idea 2: Richmond Community and Property Maintenance Cooperative

A second business idea, also involving the Richmond Redevelopment and Housing Authority (RRHA), focuses on performing property management services. RRHA currently contracts out its site maintenance, grounds keeping, and apartment turnover services to four separate contractors. Forming a single business that is not only staffed by but also owned by Section 3 residents could provide the RRHA with cost savings through realizing economies of scale, while at the same time increasing both the social and economic benefits to its residents and communities. In fact, former HUD Deputy Secretary Ron Sims once suggested that HUD should encourage the development of cooperative businesses linked to HUD subsidized housing.[40]

We propose a Section 3 resident-based, for-profit wealth building social enterprise (an employee-owned cooperative) that could meet the property maintenance needs of the RRHA and expand to serve a broader market of other HUD-funded or mission-aligned property management groups. The Richmond Community and Property Maintenance Cooperative (RCPMC) will provide property maintenance services including:

- Turnover of housing units (painting, cleaning, fixing minor damage to walls, etc.)
- Grounds keeping (landscaping, lawn maintenance, light repairs, hall cleaning, snow removal)
- Trash pick-up and recycling

To further actualize its mission, RCPMC will employ an innovative workforce development and ownership model, aimed at employing as many public housing residents as possible in jobs that offer living wage and profit-sharing opportunities. The vehicle for this will be a wealth-building social enterprise, in which the member-owners, the people who work in it, own a majority share of the company. We believe that an employee cooperative is highly advisable in this case, especially to distinguish it from a 1990s RRHA program called the Richmond Business Employment and Development Corporation (RBEDC). RBEDC did place some RRHA residents in jobs, but community members said that they viewed that program as mostly resulting in dead-end jobs, rather than building community wealth or fostering resident empowerment. RRHA will differ from RBEDC in a number of ways: 1) it will pay living wage ($15 an hour plus benefits); 2) it will be employee-owned, meaning that employees will receive a share of the profits generated and have a say in company decision-making; and 3) the business is designed to provide long-term employment, rather than transitional employment, with a business model (as outlined briefly below) that offers the potential to provide services to many additional customers beyond RRHA.[41]

Target Market/Customers

- **Primary Market/Anchor Customer:** Due to its strong mission alignment and stated interest, The Richmond Redevelopment and Housing Authority (RRHA) would be the anchor customer for this business.
- **Potential Secondary Market:** A potentially synergistic secondary market consists of the multiple nonprofit housing organizations in Richmond and the surrounding region that manage thousands of units of tax credit financed and Section 8 affordable housing units.

- **Potential Tertiary Market:** In addition to the customers named above, after gaining a track record with both RRHA and nonprofit tax credit housing, this business would be well positioned to service other for-profit property management companies.

Market Size

- **Primary Market/Anchor Customer:** Richmond is home to approximately 2,500 public housing units located across six housing projects, four of which are located on the East Side. In 2015, average unit turnover was 55 units per month, with the highest volume of turnovers occurring in early fall. The RRHA spent close to $600K on turnover services last year. In addition, RRHA spent approximately $5 million on grounds keeping and outdoor maintenance.
- **Potential Secondary Market:** Richmond is also home to approximately 3,000 units of nonprofit affordable housing (mostly tax credit financed) that might be an additional market.
- **Potential Tertiary Market:** An unknown but potential market would ultimately depend on the level of market demand from multi-family apartment building owners.

Jobs Created

We estimate that the business from RRHA alone could justify the employment of at least:

- 4 full-time employees working on apartment turnovers
- 6-12 full-time maintenance workers
- 6-12 full-time groundskeeper/landscapers
- A small crew to sort recyclable items
- At least 3 skilled crew supervisors
- 1 general manager

As the business expands from serving only RRHA to also serving other clients, these numbers would increase.

Training Required

The services to be provided by this business are suitable for a low-skill workforce. Basic landscaping, housekeeping, and light site maintenance skills may be learned on the job, provided that company management includes a skilled handyman and groundskeeper that can be available on job sites or through periodic in-house workshop classes. In addition to technical job skills, Section 3 employees will likely benefit from other types of training such as soft skill development and other job readiness training which RRHA has indicated that it wants to provide resident youth. These soft and hard skills trainings could be combined into a comprehensive in-house employee training program. Alternatively, these training needs could be supplied by existing workforce development organizations.

Start-up Costs

Start-up costs for this business, including initial working capital, will likely be well under $250,000. Some of the highest costs will include the purchase of one or more vehicles (Vehicles could also be leased, which would save on upfront capital costs.) and some basic materials and equipment (lawnmowers, etc.), site improvements, and funding for a comprehensive employee training program. It is also possible that some of these needs could be provided as in-kind donations, thus further reducing costs. For example, RRHA may be able to donate storage space or purchase equipment for use on the job.

An example of this kind of business is provided by the Safe Haven Foundation, a Chicago-based housing and social enterprise network that serves homeless singles and families, veterans, re-entering citizens, as well as those recovering from addiction. Founded in 1994, Safe Haven operates several social business enterprises to help individuals transition from homelessness to self-sufficiency, including a housekeeping service, a pest control service, and a landscaping company that can serve its own housing facilities. The organization "now has 180 employees, an annual budget of $20 million, and access to a network of over 36 multi-family housing locations consisting of over 800 apartments for permanent and senior affordable housing."[42]

Business Idea 3: Richmond Community Health (and related enterprises)

Medicare and Medicaid readmission penalties, as established under the Affordable Care Act, provide a financial incentive for hospitals to ensure that discharged patients have a successful transition back into their homes and communities. While eliminating the financial cost of the penalties alone may not fully pay for the cost of services, it is likely that the costs of failing to adjust will continue to rise for hospitals as the Centers for Medicare and Medicaid shifts payment from volume-based (fee for service) to value-based (population health) pricing. Additionally, a community health cooperative can help provide other efficiencies for hospitals (freeing up hospital beds for patients most in need of immediate medical care, for example) and, most importantly, improve people's health outcomes. In other words, a community health worker business is one way that health systems can both improve health outcomes while also getting ahead of the curve on anticipated further Medicaid and Medicare policy change.

According to our conversations with Richmond hospital leaders, there are three major causes of excessive hospital readmissions, each of which can be addressed by a potential social enterprise business solution:

- Failure to take medications as indicated (potential business solution: site visit business)
- Failure to attend follow-up doctor appointments (potential business solution: medical transportation business)
- Observance of inappropriate diets (potential business solution: food delivery business)

In terms of business design, this could potentially be one business that did all three of these things—or it could also be three separate businesses, each of which focuses on one of these three areas of need. It is also possible, of course, that a community health care business might partner with existing food and transportation businesses. For illustrative purposes here, we sketch out each of these social enterprise business ideas separately, with each designed to improve outcomes in a single one of these three areas:

- **A community health worker business** that employs community health workers (CHWs) to reinforce the patient discharge plan, monitor symptoms, and report progress. In effect, CHWs serve as patient navigators and provide health literacy education support to referred patients.
- **A shuttle service** that works with the community health worker business to track appointment times and provides patient transportation to and from doctor's appointments.
- **A mobile food delivery service** that prepares and delivers hot meals and groceries based on nutritional prescriptions and can serve a wider market as a part-time mobile grocery store and community health education provider.

Each of these business ideas is sketched out in further detail below.

Business Idea 3 (a): Richmond Community Health (RCH)

Richmond Community Health (RCH) would provide a comprehensive suite of community health services. To further align with its mission, RCH would employ an innovative workforce development and ownership model, aimed at employing as many local community residents as possible in jobs that offer living wage and profit-sharing opportunities, thus having a greater positive impact on community health by improving economic opportunity. Mission continuity would be overseen by a board of directors, with representation from invested community stakeholders including area hospitals, the City of Richmond Office of Community Wealth Building, local philanthropy, and others.

In designing the business, we recommend close consultation with the Institute for Public Health Innovation (IPHI), which already operates a grant-funded community health worker program in Richmond that employs a dozen community health workers and which has expressed an interest in incubating a community health worker business that might after 3-5 years be spun off as a wealth building social enterprise. A key necessity in making the community health worker approach a viable business (as opposed to a grant-funded program) is the ability to bill community health work to Medicaid and Medicare. This requires having an approved licensing procedure for community health-

workers, a process that is nearly, but not quite, complete in Virginia. IPHI together with community health workers launched a professional association last year and there is a lot of energy and enthusiasm among community health workers in Virginia for building the profession.

Overview

The industry definition of a community health worker (CHW) is "a frontline public health worker who is a trusted member of and/or has an unusually close understanding of the community served. This trusting relationship enables the worker to serve as a liaison/link/intermediary between health/social services and the community to facilitate access to services and improve the quality and cultural competence of service delivery. A community health worker also builds individual and community capacity by increasing health knowledge and self-sufficiency through a range of activities such as outreach, community education, informal counseling, social support and advocacy."[43] In short, the community health worker, by serving as a patient navigator and improving patient health literacy, helps empower patients to better care for themselves. Peers for Progress, an organization that studies disease prevention, identified the following core functions as key to the job of a CHW:

- Outreach and community mobilization
- Community/cultural liason
- Care management and care coordination
- Home-based support
- Health promotion and health coaching
- System navigation
- Participatory research

Community Health Worker Business Case Study

Peers for Progress publishes a *Community Health Worker Toolkit*, which describes the business case for Community Health Worker programs as excerpted below:

> Many studies have identified health care cost savings associated with CHWs. CHWs contribute to overall health system savings through their impact on (1) improved prevention and chronic disease management, which reduces costly inpatient and urgent care costs; (2) cost-shifting, with increased utilization of lower cost health services; and (3) indirect savings associated with reallocation of expenditures within the health care system, e.g., by appropriate team allocations within the patient-centered medical home.
>
> The return on investment method has been used to assess the contribution of CHWs to a reduction in Medicaid charges or health system total costs. CHW programs for which the return on investment has been calculated fall in the range of savings or returns of $2.28 to $4.80 for every dollar spent on CHWs. For example, CHWs working with underserved men in the Denver Health system were able to shift the costs of care from costly inpatient and urgent care to primary care, achieving a $2.28 return on investment for every $1.00 spent and an annual savings of $95,941.
>
> Several studies have documented the reduction in emergency care or inpatient services associated with a CHW intervention, with savings ranging from $1,200 to $9,300 per participant in programs with CHWs. In Baltimore, African-American Medicaid patients with diabetes who participated in a CHW intervention had a 40% decrease in emergency room (ER) visits, a 33% decrease in ER admissions, a 33% decrease in total hospital admissions, and a 27% decrease in Medicaid reimbursements. The CHW program produced an average savings of $2,245 per patient per year and a total savings of $262,080 for 117 patients.[44]

Similar statistics are cited in a study by the New York State Health Foundation:

> Another study based in Maryland compared health service utilization rates between two groups of clients with similar socio-demographic backgrounds and who differed in their use of

> CHWs. Examining Maryland Medicaid Claims data for emergency department use, hospitalizations, and Medicaid cost, the study found that each client served by a CHW cost an average of $2,700 less per year than a client who was not served by CHW. The evaluators estimated a projected savings of $50,000 per year for each CHW employed, assuming that CHWs had a caseload of approximately 30 clients.[45]

A scope of CHW practice has also been developed in the Commonwealth of Virginia and is included as Appendix C at the end of this report.

Jobs Created

A 2010 New York State Heath Foundation white paper reported that the average Community Health Worker case load is approximately 30 patients. This is also the estimate of the Institute of Public Health Innovation, which currently employs some grant-funded community health workers in Richmond. Thus, we estimate that one CHW job could be created per 30 patients, although evidently the ratio of community health workers to patients may vary greatly depending on the scope of work and the types of patients that the business serves. The scale of business developed will depend on both of the number of patients assigned to community health workers and the duration of support (i.e., time of support, be it 30-day, 45-day, or some other duration, per patient).

Assuming a workable pilot model is developed, we envision the business starting at relatively small scale (a dozen workers or less) to make sure that the supports achieve the desired health outcomes and cost savings results; that said, the potential for scaling to ultimately employ two dozen workers or more is certainly present.

Training Required

The Association of State & Territorial Health Officials reported in March 2015, that the Commonwealth of Virginia does not currently have standardized training and certification requirements for Community Health Workers. However, there is a workforce development group currently looking at options for uniform credentialing.[46]

Also, the Institute for Public Health Innovation (IPHI), which is very active in the DC-Maryland-Virginia area, has developed a Community Health Worker training, based on "the core roles and competencies of community health advisors identified in the Annie E. Casey funded national community health advisor study conducted by the University of Arizona in 1998."[47] To date, IPHI has trained over 500 community health workers in the mid-Atlantic region, including, of course, Virginia. That training includes:

- 40 hours of core skills training
- 40 hours of public health issue training (designed based on the type of CHW intervention)
- Recommended ongoing CHW continuing education (approximately 8 hours/month)
- Drop-in continuing education opportunities
- Annual CHW retreats

IPHI also designs custom trainings for CHW programs and could be engaged to do so for the RCH.

Financials

As a rough estimate, IPHI reports that its costs are about $70,000 per full-time Community Health Worker. In addition to salary, this figure accounts for the costs of benefits, local travel, training, supervision, technology, and indirect administrative expenses (e.g., office space).

The *Journal of Community Health* studied the start-up and first-year operating costs of a community health worker program in Vermont and released a report in 2013 detailing the total costs. By performing a sensitivity analysis that accounted for differences in geography and other factors, the authors were able to derive the range of investment required to establish CHW programs in a variety of areas. Obviously, total costs depend on volume and type of patient population covered. But what this table, reproduced on the following page, does show is that personnel costs are roughly 60 to 70 percent of total business costs.[48]

Sensitivity analysis of start-up and first-year operating costs for a CHW

Items	Most expensive case	Least expensive case
Personnel		
Community health workers	$163,613	$137,779
Chronic integration coordinator	$73,795	$73,795
Management leadership	$27,047	$27,047
Volunteers	$13,247	$0
Subtotal	$277,702	$238,621
10 % overhead	$27,770	$23,862
Total personnel cost	305,472	$262,483
Operational		
Start-up	$5,089	$5,089
Direct program cost		
Office space	$151,125	$76,125
Program operational activity	$16,801	$16,801
Training	$6,886	$4,062
Total operational cost	$179,901	$102,077
Total program cost	485,373	$364,560
	62.9 % personnel	72.0 % personnel
	37.1 % operational	28.0 % operational

Business Idea 3 (b): Medical Transportation Shuttle Service

Overview

The Richmond Community Health Shuttle Service would provide non-emergency medical transportation for patients travelling to and from doctor's appointments and other health-related visits. The business will work with the community health worker program to track appointment times and access the market. Mobile apps or other technology could be employed to plan and manage transportation logistics, as with many popular ride-sharing services. A potential secondary market might involve the provision of transportation services for employees of these hospitals or area anchor institutions.

Jobs Created

Based on an analysis of similar businesses, we found that a reasonable assumption of initial job creation would be around 9-12 drivers, plus appropriate management. This assumes that the company would employ three to four drivers per shift and a dispatcher, and operate 24 hours a day.

Training Required

Passenger van operators are not required to possess a Commercial Driver's License in the Commonwealth of Virginia.[49]

Medical Transportation Business Case Study: LogistiCare (LogistiCare.com)

Active in 40 states, LogistiCare is the largest non-emergency medical transportation broker in the country. In addition to offering transportation, LogistiCare provides logistic planning and client reporting through a powerful technology platform, helping ensure clients a proper and efficient use of their transportation budget. According to their website, LogistiCare clients see their overall costs go down while their level of service goes up. Without the burden of transportation management, they can stay focused on their core mission.

Business Idea 3 (c): Food Delivery Service

The Richmond Community Health Mobile Food Service (RCHMFS) would operate as part food preparation & delivery service, part mobile grocery store system, and part community health program. The cornerstone of the service will be a network of 1-5 trucks, modeled loosely after popular urban food trucks, each of which will make home meal and grocery deliveries, provide pop-up grocery stores in urban food deserts on a rotating weekly schedule, and offer complimentary community nutritional education.

The trucks will feature fresh produce alongside a limited selection of quality prepared meals as well as affordable staple products such rice, beans, or cereals. The core business line will be preparation and delivery of prepared meals to patients who have recently been discharged from the hospital. Low overhead costs and unlimited mobility

will enable the mobile grocery to serve a broad consumer base at a much lower cost than a stationery grocer, allowing it to serve low-income communities profitably.

A comprehensive community health education program will complement the mobile grocery network. By working with the Richmond City Health District and community partners, such as schools, churches, youth development programs, and neighborhood associations, RCHMFS' mobile grocery will promote nutrition through youth and family education, community events, and support of community gardening. This education program will also fulfill a marketing function. A mobile grocery can help reduce or eliminate food deserts in Richmond, improve community health, and encourage a new generation to develop lifelong healthy habits, while employing local residents in a sustainable revenue generating activity.

We envision that such a company would initially be small, employing six staff members including one manager, three cashier/drivers, and two cooks from the onset of operations.

Additional Business Opportunities

The business opportunities listed above—i.e., the construction training social enterprise, the property maintenance wealth building social enterprise, and the community health worker wealth building social enterprise (likely to be incubated within the Institute for Public Health Innovation before being spun off in 3-5 years) are what we believe to be the strongest business opportunities. The reasons for our selection are simple—namely, we have found a high level of anchor institution interest and potential anchor demand for each.

Nonetheless, as the 72 ideas listed in Appendix A make clear, these are hardly an exhaustive list of the business opportunities we encountered in our research interviews. Below, we list three more that we believe have particularly salient potential. In business development, we recognize that many business concepts fail. We believe that developing a "deep bench" of options—a few of which we outline here—is a critical part of building a research-and-development business pipeline that can help result in systems change and transformation of economic opportunity for low-income Richmond residents.

A. Janitorial Services

Overview

Richmond Public School serves nearly 24,000 students consisting of 26 elementary schools, one charter school, eight middle schools, five comprehensive high schools, and three specialty schools.[50] Janitorial services are currently outsourced, but there has been high turnover of janitorial companies in past years, indicating that an employee-owned, wealth-building social enterprise janitorial service may have potential to build community wealth while providing living wage jobs to Richmond residents.

Business Concept

Although the commercial cleaning services industry is very competitive, a janitorial cleaning company offers a relatively low-capital cost entry to business. Nationwide, 14 percent of building cleaning workers are employed in elementary and secondary schools. We propose an employee-owned janitorial commercial cleaning wealth building social enterprise. Employee ownership, in this case, we believe is a central part of the value proposition of the business. Simply put, by giving employees an ownership stake in the business, you are likely to increase the level of employee care that goes into the work.

Wages

As of May 2011, the average janitorial wage in the educational sector was $13.76. Achieving $15 an hour is thus, we believe, achievable with the lower turnover and the higher quality service that an employee-owned business could provide.[51]

Janitorial Business Case Study

Employee-owned cooperatives are common in residential cleaning. For example, in the San Francisco Bay Area, the

Prospera network of five employee-owned cleaning co-ops employed 92 worker-owners as of year-end 2013.[52] But social enterprise has been a less common strategy among commercial janitorial workers. One interesting exception, however, is the Latin American Economic Development Association, Inc. (LAEDA),[53] a nonprofit economic development organization serving emerging entrepreneurs and small business owners to start or grow their businesses in Camden, Burlington, Gloucester, Atlantic, and Cumberland counties in New Jersey.

LAEDA created the Community Janitorial Venture, Inc. (CJV) to act as a broker for cleaning contracts to provide minority janitorial cleaning entrepreneurs with the opportunity for comprehensive janitorial training, access to the commercial cleaning market, and technical assistance in establishing and growing their janitorial businesses. People who complete the Entrepreneurial Development Training program offered by LAEDA to promote social entrepreneurship become CJV affiliates. CJV acts as the management backbone, or quasi-franchiser, managing the sales, accounting, insurance, and marketing of janitorial services.

CJV trains their affiliates in the use of cleaning supplies, managing janitorial personnel, and quality assurance. CJV keeps a portion of each contract dollar for its services and shares the balance with the affiliates. Since 1996, CJV has generated more than $2.5 million in sales and has created more than 30 independent janitorial companies.

B. Medical Translation Services

Overview

Hospitals across the country are required to provide translation services for limited English proficiency (LEP) under Title VI of the of the 1964 Civil Rights Act. The Supreme Court has treated discrimination based on language as an equivalent to national origin discrimination.[54] Title V has been extended to apply to the US Department of Health and Human Services (HHS), which affects the healthcare arena. In 1980, HHS issued a notice stating that, "no person may be subjected to discrimination on the basis of national origin in health and human services programs because they have a primary language other than English."[55]

The HHS Office for Civil Rights (OCR) enforces the Civil Rights Act, the Americans with Disabilities Act, the Hill-Burton Act, and the Health Insurance Portability and Accountability Act (HIPAA). Any organization which receives funding through HHS, such as hospitals, is subject to OCR oversight.[56]

Hospitals largely work with national corporations for language translation services; however, wealth building social enterprises can be used to connect low income persons to translation and interpretation job opportunities. These local translation service companies provide the local knowledge and cultural sensibilities, particularly for East End residents, that the national firms lack.

Business Concept

The Richmond Speaks Medical Translation Service is a community wealth building enterprise model that would allow low-income residents of the East End to provide translation, interpretation, and cultural sensitivity services to hospitals in the Richmond area to serve their LEP patients.

Medical Translation Business Case Study (1)

Found in Translation is a Cambridge, Massachusetts-based nonprofit organization. Started in 2011, it aims to assist low-income, bilingual women achieve economic security through the use of their language skills. Employees attend a free Medical Interpreter Certificate job training program. The program also offers on-site child care, transportation assistance, and mentoring. Many graduates find jobs paying $20-$50 per hour in the fourth fastest growing profession in the country.[57] Translators and interpreters have a median annual wage of $43,430.[58]

Found in Translation has been recognized by the Echoing Green Global Fellowship, the Kip Tiernan Social Justice Fellowship, the Grinnell College Innovator for Social Justice Prize, and the SBANE Innovation Award.

Medical Translation Business Case Study (2)

Green Worker Cooperatives is a South Bronx, New York-based nonprofit organization which incubates worked owned green businesses to create a strong local economy rooted in democracy and social justice, training and developing worker cooperatives in numerous sectors. In 2014, Green Worker Cooperative Academy partnered with Caracol Interpreters Cooperative of Brooklyn.[59] Caracol provides both interpretation and translation services (English—Latin American Spanish), coordination of interpretation and translation for meetings and events, and consulting services for organizations expanding multi-lingual capabilities. Caracol works with low income migrants and received the 2013 Brandworkers Champion of Economic Justice award.[60]

C. Asthma Intervention Services

Overview

In a study by the Asthma and Allergy Foundation of America (AAFA) of the 100 largest metropolitan areas in the county, Richmond, Virginia topped the list for "most challenging place to live with asthma" in 2013 and 2014. In 2015, Memphis topped Richmond, but Richmond still ranked number two nationally. To compile the list, the AAFA looked at 13 variables. These included three factors associated with prevalence (estimated overall prevalence, self-reported asthma rate, and death rate), six risk factors (annual pollen score, air quality, public smoking laws, poverty rate, uninsured rate, and school inhaler access law) and four medical factors (emergency room visits, use of quick relief medicines, use of control medications, and number of available specialists).[61] The most prevalent asthma-inducing irritants are pollution, mold, aging HVAC systems, and particulates, and the aging infrastructure of Richmond Public Schools is heavily affected. Nearly 152,000 children in Virginia have asthma, according to the Virginia Department of Health, according to a 2007 study.[62]

Until 2008, Richmond Public Schools had an in-school asthma awareness program, Controlling Asthma in the Richmond Metro Area, (CARMA), created by Bon Secours and VCU Health.[63] The CARMA program continues at Bon Secours through outreach at hospitals and other organizations to provide local children, teachers, and health care professionals the education and resources needed to support a healthier community.[64]

Business Concept

The Richmond Asthma Home Intervention Service (RAHIS) is a community wealth building enterprise supported by private and public health payers and supplemented by grants to provide in-home environmental interventions targeted to patients based on the severity of their disease.

RAHIS is based, in part, on Multnomah County Health Department's Asthma Intervention and Housing programs in Portland, Oregon. A 2007 study by Multnomah County Health Services in Portland, Oregon, titled *Investing in Best Practice for Asthma*, found that in-home interventions were highly cost effective. For patients with moderate to severe uncontrolled allergic asthma, cost savings from home visits were estimated to total $523 per day. The Multnomah County Health Department also looked at two other existing health plans which have implemented comprehensive asthma management programs and have a track record of results to demonstrate effectiveness of asthma interventions.[65]

Asthma Intervention Business Case Study:
Optima Health, Virginia Beach, Virginia

Optima Health is a nonprofit health maintenance organization (HMO) which provides clinical and self-managed asthma education and home-based interventions though the Improving Health program. These asthma programs realized significant cost savings. Between 1994 and 2004, hospitalization rates for asthma patients who participated in the home visiting program fell 54 percent in commercial plans and 32 percent among Medicaid patients. Emergency room visits also fell for home visit patients by 18 percent among commercial plan patients and by a third among Medicaid patients. Overall, costs for patients with severe asthma declined by 35 percent. The financial return on investment was estimated to be $4.10 for every dollar spent.[66]

Business Development Resources and Industry Expertise

As noted above, the City of Richmond has a wide range of individuals with industry expertise and business development resources that could be drawn upon to work with the City's Office of Community Wealth Building.

During our interviews, we met with and identified many professionals who have executive business, nonprofit, or academic experience and have now entered or re-entered the public service realm. For example, a co-founder of New Richmond Ventures (NRV), an early-stage venture capital firm that provides counsel, connections, and capital to early entrepreneurs, has indicated a willingness to help identify qualified managers for East End training and wealth-building social enterprises.

Richmond has also proved to be a place where private sector individuals have chosen to give back through directing nonprofits. For example, former corporate executives now lead Feed More and Healthy U. Additionally, two senior nonprofit leaders have returned to partner with and consult for the Richmond Redevelopment and Housing Authority.

We recommend the formation of a nonprofit businesses development organization capable of incubating, nurturing, and accelerating both training and wealth building social enterprises.

One important small business challenge that we have found involves maintaining the "back office"—i.e., accounting, human resources, research, and operations. Of course, a number of existing nonprofit and government agencies seek to provide support in this area. Richmond business support organizations include the City of Richmond's Department of Economic and Community Development and its Office of Minority Business Development, the Greater Richmond Small Business Development Center, the Metropolitan Business League, RVA Works, Service Corps of Retired Executives (SCORE), Venture Richmond, the Center for Small Business Development at Virginia Union University, and the Richmond District Office of the U.S. Small Business Administration. Higher education institutions, including Virginia Commonwealth, Virginia Union, University of Richmond, and J. Sargeant Reynolds Community College can also play a supportive role.

There remains a gap, however, in meeting the needs for social enterprise counseling, management, employee capacity building, and funding, particularly for businesses designed to train, employ and, in many cases, be owned by low-income Richmond residents. Leading worker cooperative developer Hilary Abell in her report, *Worker Cooperatives: Pathways to Scale*, highlights six factors integral to successful worker cooperative (or wealth-building social enterprise) development. The factors that Abell identified are: 1) ongoing training to build organizational culture; 2) design for business success; 3) effective long-term support; 4) patient capital; 5) strong management and leadership; and 6) good governance.[67] REDF, in a 2015 study that examined factors behind social enterprise business success (a related, but different question than business development), found five key variables—leadership, organizational culture, capital, data and anchor demand.[68] Notably, leadership, organizational culture and capital were considered critical factors in both studies. In short, the consensus of the field makes clear that capacity-building business infrastructure, rather than one-off business development, is critical to sustain community investment, ensure mission continuity and support overall sustainability.

Moreover, in our own work in Cleveland and elsewhere, we have ourselves found that a *dedicated* professional back office management infrastructure—one that provides social enterprises with accounting, payroll, human resources, billing, and cash management support—is critical to ensuring both financial and mission success. For this reason, we recommend the formation of a nonprofit businesses development organization capable of incubating, nurturing, and accelerating both training and wealth building social enterprises. Such an organization would increase the impact and complement the development of the business opportunities we have identified. We call this entity the Richmond

Community Wealth Building Corporation (RCWBC) and provide much greater detail regarding how to structure this entity and the roles it would play below.

Available Financing

Both wealth-building social enterprises (employee-owned businesses) and nonprofit-owned training social enterprises typically face greater barriers to accessing capital than traditional businesses. One way of addressing this is to create a hybrid of nonprofit and for-profit entities that can access a broader mix of private, philanthropic, and public financing. The Evergreen Cooperative Corporation in Cleveland is a good example of this. By creating a philanthropic-funded revolving loan fund, Evergreen was able to leverage that capital to access Community Development Block Grant (CDBG) Section 108 guaranteed loans, New Markets Tax Credit investments, and additional community development finance and bank lending.

Public Capital: The City of Richmond also offers low interest loans up to $500,000, tax credits, and various federal funds, including HUD Section 108 loans. According to a November 2014 report, the City presently has $20 million in Section 108 borrowing authority, comprised of a $9.875 million Business Loan Pool and a $10.125 million Economic Development & Housing Loan Pool. At present, the business loan pool is uncommitted, providing close to $10 million in potentially available business capital.[69]

Private Investment: Richmond has a number of community development financial institutions (CDFIs): lenders that exist to serve those whose financial needs are unmet by traditional banks. Surely the most prominent is Virginia Community Capital, which has assets of over $149 million, outstanding loans of more than $109 million, and made history in April 2016 by becoming the nation's first CDFI to convert its wholly owned, FDIC-insured, for-profit bank into a benefit corporation.[70]

Philanthropic Capital: Richmond is also home to a number of foundations. Larger foundations include The Community Foundation Serving Richmond and Central Virginia (total assets: $664 million, but with most assets in donor-advised funds), the Richmond Memorial Health Foundation (total assets: $226 million), and the Robins Foundation (total assets: $160 million). While Richmond does not have as robust a philanthropic community as other cities we have worked in, the fact remains that there are over $1 billion in combined assets among local foundations. Because federal law requires a five percent payout, this means a minimum of $50 million in annual grant-making is conducted by these three foundations alone.[71] The Office of Community Wealth Building has also demonstrated the ability to attract funding from prominent national foundations, which might also find social enterprise attractive for future support, including program-related investments (below-market, low-interest loans).

Political and Community Support

We were impressed by the breadth and depth of support for social enterprise and for the vision of the Office of Community Wealth Building throughout the City. Whether we were meeting with business leaders, anchor institution officials, nonprofit leaders, or community members, there was a strong desire to see the development of training and wealth building (employee-owned) social enterprise. The vote by City Council, in December 2015, to give the Office "department" status speaks to a breadth of support that extends well beyond the Mayor's Office. We found particularly deep support for wealth-building social enterprise (employee-owned businesses), but also found strong support for training social enterprises as an additional potential vehicle for workforce integration of East End residents.

Community Concerns: While we did find strong support for the idea of social enterprise, Richmond community members did however voice their intention to ensure that social enterprise serve to empower the community. East End residents have seen a lot of promises and reasonably want assurance that this is not just one more initiative. In particular, in meeting with residents in a forum hosted by the Peter Paul Development Center, we learned about an earlier effort more than a decade ago to employ RRHA residents that failed in large measure because residents did not have ownership in the business. Residents were treated

as alow-wage workforce, rather than having the business utlized as a mechanism to build resident business ownership, skills, income, and wealth.

Workforce Development

In addition to the nonprofit sector's workforce development and employment programs, such as Goodwill, RVA Works and J. Sargeant Reynolds Community College (John Tyler Community College has workforce programs, but these are less easily accessible by public transit), the City has the Center for Workforce Initiatives (CWI). CWI was established in 2011 with the aim of building pathways to employment to meet the specific needs of under-employed City residents.[72] CWI has partnerships with Strickland Machine in an apprentice welding program, Capital One's bicycle program, and Richmond LISC's (Local Initiatives Support Corporation) SEED (Supporting East End Entrepreneurship Development) program. In 2016, CWI plans to expand its reach to work with other large employers, collaborating with the regional Workforce Investment Board and Richmond Public Schools, and East End social enterprise efforts. A key recommendation in the Maggie L. Walker Initiative for Expanding Opportunity and Fighting Poverty in late 2015, CWI was reorganized into a division within the Office of Community Wealth Building, critical to consolidating resources and management focus.

Wrap-Around Services

Social enterprise is an important tool for economic development. But because, by definition, social enterprise is working with disadvantaged populations, there is a strong need for appropriate wrap-around support services. While Richmond, provides significant supportive services, we found gaps in many areas, including access to childcare and transportation.

One promising new effort, launched in 2015 through The Center for Workforce Innovation in partnership with the City and Richmond Public Schools, is the Building Lives to Independence and Self Sufficiency (BLISS) pilot, which provides supportive services to public housing residents that help make sustained employment possible. BLISS was a central recommendation from the Maggie L. Walker Initiative for Expanding Opportunity and Fighting Poverty. The pilot worked with nineteen families in Richmond Redevelopment and Housing Authority properties. In 2016, the BLISS pilot plans to expand the number of families receiving services to thirty five.[73]

BLISS measures the well-being of participatinghouseholds across eighteen metrics including housing, employment, income, food, child care, children's education, adult education, health care, life skills, family social relations, access to mobility/transportation, community involvement, parenting skills, legal status, disability status, mental health, substance abuse, and safety. The BLISS case manager works with residents to develop a long-term, household-specific plan for moving towards self-sufficiency with frequent follow-up. Other strategies employed include GED classes; enrollment in ESL classes; referrals to advanced training classes including welding, forklift, and medical coding; placement of children in high quality childcare via VCU Health Systems; enrollment of eligible children in Head Start and the Virginia Preschool Initiative; and referrals for short-term employment and long-term secure employment.

Additionally, Richmond is investing resources to provide better health services for East End residents. Through the Richmond City Health District, in 2015 the City funded a housing advocate initiative to benefit residents in public housing in the East End. Housing advocates are part-time employees and residents of Richmond Redevelopment and Housing Authority (RRHA). Housing advocates work with existing residential service coordinators employed by RRHA and community health workers employed by the Richmond City Health District to form a seamless continuum to assist residents with their health and well-being.

As noted above, child care and transportation both pose challenges, as many emphasized in our interviews. Regarding transportation, it is clear that residents in the East End who lack automobiles find it difficult to get to work. In a positive vein, this might provide a social enterprise opportunity, provided that paying anchor customers can be identified.

An additional challenge involves helping former prisoners make the difficult transition to reintegrate into society. The City reports that over 700 prisoners are released to Richmond each year and that Richmond is home to between 9,000 and 18,000 ex-felons, numbers that represent roughly 5.5 and 11 percent of the City's adult population, respectively.[74] One program, Virginia CARES, assists the formerly incarcerated and their families by providing help with finding employment, transportation, food, and housing.[75] Legal representation can also be an important support, particularly around landlord-tenant issues, and also, with the formerly incarcerated, to expunge records so as to help give former prisoners a fresh start. An important legal partner is the Central Virginia Legal Aid Society, which supports people disputing issues related to public benefits collection, employment rights, and fair housing, among other areas.[76]

Community Loan Fund Incubator

Richmond has a strong community development banking partner, Virginia Community Capital (VCC), which expressed support of the social enterprise concept and might house a revolving loan fund to support social enterprise development. Operating statewide, VCC has grown from $15 million in assets to $150 million in the course of a decade and is well positioned to be a financing partner.77 VCC can especially help finance capital-intensive businesses, as it has a track record of successful New Markets Tax Credit allocations, including a $20 million award in 2011.78

Complementary Strategies and Programs

As noted above and throughout the report, the Office of Community Wealth Building itself provides an important mechanism that can help coordinate city resources, strategies and programs to complement social enterprise development. In particular, the Office's strategic plan calls for linking social enterprise with expanded workforce development, investments in education, regional transportation (including the launch of a bus rapid transit line) and investment in the redevelopment of Creighton Court (with a commitment to ensure that residents avoid involuntary displacement). Of course, the Office just completed its first full year of activities. So it would be highly misleading to state that alignment of these different activities has been achieved. In fact, as our stakeholder interviews made clear, many shortfalls in coordination remain. That said, we think the presence and development of the Office of Community Wealth Building—and even more importantly, the support the concept has received from the broader community—speaks well to Richmond's commitment to tackle these challenges and create a coordinated political, financial, and place-based infrastructure to build community wealth and reduce poverty.

Success Factor Summary

We believe that Richmond is well positioned to develop a strong network of training and wealth-building social enterprises. Many of the key factors needed to undertake a successful initiative are in place. Anchor institution leaders have been willing to engage in creative problem-solving regarding supply chain gaps and have helped co-design business sketches for potentially viable social enterprises. With our anchor partners, we have identified at least three potentially viable training and wealth building social enterprise opportunities. Creative business and nonprofit leaders are willing to engage in social enterprise design and management. We also found a number of business and workforce development programs and complementary wrap around social service programs that could be important partners in this work.

In short, in our research, we have found plentiful evidence that social enterprise—both of the wealth building (employee-owned) and training (nonprofit-owned) variety—can be a vital tool to create living wage jobs and build community wealth in Richmond.

That said, there remain, of course, many challenges inherent in the creation of social enterprise. We still need to traverse the long and sometimes treacherous path from idea stage to business planning and design to actual launch. Above, in our discussion of business development resources, we outlined the need for a nonprofit holding company to address some of these challenges. We delve into this strategy in far greater detail in the following section.

Designing a Nonprofit Business Development Organization to Achieve Impact

As we have noted throughout this report, we believe that successful social enterprise development, particularly of the variety that the City of Richmond has supported—namely nonprofit and employee-owned businesses that are dedicated to the express purpose of assisting with the economic reintegration of low-income residents into living wage jobs that also provide the opportunity for career ladders and community wealth building—requires a focus not merely on the development of individual businesses, but also, critically, on the development of the support infrastructure that gives the businesses created the tools they need to survive and thrive.

For these reasons, we recommend the creation of what we are calling here the **Richmond Community Wealth Building Corporation (RCWBC)**. This organization would work to create a thriving Richmond that fosters community wealth building and economic self-sufficiency for all Richmond residents. Its mission would be to provide critical infrastructure supports to help develop a growing network of training and wealth-building social enterprises in East End neighborhoods and, over time, other disinvested neighborhoods in Richmond. RCWBC would achieve this mission by partnering with existing service offerings and, where there are gaps, provide the necessary expertise for the incubating, nurturing, and accelerating both training and wealth-building social enterprises.

This new nonprofit would provide support for the creation and retention of living wage jobs, as well as the promotion of wealth building ecosystem in Richmond. RCWBC would leverage the procurement and investment of the City's many anchor institutions (in particular hospitals and universities) and would be tasked with various business support activities such as accessing low cost capital, linking workforce development programs to the needs of newly created social enterprises, and assessing and reporting progress and outcomes to the City and other partners.

Structure and Governance

As we envision it, the RCWBC would work with four key stakeholder groups: 1) network social enterprises; 2) groups (such as foundations, the City or impact investors) that can provide investment capital; 3) anchor institutions who can be customers of RCWBC portfolio company services; and 4) the Richmond community, with a focus on East End and low-income neighborhoods.

We see this entity working with network social enterprises on operations, management and strategy. With investors, it will work to leverage the investments made to support employment, skill building, wealth building, public health, and business fundamentals, including profitability. With anchor institutions, it would work to co-design social enterprise businesses that satisfy procurement needs and help anchors meet their local- minority- and women-owned business goals. For the community as a whole, the goal, of course, is a network of businesses that build skills, jobs and wealth for low-income residents, with a focus on East End neighborhoods.

In terms of governance, we believe that RCWBC should be overseen by a multi-stakeholder board that draws expertise and personnel from the local business and finance community, area anchor institutions, city government, investors, East End residents and community leaders, and nonprofit partners.

A critical step, too, will be hiring strong professional management that can report to the board and oversee training and wealth-building social enterprise development. Essential characteristics of management should include: 1) business development experience; 2) demonstrated ability to raise funds and develop strategic partnerships; and 3) a deep understanding of the core equity and inclusion mission of social enterprise.

Roles, Responsibilities, and Key Organizational Features

RCWBC would provide support and guidance to the training and wealth-building social enterprise ecosystem by:

Overseeing Development of New Training and Wealth-Building Social Enterprises

RCWBC aims to develop a network of affliated social enterprises, both by incubating new social enterprises and by supporting existing businesses, including existing training social enterprise businesses and businesses whose owners may want to convert their enterprises into employee-owned wealth building social enterprises. In terms of developing new businesses linked to market demand (from anchor institutions and others), RCWBC would identify gaps in the local market that could be supplied by a start-up as part of its network. RCWBC would be responsible for analyzing the market, overseeing business planning, recruiting management, securing initial contracts and so forth. In this role, RCWBC would lead the process of business development.

Supporting the Conversion of Existing Businesses into Wealth-Building Social Enterprises

Employee ownership provides tax incentives to owners selling their business, while cementing the family's legacy by keeping the business in operation under its employees.[79] Although not a new idea, the opportunity for increased utilization is apparent, given the demographic transition posed by the retirement of baby boom owners (the so-called "silver tsunami"). One venerated example of a 100-percent employee-owned company in Richmond that has operated under employee ownership for three decades is Liphart Steel.[80]

Here the vision is for RCWBC to interface with Richmond's existing business planning partners to provide information and assistance (or links to existing technical assistance expertise) to enable businesses whose owners desire to retire and transition business ownership to their employees to do so.

Outreach to businesses seeking conversion to employee ownership could prove to be of especially high value to smaller firms who are less able to afford professional valuation services. RCWBC could provide referrals to local owners exploring business sales to their employees. Once converted, these companies could join the RCWBC network. Of course, financial health is an important prerequisite for successful conversion.[81]

It will be important for RCWBC to ensure that conversions benefit the low-income workers who lie at the heart of this initiative. The benefits of this approach are myriad: Under section 1042 of the IRS tax code, business owners who sell 30 percent or more of their stock to their workers can roll over sale proceeds into other stocks, thereby deferring capital gains taxes.[82] Meanwhile, through employee ownership succession, the converted business is able to continue operations and preserve existing jobs. Employee ownership conversions also avoid many common start-up business challenges. In particular, the social enterprises so formed benefit from employee-owners' industry knowledge, rather than having to build market knowledge from scratch, like startups do.

Supporting Existing Richmond Social Enterprises

In addition to supporting conversions of employee owned business, the RWCBC could also support existing social enterprises—the youth run businesses developed by CHAT, mentioned above, being one example. Such partnerships would enable RCWBC to increase the pace of social enterprise growth and diversify its network.

Owning a Minority Share Interest in Wealth-Building Social Enterprises

Wealth-building social enterprises are designed to generate assets for employee-owners. To have the management control and funding to develop and manage a social enterprise network, we advise that RCWBC hold a minority ownership share in affiliated social enterprises. While legal counsel should be consulted, ownership rights for RCWBC should include: 1) a portion of annual net profits (10-20 percent to cover affiliated businesses' overhead and seed

asocial enterprise reinvestment fund); 2) a minority of seats on each business' board; and 3) veto power over sales, mergers and acquisitions. These provisions are designed to anchor the community's investment in Richmond.

Training social enterprises typically are themselves structured as nonprofit-owned enterprises. That said, for similar reasons and to maintain continuity across the network, we would recommend that in the training social enterprise bylaws, RCWBC directly control a minority of seats on each business board—regardless of whether the business is nonprofit or employee-owned—and maintain veto power over sales, mergers, and acquisitions.

Evaluating the Feasibility of New Business Development

We identified some leading social enterprise opportunities in this report. Over time, the RCWBC will research new opportunities for starting up or scaling up affiliated businesses.

Based on our experience working with the Evergreen Cooperatives in Cleveland and in other communities, we advise that RCWBC consider the following factors in its business feasibility analysis. Of course, no business will meet every criterion perfectly, but we believe these criteria provide a good starting point.

- Potential for sustainable profitability (as demonstrated by formal market analysis and business planning process, etc.)
- Consideration of start-up costs/payback period
- Ability to find management expertise
- Potential number of local jobs created
- Low barriers to entry for workforce
- Demand from multiple anchors and potential for diversification
- Ability to generate community wealth
- Room for new entrants in local market—businesses unlikely to displace existing businesses
- Business model has been proven successful in other cases
- Availability of career ladders for employees

Engaging in Strategic Partnerships

RCWBC's work involves forging strategic partnerships to identify business opportunities and mobilizing resources for network businesses. Partners may include anchor institutions, local government, nonprofit, business, and community stakeholders. RCWBC should, in coordination with the City's Office of Community Wealth Building, foster broader community partnerships. Expanding partnership networks can help connect RCWBC companies and employees with important workforce training partners, wrap-around service providers, and business development resources.

Building upon the business ideas developed so far, RCWBC leadership should partner with anchor institutions to identify further demand-based business opportunities and connect and train network enterprises for these procurement opportunities. These anchor relationship could grow to encompass much more than procurement. In Cleveland, for example, anchor institutions have representatives on the boards of Evergreen Cooperative companies, have provided technical assistance to cooperative businesses, have introduced the companies to other customers with whom the anchors have long-standing relationships, and have even invested in Evergreen's revolving loan fund. Richmond anchors through RCWBC may wish to play a similar social investment role.

Assembling Capital and Operating Support

RCWBC will be able to assemble a pool of capital for start-up and growth investments in social enterprises and raise money to fund ongoing operations. Ultimately, profit-sharing from wealth building social enterprises and fees charged to network businesses for back office services may allow RCWBC to become self-sustaining, but for several years it will require philanthropic support. Partnerships, of course, may reduce costs by enabling RCWBC and its network companies to make use of in-kind resources, such as land, buildings, equipment, and pro bono services.

Workforce Development

An important role of RCWBC is to provide social enterprise employees with the tools they need to succeed as

employees. In the case of wealth building social enterprises, this also includes training employees to be effective employee-owners. Training needs will vary. Overcoming barriers to employment may require soft skills training, legal support, case management, or other wrap-around services. More experienced employees should have access to industry training, personal financial education, and professional development.

Some training may be provided directly by RCWBC. In other cases, seeking the support of community partners, cooperative experts, or social enterprise professionals will be important. Regardless of the approach, RCWBC would be responsible for developing the workforce.

Measuring and Reporting Outcomes

Because RCWBC relies on partnerships, it is important to report on its progress to those who support it. Placing responsibility for social impact metrics on the individual businesses would likely saddle these businesses with unnecessary costs, reducing their overall business efficiency and competitiveness. But, as a nonprofit organization charged with an explicit community wealth building mission, it is appropriate for RCWBC to take on this measurement and assessment role. Some potential metrics to consider include the following:

- Number of jobs created at training and wealth building social enterprises
- Living wages paid to employees
- Number of employee-owners (for wealth building social enterprises)
- Equity accumulated in member capital accounts (for wealth building social enterprises)
- Retained earnings
- Cumulative salary and benefits paid to employees
- Local and state taxes collected from RCWBC network business
- Number of returning citizens employed
- Social service expenditure reductions due to employment of previously unemployed residents

The above list is merely illustrative. Evergreen itself, in partnership with its evaluation partner Cleveland State University, originally developed a multi-page list of indicators. One can certainly envision adding metrics on a far broader range of topics, including contribution to environmental sustainability, neighborhood social indicators (e.g., health and education improvements or crime rate reductions), or community engagement, to name a few options. What is important is that RCWBC engage with its partners to identify the metrics that are meaningful to them and then track progress on a consistent basis to ensure that partner goals are being met.

Learning from the Field

We have noted the vital need for experienced managers to lead RCWBC businesses throughout this report. But social enterprises that seek to train and empower workers are not the same as traditional business. As a result, additional social enterprise training for managers is strongly advised. One useful strategy to undertake involves "learning journeys," in which management staff visits other similar enterprises to see best practices that can help managers more effectively blend their industry knowledge to the specific training and coaching demands of a social enterprise approach.[83]

One likely place to visit is the Evergreen Cooperatives of Cleveland, Ohio. The 2015 request-for-proposals from the City of Richmond cited Evergreen explicitly as a model to emulate.[84] For that reason, a visit to Cleveland by the RCWBC team would make sense.

A nationally respected training social enterprise is located just 100 miles to the north of Richmond in Washington, DC. As noted above, DC Central Kitchen runs a nonprofit caterer that generates $6.5 million in gross revenue and employs formerly incarcerated residents at $15 an hour. Graduates of its training program find ready employment, which helps explain why recidivism among DC Central Kitchen graduates is two percent, compared to a District average of close to fifty percent.

RCWBC can also serve as a link to national partners. These might include the Democracy at Work Institute, the Social Enterprise Alliance, the U.S. Federation of Worker Cooperatives, Cooperation Works!, and The ESOP Association. In addition, it is important to realize that some

organizations, despite lacking a national trade association name, run national training programs. For example, the Kent, Ohio-based Ohio Employee Ownership Center trains managers of employee-owned business nationally. Other potential trainers include two Massachusetts-based groups, the Cooperative Development Institute (CDI) and the ICA Group. CDI provides technical assistance to cooperatives at all stages of development. The ICA Group specializes in employee ownership, but it also supports a national network of training social enterprise temporary staffing companies.

Getting Started

A good deal of work, of course, is required to get social enterprise development up and running. Below we provide a brief sketch to guide action. Key steps include creating a nonprofit holding company, deepening partnerships, raising funds, conducting business planning for social enterprise candidates, and getting to launch. Each of these is outlined briefly below.

Creating the RCWBC

It typically can take 9-12 months from the date of filing an application to receive a favorable Internal Revenue Service (IRS) determination of nonprofit status. In the interim, either a nonprofit fiscal sponsor or the Office of Community Wealth Building may need to oversee the incubation of the holding company. Key parts of this infrastructure work, beyond the IRS filing, include writing bylaws and articles of incorporation, recruiting the board, and hiring a chief executive, who is mission-aligned, self-directed, has business experience, and is able to raise money.

Deepening Partnerships

This work involves continued ongoing interaction with both anchor and community partners. With anchor institution partners, in addition to the need to collect business specific information that can feed into a business plan (e.g., level of demand, pricing needs), this should also include building a deeper understanding of: 1) invoicing and payment systems; 2) vendor license, insurance, and bonding rules; 3) institutional requirements to obtain purchasing commitments (e.g., information on how pilots work); and 4) determining additional roles (e.g., provision of in-kind services or mentorship of business managers) that anchors might wish to play. With community partners, this work includes developing partnerships with neighborhood groups, workforce development and social service agencies, and other nonprofits. Before launching businesses, it would be appropriate for RCWBC to negotiate agreements or sign contracts with nonprofits to solidify these arrangements, especially where needed so that partners may undertake needed pre-launch tasks (such as investment in the design of workforce pipeline training programs).

As discussed above, private, philanthropic, and public investment will all likely be needed to finance social enterprises development in Richmond. The RCWBC leadership, working with the Office of Community Wealth Building, should identify and apply for available public and philanthropic sources to raise a capital pool to support start-up investment.

A revolving loan fund, patterned, as suggested in the Richmond RFP, after the Evergreen Cooperative Development Fund in Cleveland, would be highly advisable. An independent LLC is a likely structure (pending review by legal counsel). The goal of the revolving fund, of course, is to facilitate the receipt of philanthropic and public monies to finance social enterprises in the form of long-term, low-interest subordinated loans. As funds are repaid, they can be reinvested in additional social enterprises, generating more community wealth and employment. A local community development financial institution, such as Virginia Community Capital, might be a logical initial host of this fund, which was a role they expressed interest in when we met with them. Partnering with VCC in this way might also be a good way of attracting greater capital into social enterprise development from existing VCC investors.

Conducting Business Planning for Social Enterprise Candidates

Finding industry experts to perform market research for the business ideas generated in this report is, of course, critical. In some cases, potential partners have already been identified. In other cases, more work needs to be done to identify appropriate partners.

Getting to Launch

After business planning confirms viability for social enterprise candidates, the next step of course is launching the training and wealth-building social enterprises themselves. This requires recruiting business-specific management first and foremost, but also identifying a viable location, creating a job pipeline so that employees are recruited and hired from among low-income Richmond residents as intended, negotiating contracts with anchors, and developing appropriate systems for business success, including marketing and supervisor and worker training systems.

And Building for Future Years …

Richmond's Office of Community Wealth Building began with a single staff member and then expanded over time. This has proven to be both an effective and efficient use of resources. We believe that launching RCWBC in a similar fashion with a dedicated staff person can similarly work. Roughly, speaking, we think it should be possible to launch the RCWBC with an initial budget of $250,000 which will allow for needed consultants to augment the work of a staff member. A fully staffed up RCWBC in future years might have a budget on the order of $500,000. Of course, this expansion would be contingent on successful training and wealth-building social enterprise development. Assuming such development occurs, hiring in the areas of human resources, bookkeeping, financial planning, and administrative support might be advisable. A physical headquarters at some point is also likely to be needed. Locating it in the East End might be an appropriate symbol of the City's commitment to business development in East End neighborhoods.

Concluding Recommendations

Based on our research in Richmond, The Democracy Collaborative can confidently recommend that there are opportunities for both training and wealth building social enterprises that have the potential to provide value to area anchor institutions and living wage jobs for residents in Richmond East End neighborhoods. The Office of Community Wealth Building should proceed with funding the development of business and marketing plans for immediate consideration for Richmond Community Construction, the Richmond Community and Property Maintenance Cooperative, and Richmond Community Health. We have been impressed with the level of interest expressed by anchors, especially the Richmond Redevelopment Housing Authority and area hospitals, in partnering to co-develop training and wealth building social enterprises that meet their needs and benefit the community. We strongly encourage full exploration of the business ideas that have emerged during the course of this study. We believe these social enterprise businesses have strong potential to both assist area anchor institutions to meet their business objectives, while helping low-income Richmond residents obtain living wage jobs, develop productive career paths, and build community wealth.

Financing to start social enterprises is a challenge, but we believe there are strong potential partners within philanthropy, the business community, and community development finance in Richmond. The creation of the Office of Community Wealth Building points to a critical success factor for social enterprise development—namely, improved alignment of economic development with city government services, community development, and philanthropic priorities.

In our work, we have come to greatly appreciate the importance of building the foundations for long-term, sustainable social enterprise ecosystem development. Through our research and practice, we have learned in particular the value of putting in place a system that ensures professional back office management infrastructure to provide accounting, payroll, human resources, billing, and cash management support to newly formed businesses. Such a system helps social enterprises to be successful and profitable, as well as to achieve their long-term, community wealth building goals.

We recommend that a nonprofit businesses development organization, the Richmond Community Wealth Building Corporation, capable of incubating, nurturing,

and accelerating training and wealth-building social enterprise businesses, be formed. This new nonprofit would provide support for the creation and retention of good quality jobs, as well as the promotion of wealth building through social enterprise development in Richmond. It would, in a sense, be the "keeper of the mission" of community wealth building for Richmond residents. It would leverage the purchasing and investment power of the City's many anchor institutions (in particular, hospitals, universities, and public agencies) and would be tasked with various business support activities such as accessing low cost capital, linking workforce development programs to the needs of newly created training and wealth-building social enterprises, and assessing and reporting progress and outcomes to the City and other partners.

An independent RCWBC would also help insulate the business development process from the vagaries of the local political climate. This is hard to do if the initiative remains City-controlled. Independent, third party leadership will also allow for a singular mission and focus on sustainable social enterprise. The City's ongoing support of and engagement with this entity will be critically important—providing direct financial support, assistance with zoning and permitting of new businesses, workforce development, and relationship building between anchor institutions and community partners. But, long-term, we recommend that social enterprise business development be driven by an extra-governmental project champion.

There are a few good candidates for long-term project champions. The initiative could be housed at a large area nonprofit, local foundation, or, possibly, be set up as a separate 501(c)(3) dedicated to the express purpose of developing social enterprise businesses. If the latter start-up route is chosen, it will be important to have a staff person who headlines the effort with the ability to draw broadly on the support of the Richmond civic, philanthropic, and business communities.

Based on the groundwork of the Maggie L. Walker Initiative for Expanding Opportunity and Fighting Poverty, the City of Richmond has set the demanding, yet inspiring goal to reduce poverty by 40 percent by 2030, while cutting childhood poverty in half. As we have noted throughout, social enterprise—be it nonprofit-owned, training social enterprise or employee-owned cooperative, wealth building social enterprise—is an investment-based approach. In essence, the goal is to build an economic institution that can re-invest in low-income Richmond communities—first, on the East End and ultimately citywide.

In our research, we found an encouraging number of potential early-stage training and wealth-building social enterprise opportunities that, if pursued, we believe can credibly lead to two or three social enterprises that by 2019 will be positioned to employ a total of 50 or more Richmond residents in living wage jobs. And by making a long-term commitment to a social enterprise "backbone" organization such as RCWBC, we believe that by 2030 and beyond, the City of Richmond has the potential to do much more—that is, it can begin to build a network of social enterprise that both addresses poverty at home, while providing a model for cities and community groups across the Southern U.S. and beyond.

Appendix A: Business Suggestion Idea List

Numbers after suggestions indicate the number of interview respondents who independently named similar business ideas.

- Adult day care, elderly assistance (2)
- Apartment maintenance, property management (7)
- Back office infrastructure (5)
- Biotechnology
- Bus parts (Gillig for GRTC)
- Call center for hospital outpatients
- Catering/commissary (3)
- Child care (4)
- City of Richmond outsourcing renovations, housekeeping, food service, uniforms, fleet management, security, surplus warehouse properties
- Cleaning Supplies (green) (2)
- Commercial kitchen training programs (2)
- Community health workers (9)
- Construction company: plaster, drywall, carpentry, painting, masonry, plumbing, HVAC, demolition, façade restoration (19)
- Culinary training (3)
- Data collection/analytics, IT training, coding (4)
- Campus directional signage
- Document scanning
- Energy efficiency (3)
- Equipment delivery and setup
- Farm to table food coop (8)
- Food delivery (2)
- Freight farm/vertical agriculture
- Green products for cleaning (2)
- Greenhouse (Goodwill currently owns a vacant building)
- Health intervention and support for children, seniors
- Herb production
- Historic renovation
- Home health care
- Home health interventions, e.g. mold prevention, remediation
- Homeless management and care network
- Hospital gowns, bandages, disposable OR materials supplier
- Housing specialist job (i.e. fair housing) (2)
- Independent cab service
- Inspections
- Inventory management (5)
- Janitorial (4)
- Landscaping (4)
- Lead abatement (3)
- Maintenance and repair of vehicle fleets
- Meal delivery
- Medical transportation services (3)
- Medical placement agency
- Medication delivery (2)
- Mid-level jobs for social enterprise
- Moving service for hospitals
- Navy: stevedoring, trucking, warehousing, inventory
- Office supplies (2)
- Phlebotomist training
- Recycling, composting (3)
- Sanitary supplies
- Security
- Sesame seed production
- Shipping
- Small business incubators (3)
- Snow removal (2)
- Solar panel installation (4)
- Sterile clean room training
- Supermarket (2)
- Supportive services for physical and mental health
- Tire supplier
- Third party dispatch service
- Trades training social enterprise & funding (12)
- Training for breweries (2)
- Training for DPU & electric utilities jobs (5)
- Training for special needs population
- Translation services
- Transportation, transit for public housing residents (6)
- Uniforms
- Warehousing, rig operation, short hauling, and port logistics (6)
- Weatherization (4)
- Welding training academy
- Workforce development pilot model: Head Start program making meals, catering, job training, soft skills (4)

Appendix B: Interviews and Group Meeting Participants

John Accordino, PhD, AICP
Director, Center for Urban and Regional Analysis
Virginia Commonwealth University

Michael Adkins
Director of Purchasing
Virginia Union University

Charles Agee
Director, Corporate Contributions and Community Relations
Altria

Felicia Ainsi
Business Development Specialist
Capital Region Workforce Partnerships

Kevin Allison, PhD
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Virginia Commonwealth University

Gigi Amateau
Chief Impact Officer
United Way of Greater Richmond & Petersburg

Rob Andrejewski
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University of Richmond

Orlando Artze
Special Assistant
Richmond Redevelopment and Housing Authority

Stephen Barr
Director of Campus Services
Virginia Commonwealth University

Ron Beauford
President
Heritage Foods

David Belde, PhD
Senior Director, Mission Services
Bon Secours Richmond

Alison Bogdanovic
CEO
Virginia Supportive Homes

Katherine Bond
Director, Public Policy
Dominion Resources Services, Inc.

Delta Bowers, PhD
Director of Internship Programs and Professor of Management
Virginia Union University

Tim Bowring
Retired Executive Director
Habitat for Humanity-Henrico County

Amelia Bradshaw
Vice President of Finance and Administration
J. Sargeant Reynolds Community College

Chris Cole
Purchasing Manager
J. Sargeant Reynolds Community College

Tim Cole
Executive Director
Strategies to Elevate People Jobs for Life

Susan Brown Davis
Senior Vice President
The Community Foundation

Junior Burr
President
Canterbury Enterprises

Stacy Burrs
Director
Venture Richmond

Mark Cartwright
Senior Director, Supplier Diversity
Novation

Donna Carvana
Apprenticeship Consultant
Virginia Department of Labor & Industry

Kelly Chopus
CEO
Robins Family Foundation

Mark Constantine
CEO
Richmond Memorial Health Foundation

Bill Cooper
Director of Diversity
Atlantic Constructors

Gwen Corley-Creighton
Director of Richmond Promise Neighborhood
Peter Paul Development Center

Tyler Curtis
Business Development Coordinator
Success by 25

Lee Downey
Interim Deputy Chief Administrative Officer for Economic Development and Planning
City of Richmond

Doug Dunlap
Interim Director of Economic and Community Development
City of Richmond

John Estes
Vice President of Programs
Richmond Memorial Health Foundation

Dale Fickett
Executive Director
RVA Works

Pat Foster
Director of Office and Minority Business Development
City of Richmond

Sheryl Garland
Vice President Health Policy and Community Relations
VCU Health

Ed Gibb
Director of Procurement
City of Richmond

Jen Giovannitti
Regional Community Development Director
Federal Reserve Bank of Richmond

Mark Gordon
CEO
Bon Secours Richmond

Dani Green, PhD
Director, Supplier Diversity
Owens & Minor

David Hale
Vice President Business & Finance
University of Richmond

Amber Haley, MPH
Research Epidemiologist
VCU Center on Society and Health Research

Greta Harris
CEO
Better Housing Coalition

Conoway Haskins
Executive Director
Virginia Community Economic Network

Antoinette Haynes
DEB Liaison Officer
Greater Richmond Transit Corporation

Boyd Headley
Business Services Manager
Resource Workforce Center

Anika Horn
Chief Social Venturer
Social Ventures

Lee Householder
CEO
Project HOME

Amy Howard, PhD
Executive Director, Civic Engagement
University of Richmond

Adrienne Johnson
Outreach Coordinator
VCU Center on Society and Health Research

Mayor Dwight Jones
Mayor
City of Richmond

Richard Katz, MD
Medical Faculty Associate
George Washington University

Carl Knoblock
District Director, US SBA
Commonwealth of Virginia

Tom Krantz
Assistant Superintendent for Support Services
Richmond Public Schools

Melissa Krumbein
Owner
Kitchen Thyme

Denise Lawus
Deputy Director of Economic and Community Development
City of Richmond

Charles Layman
CEO
Goodwill Industries of Central Virginia

Kyung Sun Lee
B Corp Intern
Virginia Community Capital

Grace Lewis
Transition Planning and Services Manager
Richmond Redevelopment and Housing Authority

Larry Little
Vice President of Support Services and Planning
VCU Health

John Logan
Project Development Manager, Director of Economic and Community Development
City of Richmond

Skip Long
CEO
Church Hill Academy

Peter Long Innes
Deputy Administrator
HCA-Chippenham Hospital

Rob Martin
Managing Director
BrandSync

Sarah McCoy
Manager, Government and Community Relation
Virginia Port Authority

Matt McGee
Owner
Strickland Machine Company

Tim McManus
CEO
HCA-Chippenham Hospital

Penny McPherson
Vice President, Senior Community Development Officer
Wells Fargo

Chimere Miles
Resident of Creighton Court and Community Researcher
Engaging Richmond, Informed Neighbors Corps

John Moeser, PhD
Senior Fellow, Bonner Center for Community Engagement
University of Richmond

Brenda Mowen
Director, Procurement Services
Virginia Commonwealth University

Bill Murray, PhD
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Dominion Resources Services, Inc.

Grant Neely
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City Council, 7th District
City of Richmond
Program Officer and Patient Centered Medical Home Coordinator
Richmond Memorial Health Foundation

Van Noland
Vice President, Program Manager
Wells Fargo at Work, Greater Virginia

David Norris
Director of Community Impact
United Way of Greater Richmond & Petersburg

Caroline Nowery
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Dean of Sydney Lewis School of Business
Virginia Union University

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CEO
Feed More

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Resource Center Program Director
Richmond City Health District

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Cannon Creek Work Study Program
Richmond Redevelopment and Housing Authority

Diane Reynolds
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President
J. Sargeant Reynolds Community College

Michael Rhein
CEO
Institute for Public Health Innovation

Demond Richardson
Supplier Diversity Manager
Wells Fargo

Ellen Robertson
City Council, 6th District
City of Richmond

Bea Robinson
Director of First Impressions
Boaz and Ruth

Megan Rollins
CEO
Boaz and Ruth

Michael O. Royster, MD, MPH, FACPM
Vice President
Institute for Public Health Innovation

Zoe Roxburgh
Director of Purchasing
VCU Health

Jeff Sadler
Associate Director of Community Revitalization
Virginia Department of Housing & Community Development

Kim Scheeler
CEO
Greater Richmond Chamber of Commerce

Jim Schuyler
Executive Director
Virginia Community Action Partnership

Richard Seely, DBA
Health and Wellness Initiative Project Coordinator
Healthy U

Martin Short
Coordinator/Project Manager
Greater Richmond GATE (Growing America Through Entrepreneurship)

Oliver Singleton
President
Metropolitan Business League

Richard Sliwoski
Interim Associate Vice President, Facilities Management
Virginia Commonwealth University

T.K. Somanath
CEO
Richmond Redevelopment and Housing Authority

Sam Speedie
Managing Director
MBSquared Solutions and Forever View Farms

Lynn Strader
CFO
HCA-Chippenham Hospital

Candace Streett
Executive Director
LISC (Local (Initiatives Support Corporation) Richmond

Ralph Stuckey
Program Manager
Richmond Redevelopment and Housing Authority

Emily Summerfield
Vice President, Programs
The Community Foundation

Immanuel Sutherland
Senior Specialist, Corporate Contributions & Community Relations
Altria

Tonya Thompson
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Greater Richmond Transit Corporation

Eugene Trani, PhD
President Emeritus
Virginia Commonwealth University

Jim Ukrop
Co-Founder
New Richmond Ventures

Albert Walker, III, Th.M., M.Div.
Community-Academic Liaison
VCU Center on Society and Health Research

Charles Ward
Director of Procurement
Richmond Public Schools

Stephen Weir
Executive Director
Church Hill Activities & Training (CHAT)

Angela Wilkes
President, CEO
A.T. Wilkes & Associates

Lawrence D. Wilder, Jr.
Advisor for Social Entrepreneurship and Innovation
Office of the Governor, Commonwealth of Virginia

Alicia Zatcoff
Sustainability Manager
City of Richmond

Tracey Wiley
Director, Small Business and Supplier Diversity
Virginia Commonwealth University

Appendix C: Scope of Practice for Community Health Workers in the Commonwealth of Virginia June 29, 2015 (provided by IPHI)

Community health workers (CHWs) are a critical resource within health and social service systems. Nationally and in the Commonwealth of Virginia, there has been increased interest in clarifying and strengthening the role of CHWs. This includes defining a scope of practice. Several groups of stakeholders, including the Virginia Community Health Workers Association, the Virginia Community Health Workers Advisory Group, the Virginia Department of Health and the Institute for Public Health Innovation, have worked collaboratively to create this CHW scope of practice for the Commonwealth of Virginia. These stakeholder groups consist of CHWs and representatives of health care providers, community-based organizations, government, academia, and other interested parties.

The scope of practice specifies the roles and activities of a CHW, which takes into account the recommended or required education, training, and/or credentialing (i.e. certification), as well as the general institutional acceptance by employers of the CHW's professional role. An articulated scope of practice for CHWs in Virginia is an important step toward formalizing the role CHWs play in Virginia's health and social service systems.

The aforementioned stakeholder groups have adopted the Virginia definition of a CHW, is as which follows:

> A Community Health Worker applies his or her unique understanding of the experience, language and culture of the populations he or she serves to promote healthy living and to help people take greater control over their health and their lives. CHWs are trained to work in a variety of community settings, partnering in the delivery of health and human services to carry out one or more of the following roles:
>
> - Providing culturally appropriate health education and information
> - Linking people to the services they need
> - Providing direct services, including informal counseling & social support
> - Advocating for individual and community needs, including identification of gaps and existing strengths and actively building individual and community capacity (Interim Report: The Status, Impact, and Utilization of Community Health Workers, James Madison University, 2005)

CHWs may be known by other names including, but not limited to, promotores de salud, patient navigator, lay health promoter, and community advocate. Some CHWs may work as volunteers, while others work as paid profes-

sionals. In order to be considered a CHW, a worker must fit the definition above. Any individual CHW would rarely perform all of the roles and activities below; rather any subset of the below activities could be included in the job description for an individual CHW.

CHW Scope of Practice for the Commonwealth of Virginia

The following are the agreed-upon roles and activities that comprise the CHW scope of practice for the Commonwealth of Virginia:

Role #1: Community Mobilization and Outreach

- Assist community members with assessing their strengths and needs.
- Increase awareness, educate and encourage action of community members on community health issues.
- Identify and locate individuals in need of services
- Conduct outreach to individuals and groups in home and community settings
- Serve as an information source to health and social service organizations on community needs and perspectives.

Role #2: Health Promotion and Coaching

- Promote health literacy by explaining the process of obtaining care including mental health support and educating on wellness and/or disease prevention and management.
- Build motivation and self-confidence of and provide guidance for individuals to care for their own health and achieve wellness.
- Provide informal counseling and social support.
- Build individuals' abilities to participate in and advocate for their own health-related problems.
- Organize and/or facilitate support groups.
- Promote harm reduction (approaches that reduce harm associated with risky personal behaviors).
- Promote treatment adherence.
- Assist with or provide basic health screenings (e.g., blood pressure, testing blood sugar, etc.).

Role #3: Service System Access and Navigation

- Educate and provide information on available resources and services.
- Help individuals to access and stay connected to health or social services through education, skills building, and peer support.
- Accompany individuals on health or social service appointments to assist with access and build skills for self-reliance.
- Serve as an intermediary between service providers and individuals receiving services, including through cultural and language translation or interpretation (formal language interpretation or translation services are only to be provided by CHWs if they have received recognized formal training as an interpreter/translator).
- Coordinate and follow up on referrals to ensure effective linkage to services.

Role #4: Care Coordination/Management

- Foster communication and effective relations between provider and client.
- Participate as a member of an integrated clinical care team.
- Perform individual strengths/needs assessments.
- Work with case managers and other care team members to coordinate and follow up on referrals to ensure effective linkage to and retention in care.
- Use peer-based support, trust and rapport with individuals and families to co-develop and support action plans.
- Promote treatment adherence.

Role #5: Community-Based Support

- Help individuals and families to address basic human needs such as food, shelter, etc.
- Meet with individuals at their home and in the community to support health promotion, care coordination, and service system navigation.

- Engage family members, friends, caregivers, and social networks to support health promotion and care coordination.
- Advocate for policy changes as they relate to patient and community needs.

Role #6: Participatory Research

- Provide community perspective in the design and implementation of research.
- Serve as an intermediary between researchers and the community that is the subject or location of research.
- Assist in the translation of research findings into practice in communities.
- Advocate for inclusion and recognition of community members in research and support them in their participation.
- Assist with collection and documentation of data and findings.

Appendix D: Leading Organizational Partners

Based on our interviews, below is a list of potential partners. This list does not purport to be comprehensive, but does provide a starting point for partnership development.

- Better Housing Coalition
- Building Lives to Independence and Self-Sufficiency (BLISS)
- Boaz and Ruth
- Bon Secours Health System
- Bonner Center for Civic Engagement, University of Richmond
- Church Hill Apprenticeship and Training
- Center for Society and Health, Virginia Commonwealth University (VCU)
- Center for Urban and Regional Development, (VCU)
- Center for Workforce Innovation
- The Community Foundation
- Communities in Schools
- Department of Community Wealth Building, City of Richmond
- Department of Public Utilities, City of Richmond
- Economic and Community Development, City of Richmond
- Federal Reserve Bank of Richmond
- FeedMore
- Goodwill Industries
- Greater Richmond Chamber of Commerce
- Greater Richmond Transit Company
- Healthy U
- Institute for Public Health Innovation
- J. Sargeant Reynolds Community College
- Kitchen Thyme
- Local Initiatives Support Corporation (LISC)
- Minority Business Development, City of Richmond
- New Richmond Ventures
- Peter Paul Development Center
- Port of Richmond
- Procurement Services, City of Richmond
- Project Homes
- Richmond Memorial Health Foundation
- Richmond Public Schools
- Richmond Redevelopment and Housing Authority
- Robins Foundation
- RVA Works
- Strickland Machine
- Virginia Commonwealth University (VCU) and VCU Health
- Virginia Community Action Partnership
- Virginia Community Capital
- Virginia Supportive Housing Coalition
- Virginia Union University

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