



AGENDA

GOAL 2 ALLIANCE

Board Members:

Aaron Terpstra • Brian Grooms • Daniel Kvamme • Danielle Rowland • Sarah Green • Dave Nitkiewicz • Jacey Ehmann •
Jenn Schaub • Katy Hallgren • Landon Jones • Latesha Lipscomb • Latrisha Sosebee • Monica App •

October 14, 2019

1:00pm-2:30pm

29 Pearl Street, NW Suite #1

1. Call to Order
2. Approval of Minutes – September 9, 2019
3. Dwelling Place Affordable Housing RFP
 - FUSE
 - CLT
4. Public restroom updates
5. Monroe North Banners Melvin Eledge
6. Downtown Neighbor Network
 - Your Voice Matters! DNN Neighbor Survey 2019
 - October Real Estate and Property Management Happy Hours (Oct 23,24)
 - Civicize.Me (Nov 9)
7. Grand Rapids Police Department Update
8. Next Meeting – TUESDAY November 12, 2019 1-2:30pm (different due to the Monday holiday)
9. Public Comment
10. Adjournment





Goal 2 Alliance

September 9, 2019

1. Call to order: Monica App called the meeting to order at 1:02 pm
2. Members Present: Daniel Kvamme, Aaron Terpstra, Latrisha Sosebee, Monica App, Danielle Rowland, Jenn Schaub, Landon Jones, and Sarah Green Dave Nitkiewicz

Members Absent: Jacey Ehmann, Brian Grooms, Katy Hallgren, and Latesha Lipscomb

Others Present: Luis Aguilera and Belisa Melton (YMCA), Lisa Sisson (Heartside Gleaning Initiative), Annamarie Buller, Melvin Eledge, Marion Bonneaux, and Amanda Sloan (DGRI).

3. Approval of Minutes- August 12, 2019
Danielle Rowland, supported by Daniel Kvamme, motioned to approve August 12, 2019 Meeting Minutes. None opposed. Motion passed.
4. Pekich Park Activation
Ms. Buller provided a recap of Pekich Park Beautification efforts. Pekich Park was cited as an area for improvement in the Heartside Quality of Life (HQOL) Study with a call for positive programming. In partnership with Dwelling Place, this park has been activated weekly for community gardening and was the starting point for the Secret Garden Tour. A Community Celebration took place last week to honor the volunteers' work on the garden. We allocated \$3,445 in FY19 to this project. Our FY 2020 costs were low with only \$1,000 budgeted; potentially more perennials and soil will be needed in FY 2021. Ms. Schaab provided an Event Series Outcomes document reviewing data from the community garden event series. She stated it was difficult to convince residents to volunteer in the garden but had interest from people that typically hang out there to assist with clean up efforts. The biggest barrier was a rat infestation which has abated with regular use of the park (after the assistance of Parks

Department and DGRI for irrigation, soil remediation, and supplies). Ms. Schaab stated herbs and seasonal plantings have also been added for residents to utilize including tomato plants. This investment, as well as the activation with Veggie Van and Gleaners events, has been highly impactful. Ms. Buller agreed and stated the volume of police calls to Pekich Park has also been on a decline.

Ms. Buller stated the mission of the Heartside Gleaning Initiative is to empower the community to become healthier through increased access to healthy foods and nutrition education. They have been working in Grand Rapids neighborhoods (mostly Heartside and Westside) for 5 years distributing fresh food to residents and to underserved community organizations. Distribution at Pekich Park will continue through October 12th on Saturdays from 2:30 – 3:30 pm. Our Downtown Ambassadors provide tents and a positive presence in the park during this time. On average, 30 residents collect produce each week with over 1,000 pounds donated weekly between God's Kitchen, The Other Way, UCOM, Dream Center, The Bridge at Arbor Circle, Spectrum Health Downtown Clinic and First CRC. Lisa Sisson stated it has been a challenge to find volunteers on Saturdays to glean and assist in the distribution. Last week almost 2,000 lbs. of produce needed moved, which is difficult, so these volunteer incentives are greatly appreciated. She added 79 food boxes have also been delivered so far this year. About 18 are delivered every other week to elderly or mobility impaired folks that are unable to access a distribution site. The goal is to expand to other properties next year. Ms. Schaub added this service was one identified in the HQOL plan. Ms. Buller presented the FY19 and FY20 Heartside Gleaning Initiative Budget Comparison. We funded \$3,080 this past fiscal year for meter hooding, volunteer incentives, and marketing materials. Included in the 2019 budget were reusable bags and logo shopping bags. In 2020, we may potentially reduce funding to volunteer incentives and meter hooding in order to fund additional Veggie Van opportunities.

The YMCA Veggie Van operates 2 vehicles year-round making daily stops in urban neighborhoods (in Grand Rapids and Muskegon) selling locally grown top quality fruits and vegetables. They accept SNAP, Senior Project FRESH/Market FRESH, and W.I.C. Project FRESH benefits. The YMCA grows produce but will also purchase from local farmers and/or supplement by partnering with local grocery stores and then sells this fresh food from predetermined locations. DGRI currently funds the Veggie Van to sell at Pekich Park on Wednesdays from 6-7pm. Each week 30 \$5 vouchers are provided and distributed to residents by DGRI and The Dwelling Place. July and August averaged 15-30 shoppers each week with around \$11-30 in voucher or food stamp redemptions. Funding of \$2,550 was provided for this service (totaling 17 hours this summer/fall). Ms. Melton emphasized the Veggie Van Double Up Food Bucks program where when shoppers utilize their Bridge Card at the market, they receive Double Up Food Buck tokens in that amount to additionally spend.

Ms. Buller stated the HQOL Implementation Working Group is very passionate about continuing to offer fresh food access year-round. We received approval to operate the Veggie Van indoors throughout the winter season at the Harris Building (located on a same block as Pekich Park). Ms. Buller proposed we fund weekly programming of the YMCA Veggie Van with funds from the HQOL Implementation Budget instead of attempting to develop our own farmer's market as called for in the plan. She reviewed the current Heartside Quality of Life Implementation Budget items. \$5,000 has been budgeted for the Neighborhood Resident Development Training Program. Support of 2 mailings for the Heartside Downtown Neighborhood Association is expected to cost \$7,000 and the Pekich Park gardening support has a budget of \$1,000. We currently have \$10,000 budgeted to incentivize local farmers markets. The items under this budget we would expect to fund in 2020 include: Heartside Gleaning Summer of 2020 for \$2,200 (which is a reduced budget covering meter hooding and volunteer incentives for 19 weeks), YMCA Veggie Van Summer of 2020 for \$3,230, and Veggie Van Fall/Winter/Spring (29 weeks) for \$4,930. Ms. Buller stated potentially we could look at investing more in Heartside Gleaning for FY 2021.

Ms. App asked if there is a concern the outstanding vouchers won't be used. Ms. Buller stated there is, but that is also just part of the advertising process. Ms. Melton stated these vouchers can be redeemed at other locations as well and a monthly calendar can be found on the website which shares daily locations. Mr. Nitkiewicz asked if we could pay for the voucher after redemption. Ms. Buller stated the \$150 fee is used to provide the service (and food) each week. Mr. Aguilera reiterated the fee in theory is "waived" with the administration of the vouchers, but we need people to use these vouchers weekly so that the produce doesn't go to waste. He also stated this project was off to a slow start but after a month people became expectant and grateful to have the opportunity to purchase fresh food. Mr. Nitkiewicz asked if the Veggie Van locations could be provided on the vouchers. Ms. Melton stated she could provide flyers with their monthly schedule but the schedule changes too frequently to include on the voucher. Ms. Sosebee asked if there would be signage or advertising in the Harris Building. Ms. Buller stated they would advertise to their tenants in a newsletter and potentially allow posters or other signage; also, a sandwich board can be set outside during the event.

Ms. Buller asked if the group supported this year long budget adjustment plan.

Ms. Sosebee, with the support of Ms. Green, motioned to approve the recommendation to fund the YMCA Veggie Van year-round. None opposed. Motion passed.

Ms. App stated she is pleased we will be extending this offering, but we have some work to do in getting the word out about this opportunity.

5. Heartside Public Restroom Recommendation

Ms. Buller provided a Public Restroom Discussion Guide and gave a brief history of explored options for a public restroom including, but not limited to, operating a commercial vacant space, installation of a portable trailer, winterize parks, initiate a friendly loo program, provide public urinals, or installing a Portland Loo. The Public Restroom Working Group and DGRI staff have identified the Portland Loo as the ideal recommendation. The total cost should be within our budget of \$150,000 and the annual maintenance minimal. The location chosen is the southeast corner of Weston and Division Avenue. Ms. Buller stated she is hopeful Goal 2 Alliance will make a recommendation to the DDA for funding this project. Once that happens, additional outreach and engagement will be done with the community and local officials. The City Design Team will need to approve the plans, but if all falls into place, we can order the Loo in December to receive and install by next summer.

Ms. Sosebee asked how this location was determined. Ms. Buller stated there is very little open grass or turf in the identified area of need. Pekich Park was identified as a potential space, but it would only be open for use from dawn until dusk. This option would provide 24-hour availability and is a space currently not well maintained. Mr. Eledge stated this location is central to the area in Heartside that has the most reported biohazard incidents. The loo also fits comfortably inside the bulb out and it appears all necessary utilities are closely accessible. Ms. Sosebee suggested we identify a secondary location for a loo and noted Williams Street at the bottom of the hill, which is away from retail businesses. Ms. App stated we have gone through so many options with a downside to all of them. This is the best option to move forward while we continue to advocate for park winterization and other alternatives. Ms. Schaub stated this gives us a location to present to the public and start our engagement process. Ms. Buller stated that when she engaged with businesses in that area, she had no pushback with this hypothetical solution. Mr. Terpstra asked who will maintain this facility. Ms. Buller stated the DDA would own and maintain the restroom. Ms. Schaub stated she would love to see this as a flagship public restroom that would be identified as a success and replicated all over the city, suggesting Ionia, Commerce, and all along the river. She provided a potential marketing slogan: "When on the Go and Need to Go." Ms. Sosebee asked if we had met with Kalamazoo officials regarding their installation of the Portland Loo. Ms. Buller stated we met with Andrew Haan of Kalamazoo Downtown Partnership and was informed that no data collection or outreach had taken place prior to the purchase of their installation. Mr. Eledge stated we also consulted the Portland Loo manufacturer and learned that these units are true tested, designed to last, and modular in design for section replacement in case of damage. Ms. Buller stated we are planning to order the heated bowl package with heated pipes. This will be comfortable enough to use but not comfortable enough to want to stay. Mr. Jones asked how we are going to track the success of this unit. Mr. Eledge stated ambassadors will continue to report public defecation incidents. We will also attach a

pedestrian counter to track how often the unit itself is being used. Our goal is to see an overall reduction in the reported incident data. Ms. Sosebee suggested following up with retail business owners in the area regularly for 6 – 12 months and recommended being prepared to navigate conversations that combat the potential association of this restroom with prostitution and drug use that already occurs in this area. Mr. Eledge stated Portland Loo consumers are regularly surveyed and data shows no increase in illegal activity at these locations. Ms. Buller stated we will track our progress closely in order to replicate this process in the future. We will also be communicating regularly with GRPD and our Downtown Ambassadors, tracking calls to this location.

Mr. Nitkiewicz motioned to recommend the purchase of a Portland Loo to be installed at the SE corner of Weston and Division Avenue. None opposed. Motion passed.

6. Downtown Neighbor Network

Events with the DNN this month include: Community & Conversations: Downtown Fresh Food Access at the Downtown Market, the Westside Street Fair Resident Rummage Sale on Winter Ave, and on a Studio Park Sneak Peek to tour the facility and see a film at the new theatre. We also received an Affordable Housing proposal from The Dwelling Place, though this does not offer to increase affordable housing units. We will look at this more closely together in October after legal review and comparison with our GR Forward goals.

7. Open Alliance Member Discussion

Ms. Buller stated Kate Hunter notified her this week that she will be unable to continue participation on the Goal 2 Alliance Board due to work/timing conflicts.

8. Next Meeting – October 14, 2019

9. Public Comment

None

10. Adjournment

Ms. Buller adjourned the meeting at 2:20 pm.

Minutes taken by:

Amanda Sloan

Administrative Assistant

Downtown Grand Rapids Inc.

Downtown Neighbor Survey 2019

Help shape the future of your Downtown!






What else do you get out of it?

You will be mailed a \$5 voucher for the Veggie Van Mobile Farmers Market open to you Wednesdays 5-6pm at the Harris Building (111 South Division).

You will also be entered to win Downtown hotel stays and restaurant gift cards.

Questions? Please contact Annamarie Buller abuller@downtowngr.org.

* 1. Please comment on the Downtown cleaning and beautification efforts (greening/plantings).

Poor	Needs Improvement	Neutral	Good	Excellent
				

Comments:

* 2. How is your experience with the Downtown parks and the Grand River?

	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
I spend time in the Downtown parks.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I find the Downtown parks beautiful and clean.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I find the Downtown parks safe and accessible.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I spend time along the Grand River.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I find the Grand River beautiful and clean.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I find the Grand River safe and accessible.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Comments:

* 3. What goods or services do you feel Downtown is missing?

- | | | |
|--|--|--|
| <input type="checkbox"/> Entertainment Venues | <input type="checkbox"/> Gallery | <input type="checkbox"/> Health Clubs/Yoga/Fitness, etc. |
| <input type="checkbox"/> Grocery | <input type="checkbox"/> Gifts/Toys | <input type="checkbox"/> Coffee Shops |
| <input type="checkbox"/> Salon/Barber | <input type="checkbox"/> Rooftop Bars | <input type="checkbox"/> Recreation |
| <input type="checkbox"/> Pharmacy | <input type="checkbox"/> Fine Dining | <input type="checkbox"/> Student Services |
| <input type="checkbox"/> Soft Retail (e.g. clothing) | <input type="checkbox"/> Casual Dining | |

Comments (and suggestions):

* 4. How do you feel about the Downtown events and activities in the summer?

- ☐ I like the choice of activities and events and I feel there are enough.
- ☐ I like the choice of activities and events but I don't feel there are enough.
- ☐ I dislike the choice of activities and events but I feel there are enough.
- ☐ I dislike the choice of activities and events and I don't feel there are enough.
- ☐ I am neutral about the choice of activities and events.
- ☐ I am neutral about the number of activities and events.

Comments (e.g. are there additional events you'd like to see?)

* 5. How is your pedestrian experience?

	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
I feel safe around cars.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I feel safe around other pedestrians.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The streets are well lit.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Snow is removed well/the sidewalks are clear.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I feel that the sidewalks are accessible.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I feel safe crossing the street at crosswalks.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Comments:

* 6. How is your experience with the DASH?

- | | |
|--|---|
| <input type="radio"/> Positive - I recommend this service to others. | <input type="radio"/> Negative - I discourage others from using this service. |
| <input type="radio"/> Positive. | <input type="radio"/> I don't know about the DASH. |
| <input type="radio"/> Negative. | <input type="radio"/> I have never taken then DASH. |

Comments (e.g. route expansion, hours expansion, convenience, etc.)

* 7. How do you get around Downtown? Check all that apply.

- | | |
|---|---|
| <input type="checkbox"/> I take the bus. | <input type="checkbox"/> I use ridersharing services. |
| <input type="checkbox"/> I walk. | <input type="checkbox"/> I bike. |
| <input type="checkbox"/> I use the May Mobility shuttles. | <input type="checkbox"/> Question does not apply. |
| <input type="checkbox"/> I drive. | |

Others/Comments:

* 8. Do you work Downtown?

- ☐ Yes
- ☐ No
- ☐ Not sure

Other (please specify)

* 9. What would improve Quality of Life for you as a Downtown resident? (Please choose your top 3).

- | | |
|--|--|
| <input type="checkbox"/> Improved Parking Options | <input type="checkbox"/> More Opportunities to Participate in Decision-Making Boards/Commissions |
| <input type="checkbox"/> Grocery Store Addition(s) | <input type="checkbox"/> Better Sidewalk Care Throughout Downtown (Including Snow Removal) |
| <input type="checkbox"/> Retail Open Later, Weekends | <input type="checkbox"/> More/Better Bike Lanes |
| <input type="checkbox"/> Additional Retail Options | <input type="checkbox"/> Maintenance and Upkeep of the Public Realm/Infrastructure |
| <input type="checkbox"/> Pharmacy Addition(s) | <input type="checkbox"/> Coordinated Recycling/Composting Efforts |
| <input type="checkbox"/> Pedestrian Safety Enhancements | <input type="checkbox"/> More Activities for People of All Ages/Interests |
| <input type="checkbox"/> More Pet-Friendly Spaces | <input type="checkbox"/> Increased Police Presence |
| <input type="checkbox"/> Better Information/Access to Downtown Community | <input type="checkbox"/> More Affordable Housing Options |

Other/Comments:

10. What do you see as the main issue impacting Downtown residents in 2019?

- ☐ Availability of K-12 education
- ☐ Construction and development
- ☐ Housing
- ☐ Pedestrian and bike safety
- ☐ Parking
- ☐ Vibrancy of the retail sector
- ☐ Transportation options
- ☐ Safety and security
- ☐ River revitalization
- ☐ Lack of resident voice
- ☐ Other (please specify):

* 11. Fill in the blank: I am passionate about _____.

☐ Homelessness/Affordable Housing

☐ Parking

☐ Creating a Block Club/Building Club

☐ Bike/Pedestrian Transit

☐ The River/Parks

☐ Public Space Activation

☐ Supporting a Vibrant Retail Landscape

☐ N/A

Other (please specify):

12. If you would like to spend time to work on this issue for the betterment of Downtown, please enter your email (or preferred contact information) below.

13. Are you currently serving on a board or committee that is working to help improve Downtown, including any neighborhood, building or business associations? Please list all that apply.

* 14. How welcome do you feel in Downtown?

☐ I feel very welcome in Downtown.

☐ I feel welcome in Downtown.

☐ I feel somewhat welcome in Downtown.

☐ I feel unwelcome in Downtown.

☐ I feel very unwelcome in Downtown.

Comments (e.g. why, where, when):

15. How safe do you feel in Downtown?

☐ I feel very safe in Downtown.

☐ I feel safe in Downtown.

☐ I feel somewhat safe in Downtown.

☐ I feel unsafe in Downtown.

☐ I feel very unsafe in Downtown.

Comments (e.g. why, where, when):

16. How represented do you feel in Downtown?

- ☐ I feel very represented in Downtown.
- ☐ I feel represented in Downtown.
- ☐ I feel somewhat represented in Downtown.
- ☐ I feel misrepresented and/or unrepresented in Downtown.
- ☐ I feel very misrepresented and/or very unrepresented in Downtown.

Comments (e.g. why, where, when):

* 17. How long have you lived Downtown?

Comments:

* 18. In your opinion, what are the greatest assets or positive aspects of living Downtown?

- | | |
|---|--|
| <input type="checkbox"/> Downtown Grand Rapids has a lot of cultural amenities. | <input type="checkbox"/> Downtown has great housing options. |
| <input type="checkbox"/> Downtown Grand Rapids has great events and nightlife. | <input type="checkbox"/> Downtown has density of retail options. |
| <input type="checkbox"/> Downtown Grand Rapids has great parks and public spaces. | <input type="checkbox"/> Downtown is growing. |
| <input type="checkbox"/> Downtown Grand Rapids is convenient to my everyday life (e.g. work, entertainment, everyday amenities) | <input type="checkbox"/> Downtown is where I go to school. |
| <input type="checkbox"/> Downtown is thriving. | <input type="checkbox"/> Downtown is saving me money. |
| <input type="checkbox"/> Downtown has great transit/walkability. | <input type="checkbox"/> Downtown is where I work. |

Was your selection part of the reason you moved to Downtown?

19. Please comment on your satisfaction with living Downtown. What infrastructural or cultural developments would cause you to move out of Downtown?

20. What are other ways you get information about Downtown?

- | | |
|--|---|
| <input type="checkbox"/> There is a TV or bulletin board that is used to share information in my building. | <input type="checkbox"/> Downtowndwellersgr on Facebook |
| <input type="checkbox"/> There is a monthly newsletter/email for my building. | <input type="checkbox"/> The Salon on Facebook |
| <input type="checkbox"/> There is a Facebook Group for my building. | <input type="checkbox"/> I use my neighborhood association Facebook group. |
| <input type="checkbox"/> There is a Google Group for my building. | <input type="checkbox"/> There is not any form of regular communication from property management. |
| <input type="checkbox"/> I attend board or resident council meetings for my building. | <input type="checkbox"/> I watch local news. |
| <input type="checkbox"/> There are flyers and posters in the elevators in my building. | <input type="checkbox"/> I read local news. |
| <input type="checkbox"/> There is a community space that we can use for meetings or events in my building. | <input type="checkbox"/> I read the Grand Rapids subreddit. |
| <input type="checkbox"/> I use my neighborhood's Nextdoor app. | <input type="checkbox"/> I read the City of Grand Rapids ward newsletter. |
| <input type="checkbox"/> Dating apps, for example Bumble. | <input type="checkbox"/> I watch City Commission meetings. |
| <input type="checkbox"/> Other (please specify) | |

21. The Downtown Neighbor Network (DNN) is led by people who identify as Downtown neighbors to foster a community of neighbors that are connected, informed and empowered to improve the Downtown living experience. Please let us know how you interact with the DNN.

- ☐ I subscribe to the newsletter.
- ☐ I am a member of the Facebook group.
- ☐ I regularly attend DNN events.
- ☐ I have been to at least one DNN event.
- ☐ I know of the DNN but have not been connected.
- ☐ I don't know about the DNN.
- ☐ Comments:

Tell us a little bit about yourself.

* 22. Please enter your basic contact information. This information, along with your individual answers, will be kept confidential. In order to receive your free veggies and be entered to win a hotel stay please enter your complete address.

Name	<input type="text"/>
Building Name	<input type="text"/>
Downtown Address	<input type="text"/>
ZIP/Postal Code	<input type="text"/>
Email Address	<input type="text"/>
Phone Number	<input type="text"/>

23. Which neighborhood do you live in?

- | | |
|--|---|
| <input type="radio"/> Heartside Downtown Neighborhood | <input type="radio"/> Heritage Hill Neighborhood |
| <input type="radio"/> John Ball Area Neighborhood/Southwest Area Neighbors | <input type="radio"/> Monroe North Neighborhood |
| <input type="radio"/> West Grand Neighborhood | <input type="radio"/> Creston Neighborhood |
| <input type="radio"/> Belknap Lookout Neighborhood | <input type="radio"/> Roosevelt Park Neighborhood |
| <input type="radio"/> Grandville Neighborhood | <input type="radio"/> Not sure |

Other (please specify)

* 24. Please list your employment status.

- | | | |
|--|---|--------------------------------------|
| <input type="radio"/> Employed Full-Time | <input type="radio"/> Full-Time Student | <input type="radio"/> Retired |
| <input type="radio"/> Employed Part-Time | <input type="radio"/> Part-Time Student | <input type="radio"/> Student & Work |
| <input type="radio"/> Self-Employed | <input type="radio"/> Military | <input type="radio"/> Disability |
| <input type="radio"/> Out of Work & Looking for Work | <input type="radio"/> Homemaker | |
| <input type="radio"/> Out of Work & Not Looking for Work | <input type="radio"/> Unable To Work | |

Other (please specify)

* 25. With which gender identity do you most identify?

- ☐ Female
- ☐ Male
- ☐ Transgender Female
- ☐ Transgender Male
- ☐ Gender Variant/Non-Conforming
- ☐ Prefer Not to Answer

Not Listed:

* 26. Please select your age.

* 27. Please select the option that best describes your household.

	With Children	No Children
Single	<input type="checkbox"/>	<input type="checkbox"/>
In a relationship	<input type="checkbox"/>	<input type="checkbox"/>
Married	<input type="checkbox"/>	<input type="checkbox"/>
Divorced	<input type="checkbox"/>	<input type="checkbox"/>
Retired	<input type="checkbox"/>	<input type="checkbox"/>

Other (please specify)

* 28. Are you currently a student?

- ☐ Yes - Full Time
- ☐ Yes - Part Time
- ☐ No

If yes, what institution do you attend?

* 29. What racial category best describes you?

☐ Black or African American

☐ Native Hawaiian or other Pacific Islander

☐ Hispanic or Latino

☐ American Indian or Alaska Native

☐ Asian or Asian American

☐ Middle Eastern

☐ White or Caucasian

☐ Prefer Not to Answer

Other (please specify)

Thank you for taking the time to complete the Downtown Resident Census! We appreciate your voice! If you have more ideas to share than space allowed feel free to email abuller@downtowngr.org and we will add your remarks to our research.



DOWNTOWN
GRAND RAPIDS INC.

REQUEST FOR PROPOSAL

AFFORDABLE HOUSING SUPPORT FOR DOWNTOWN GRAND RAPIDS, MI

Deadline:

Downtown Grand Rapids Inc. will receive proposals on a rolling basis

Deliver to:

Downtown Grand Rapids Inc.
Attention: Annamarie Buller and Tim Kelly
29 Pearl Street NW
Suite 1,
Grand Rapids, MI 49503
Or abuller@downtowngr.org; tkelly@downtowngr.org

Request for Proposals

Funds available for creative initiatives to help Downtown Grand Rapids grow and secure the neighborhood's overall supply of "affordable" housing.

Background

The City of Grand Rapids and the Downtown community are deeply committed to maintaining and expanding a broad range of housing choices, with a particular emphasis on "affordable" housing for low-wage earners. The GR Forward strategy, an investment guide for Downtown and a 2015 amendment to the City Master Plan, established the goal of maintaining 30% of the Downtown housing supply for those earning below 120% of area median income.

Downtown currently tracks with this housing goal. Currently 34% of the 4,579 housing units are income restricted and help low income renters find affordable housing. Indeed, the neighborhood today enjoys the highest concentration of "affordable" housing stock in the greater Grand Rapids area.

The challenge is maintaining and growing the supply. Home to two major medical campuses, a dozen colleges/universities, a growing number of jobs, the regional transit hub and an increasingly vibrant entertainment scene, Downtown is an increasingly attractive residential neighborhood.

What's more, major plans for investment and continued growth are on the horizon. The restoration of the Grand River as a signature public amenity is one particular project anticipated to significantly elevate the neighborhood's quality of life and, among many welcome benefits, also increase the competition for housing.

Ensuring Downtown Grand Rapids proactively maintains a robust supply of "affordable" housing for workers, students, seniors and others - commensurate with the GR Forward housing goal - is a top community priority.

Funds Available

Downtown Grand Rapids Inc. (DGRI) administers the Grand Rapids Downtown Development Authority (DDA). The DDA has funds available up to \$250,000 to support creative solutions that advance on Downtown's "affordable" housing goal. These funds are available through local increment tax capture by the DDA. As such funds are subject to geographic limitations, use restrictions and payment availability as established by Part 2 of PA 57 of 2018 (formerly PA 197 of 1975) and other policies established by the Grand Rapids DDA Board. See supporting documentation attached.

Potential Use of Funds

This process is open to ideas and initiatives that support and bring about innovation in “affordable” housing. The purpose of this RFP is to identify creative strategies and projects that effectively and measurably advance on the community’s goal of growing and maintaining “affordable” housing choices in Downtown.

Below are examples of situational uses eligible and not eligible for funding. These lists are meant to be illustrative, not exhaustive. DGRI staff is available to help potential applicants determine the eligibility of proposed uses not listed below. Given the complexity of ways in which tax increment funds can and cannot be used, potential applicants are strongly encouraged to involve DGRI staff in the review of potential proposals prior to submission.

Potential ideas for the use of DDA funds may include, but are not limited to:

- Conducting original research that further defines Downtown’s affordable housing challenges and opportunities
- Developing a viable economic model for the construction and operation of Downtown multi-family affordable housing
- Planning and proposing the construction and operation by the DDA of a multi-family affordable housing project

Examples of uses not eligible for DDA funding:

- Marketing specific individual housing projects
- Paying individual rents
- Staff and administrative fees for housing projects
- Construction of privately-owned affordable housing

Proposal Requirements

Proposals submitted shall be limited to 6 pages (or 12 double-sided pages, including cover and back page). The proposal should include the following:

- Description of approach--- A summary of your venture and how it will achieve the community goals.
- Relevant experience--- A description of your previous experience and qualifications on similar ventures.

- Team--- Description of the individuals working on this project and their role in the work. This could include other partnering organizations or funders.
- Schedule--- Overview of timeline and important project milestones to ensure measurable movement towards the community goal.
- Measurability---Description of how the project process and results will be measured and documented to rate success and establish potential further replication and adaptation.
- Project costs--- An outline of proposed costs, professional fees or other expenses required to complete the proposed approach.

Evaluation Factors

DGRI and the GR Forward Goal 2 Alliance will evaluate responses to this RFP based on several key factors including:

- The location proposed is within the DDA boundaries.
- The use of the funds is consistent with PA 57 state-statute, which empowers the Downtown Development Authority to fund Affordable Housing in Downtown Grand Rapids.
- Alignment with the aforementioned community goals defined in GR Forward.
- Creativity and development of proposed solution.
- Applicants relevant past performance/experience.
- Speed of implementation.
- Potential for success.
- Sustainability and replicability.
- Clear articulation of expected outcomes.
- Documentation of process and measurability of outcomes.

Timeline

DGRI invites applications on a rolling basis and will review proposals with the support of DGRI staff, the GR Forward Goal 2 Alliance and the DDA Board.

Email DGRI Proposal for Affordable Housing

----- Forwarded message -----

From: **Dennis Sturtevant** <dsturtevant@dwellingplacegr.org>

Date: Mon, Aug 19, 2019 at 9:32 AM

Subject: DGRI Proposal for Affordable Housing

To: Annamarie Buller <annamariebuller@gmail.com>, Tim Kelly <tkelly@downtowngr.org>

Cc: Alonda Trammell <atrammell@dwellingplacegr.org>, Chris Bennett

<CBennett@dwellingplacegr.org>, Heather Ibrahim <hibrahim@dwellingplacegr.org>, Jennifer Schaub

<jschaub@dwellingplacegr.org>, Justin Rhodes <jrhodes@dwellingplacegr.org>, Karen Monroe

<KMonroe@dwellingplacegr.org>, Kim Cross <krhcross@dwellingplacegr.org>, Rebecca Long

<RLong@dwellingplacegr.org>, Scott Page <spage@dwellingplacegr.org>, Stephen Wooden

<swooden@dwellingplacegr.org>, Steve Recker <srecker@dwellingplacegr.org>, Rachel Osbon

<ROsbon@dwellingplacegr.org>, George Larimore CPA <george.larimore@colliers.com>, Jessica Zarik

<jzarik@dwellingplacegr.org>, Zoe Post <zpost@dwellingplacegr.org>

Dear Tim and Annamarie,

Pursuant to recent conversations with both of you, I am submitting a proposal requesting \$133,425 from the DGRI Affordable Housing Initiative RFP. We intend to use those funds to address affordable housing issues in the downtown area from two distinctly different and unique approaches.

The first approach is a pilot project called FUSE (Frequent User Systems Engagement) that is modeled after numerous similar efforts in other cities. FUSE is a multi-faceted housing model that focuses on the provision of supportive housing for individuals who are often the hardest to maintain in housing. The FUSE model incorporates a local commitment for wrap around services that can accompany a housing placement to increase the likelihood for housing stability and reductions in use of expensive private and public services from law enforcement, first responders, emergency room providers and social service providers. A potential added benefit is improved economic development outcomes in neighborhoods where public inebriation, public urination, untreated mental illness and substance abuse problems are prevalent. We intend to contract with the Corporation for Supportive Housing (CSH) for technical assistance to implement this FUSE program. CSH has pioneered this model across the United States. Dwelling Place has lined up a significant cohort of local health care, social service and law enforcement providers to participate with us in making FUSE a success.

The second component of our proposal is a pilot to form a Community Land Trust (CLT), another unique model for affordable housing, but this time focused on long-term, affordable home ownership in the "missing middle" demographic (50% - 110% of the area median income) in the downtown area. While this model for affordable home ownership has been around for many years, it has not been widely implemented in Michigan. Dwelling Place has contracted with Burlington Associates, national experts on the CLT model, to provide technical assistance in the development of a business plan to convert several of our rental apartment communities

into home ownership opportunities. The largest of these apartment communities is located on Division Avenue in the Heartside Neighborhood called Martineau Apartments. This 23 unit apartment community was established in 2004 as an artist, live/work community, the first of any scale in Grand Rapids. Today, we believe it is an ideal setting from which to experiment with an entirely new model for home ownership in Grand Rapids.

I have attached several documents with our proposal that provide background to better understand both the FUSE and CLT initiatives we are proposing. I have also attached a copy of our technical assistance contract with Burlington Associates and the technical assistance proposal from CSH.

Please let us know if you have need of any further information. A hard copy of this proposal and the attachments will be sent today through the US mail. Thank you for your consideration.

Dennis Sturtevant

Chief Executive Officer
101 Sheldon SE
Grand Rapids, Michigan 49503
616-855-0410



AFFORDABLE HOUSING SUPPORT FOR DOWNTOWN GRAND RAPIDS, MI

Business/ Organization: Dwelling Place of Grand Rapids Nonprofit Housing Corporation

Business/ Organization Point of Contact: Dennis Sturtevant

Business/ Organization Address: 101 Sheldon SE, Suite 2, Grand Rapids, Michigan 49503

Business/ Organization Email: dsturtevant@dwellingplacegr.org **Business Phone:** 616-855-0410

1. Description of Approach (A summary of your venture, strategy, partnerships and/or distinguishing points of the proposed action to achieve community goals):

Dwelling Place is excited to present this dual-faceted housing proposal, piloting two distinctively different housing initiatives to improve quality of life in the Heartside and Downtown area.

FUSE (Funding Request \$33,425)

Frequent Systems User Engagement or FUSE, is a specialized housing program, focused on moving the most frequent users of public services (emergency rooms, law enforcement, ambulance services, judicial and social services) into supportive housing with wraparound services to help ensure that the majority of these individuals will remain housed, thereby improving their well-being while reducing costs to the community. A secondary benefit from the FUSE program may also include improvements in neighborhood economies resulting from reduced problems associated with public inebriation, loitering, untreated mental illness and substance abuse since many of the individuals associated with these behaviors are now in permanent supportive housing.

During 2018 and 2019, Dwelling Place contracted with Public Sector Consultants to facilitate a community conversation regarding the intersection of behavioral health and economic development issues within the Heartside-Downtown area. Over nine months, representatives from more than 30 separate public and private organizations participated in these meetings, finally creating a plan to focus on several local initiatives, FUSE being one of them. More than 20 cities across the United States are using the FUSE model to reduce the public costs of addressing problems in this homeless population. The Corporation for Supportive Housing (CSH), another national intermediary in community development <https://www.csh.org/fuse/>, has led this effort across the United States. After accepting an invitation to meet with the Heartside Planning Group, CSH was invited to submit a proposal to provide technical assistance in

Downtown Grand Rapids, Inc.

Grand Rapids to facilitate the creation of a Heartside-Downtown FUSE plan in conjunction with the Michigan Department of Health and Human Services, local police, fire, health care, judiciary and social service organizations.

If this initiative moves forward, Dwelling Place will agree to prioritize some of our existing supportive housing, in conjunction with several other community housing programs, to shelter up to fifty (50) FUSE clients with pledges for on-site service integration from local social service and health care institutions. Information about FUSE is attached along with the CSH proposal for the provision of technical assistance.

The housing that Dwelling Place is proposing to prioritize for this FUSE initiative includes three large permanent supportive housing communities it owns and manages in the Heartside-Downtown Neighborhood. These include Verne Barry Place (116 apartments), Ferguson Apartments (119 apartments) and Commerce Courtyard Apartments (67 apartments). We are proposing to prioritize these housing projects for individuals identified by the police and fire departments, health care institutions and local social service providers as frequent users of public and private services. In conjunction with our commitment to prioritize this population for housing, a FUSE model assumes a commensurate prioritization from the health care and social service systems for on-site and off-site wrap around services to increase the likelihood for these residents to sustain their housing over time. The Corporation for Supportive Housing would be contracted to provide the technical assistance needed to work with these systems, creating a framework for success of this model in Grand Rapids.

The Martineau Community Land Trust (Funding Request \$100,000)

Dwelling Place has operated Martineau Apartments as a "live/work" residential, rental community since 2004, introducing Grand Rapids to its first, large scale, live/work community. This 23 unit "live/work" initiative eventually led to adaptation in the City's zoning ordinance to create a category of residential living called "live/work", that is presently being used across the City. Dwelling Place used Creative Places, a consulting division of Art Space, based in Minneapolis, Minnesota to design the residential spaces with artists in mind. A preference for leasing to artists remains in place.

Initial financing for the project came from New Markets Tax Credits, federal and state Historic Tax Credits, state brownfield tax credits, philanthropy and HOME funds from MSHDA and the City of Grand Rapids. One of the two commercial spaces in this project is presently leased to the Taste Buds/Kitchen Connects, while the larger, commercial space, was recently activated by Dwelling Place as a hub for neighborhood arts programs and its Community Building and Engagement programs. Calvin College leased this space for 10 years for faculty art spaces and gallery space for Calvin College's Art Department.

Martineau Apartments has frequently received state and national attention, winning two statewide awards including the Best Historic Rehabilitation of a Commercial Building in 2007 and the prestigious "Guvvy Award", as the Best Business Enterprise in Support of the Arts in Michigan, also in 2007.

Our plan to convert this apartment community from an affordable rental project into an affordable home ownership project comes after several years of analysis. The Community Land Trust (CLT) model has documented success throughout the United States for many years, but its use in Michigan has been limited to several rural areas on a very small scale. Dwelling Place has decided to convert this rental project and two others it owns on the southwest side of the City into CLTs, including New Hope Homes (6 duplexes) and Grandville Homes (10 single family homes). The budget and plan submitted to DGRI is for Martineau Apartments only.

A power point summary describing this model of affordable home ownership is attached as well as a research paper authored by Local Initiatives Corporation, a national community development intermediary. Simply stated, a community land trust is able to ensure long-term affordable home ownership for two reasons:

- The first is that the Community Land Trust owns the land under the improvements, which eliminates the cost of land from the transaction.
- Secondly, buyers are allowed to purchase their homes/apartments, significantly below the appraised market value in return for a pledge to leave 75% of any appreciation in the property, upon sale, in order to ensure affordability for the next buyer.

All other of the bundle of rights that come with home ownership are retained, providing a low or moderate-income buyer with an opportunity to own their home in a way that would otherwise be impossible in the conventional market. Further, all CLT owners receive ongoing support from the CLT, before their purchase to prepare them for owning a home and throughout their ownership of a CLT unit, to ensure their success as a homeowner. As the owner of the land beneath the buildings, the CLT holds a land-lease with each owner, which dictates conditions for the purchase and sale of the property but little else except for prohibiting units from being leased to others or used as second homes.

Dwelling Place proposes to use this innovative national model for homeownership, in downtown Grand Rapids to create opportunities for the "missing middle" households with incomes under 110% of the area median income. Funding from DGRI will be used exclusively for costs in the redevelopment plan that are deemed eligible for use with DGRI funding. These may include renovations to the facades of the buildings, improved handicapped accessibility, technical assistance contracts and/or certain soft costs deemed as eligible under state rules and regulations that govern use of DGRI funding.

Because of the peculiar ownership structure of a community land trust with the land lease, conventional mortgage financing is not available through every lender. Fannie Mae has created a means through which these mortgages can be bundled and sold in the secondary markets and a number of banks and CDFIs across the country are participating in support of community land trusts. Locally, Huntington Bank and Opportunity Resource Fund, a CDFI, have been active in this market. Dwelling Place expects to refer interested residents to these institutions to determine their eligibility for financing.

2. Relevant Experience (A description of your previous experience and qualifications on similar or related types of ventures or initiatives proposed):

Formed in 1980, Dwelling Place is one of the largest affordable housing providers in the state of Michigan with more than 1,400 housing units owned and/or managed across four West Michigan counties. Within the DDA boundaries, Dwelling Place owns and manages nearly 700 housing units, including a mix of affordable housing units, supportive housing units and market rate units. With nearly 80 employees, Dwelling Place acts as developer, owner and property manager in all of its properties. Beyond our housing experience, Dwelling Place has extensive experience in the provision of support services through its Support Services Department as well as neighborhood organizing and revitalization services through its Community Building and Engagement Department.

3. Team (A description of the individuals, business, organizations and or partners involved and their role in the work. Key personnel will be an important factor considered by the review committee):

Developer:	Dwelling Place of Grand Rapids Nonprofit Housing Corporation
Development Staff:	Chris Bennett, Director of Housing Development Stephen Wooden, Asst. Director of Housing Development Dennis Sturtevant, CEO Scott Page, Facilities Director
Property Management Staff:	Kim Cross, Chief Operating Officer Rachel Osbon, Senior Property Manager
Construction Company:	To be determined
Legal Counsel:	Tim Orlebeke, Orlebeke-Mackraz PC
Real Estate Consultant:	George Larimore, CPA, Colliers International
CLT Mortgage Financing:	Huntington Bank Opportunity Resource Fund
CLT Appraiser:	Jeff Genzink, Genzik Appraisal Company
CLT Consultant:	Michael Brown, Burlington Associates
FUSE Lead Consultant:	Mercedes Brown, Corporation for Supportive Housing

Beyond the Development Team, Dwelling Place has engaged numerous community partners in planning to introduce the FUSE initiative into downtown Grand Rapids including Spectrum Health, Mercy Health, Cherry Health, Network 180, the Grand Rapids Police and Fire Departments, the City of Grand Rapids Planning Department, DGRI and most of the Heartside Neighborhood social service agencies. A second group is working with Dwelling Place that will be focused on economic development initiatives to reframe the Heartside narrative as one that is open and supportive of incubator space, pop up stores and other innovation strategies.

4. Schedule (An overview of timeline and important project milestones to ensure measurable movement toward the community goal):

THE FUSE INITIATIVE

September 2019

- Fundraising for FUSE and CLT initiatives is secured.

October 2019

- FUSE contract with Corporation for Supportive Housing is implemented providing technical support to Heartside-Downtown FUSE Steering Committee.

December 2019

- The top 50 FUSE Clients in Heartside-Downtown area are identified by the Heartside-Downtown Steering Committee in conjunction with the Michigan Department of Health and Human Services and the local Continuum of Care for the Coalition to End Homelessness.

January 2020

- FUSE housing and services plan finalized by the Heartside-Downtown FUSE Steering Committee.

March 2020

- Referral process for FUSE clients into permanent supportive housing is initiated.

July 2020

- Interim report on FUSE placement success is prepared and disseminated.

THE COMMUNITY LAND TRUST (CLT) INITIATIVE**September 2019**

- CLT Appraisals of 23 Martineau Apartment Units completed.

October 2019

- CLT Business Plan for feasibility is complete with consulting support from Burlington Associates.

December 2019

- Regional CLT 501c3 entity is formed to own CLT land with board comprised of one-third buyers, one-third Dwelling Place appointees and one-third at-large community representatives.
- Martineau CLT Condominium Association is formed
- Interested/Eligible buyers from current residents are pre-qualified for mortgage financing through Huntington Bank or Opportunity Resource Fund.
- CLT Homeownership training is contracted with ICCF.

January 2020

- Eligible CLT buyers participate in home ownership training.

March 2020

- Scope of renovation for Martineau CLT Condominium Association common areas and for each of the "For Sale" units is determined.
- Individual CLT buyers receive approval for mortgage financing.

April 2020

- Martineau CLT renovation is initiated.

August 2020

- Martineau CLT renovation is completed.

September 2020

- Real estate and mortgage closings occur with qualified CLT buyers.
- CLT buyers move into their renovated units.

5. Measurability (Description of how the project process and results will be measured and documented to rate success and establish potential further replication and adaptation):

FUSE

1. The number of fire, police and ambulance pickups in the Heartside-Downtown area will be reduced by at least 30% within 12 months of full implementation as measured by City of Grand Rapids statistics.
2. Emergency room visits by identified FUSE clients will be reduced by at least 30% within 12 months of full implementation as documented by Mercy Health and Spectrum Health.
3. Within 6 months of implementation, housing and services plans will be created for a minimum of 80% of the identified FUSE clients for up to 50 FUSE identified clients.

CLT

1. Dwelling Place will create a regional Community Land Trust by March 31, 2020 which will include a minimum of 23 CLT housing units within the Heartside-Downtown area serving "missing middle" households with incomes between 50% and 110% of the area median income.
2. The development process for the CLT will be documented and disseminated publicly as a new housing model in Grand Rapids for creating long-term affordable home ownership serving a "missing middle" population.
3. Within 24 months of implementation, the 23 units located in Heartside-Downtown will be converted to CLT home ownership units. (Current rental residents who do not qualify for mortgage financing or who are otherwise not interested in purchasing their apartments will not be displaced which could extend the full implementation period.)

6. Project Costs (An outline of proposed costs, professional fees, or other expenses required to complete the proposed approach):

FUSE (12 months)

Expenses:	Technical Assistance Contract with CSH (one-time only)	\$ 42,500
	FUSE Implementation Coordinator Contract	\$ 15,200
	Mileage and Conference	\$ 2,600
	Phone	\$ 135
	Supplies	<u>\$ 1,000</u>
	TOTAL	\$ 61,435

Sources:	Mercy Health (pending)	\$ 5,000
	Cherry Health (committed)	\$ 5,000
	Network 180 (committed)	\$ 5,000
	Dwelling Place (committed)	\$ 5,000
	Kent County Medical Society Alliance (pending)	\$ 3,000
	Spectrum Health (pending)	\$ 5,000
	DGRI Request (pending)	<u>\$ 33,435</u>
	TOTAL	\$ 61,435

NOTE: In addition to the \$5,000 cash commitment from Dwelling Place, we are also contributing the services of a full-time VISTA Volunteer, who will be assigned to support the FUSE Initiative as well as Economic Development Initiatives in the Heartside Neighborhood. We are also providing office and small group meeting space all as in-kind support.

Community Land Trust:

Expenses:

Technical Assistance Contract Burlington Associates	\$ 25,000
Project Renovations for CLT sales	\$ 497,000
Construction Contingency	\$ 49,700
Appraisal Fees	\$ 8,750
Legal	\$ 20,000
Architectural/Engineering	\$ 40,000
TOTAL	\$ 640,450

Sources:

Dwelling Place (to be financed with a portion of unit sales proceeds)	\$ 490,450
NeighborWorks (pending)	\$ 50,000
DGRI	\$ 100,000
TOTAL	\$640,450

NOTE: DGRI funds will only be used for expenses eligible under DGRI rules and regulations including but not necessarily limited to such things as façade and sidewalk repairs and improvements, repairs and improvements that ensure barrier free accessibility and technical assistance contracts.

Submittals and questions can be directed to Annamarie Buller and Tim Kelly at Downtown Grand Rapids Inc. at abuller@downtowngr.org and tkelly@downtowngr.org

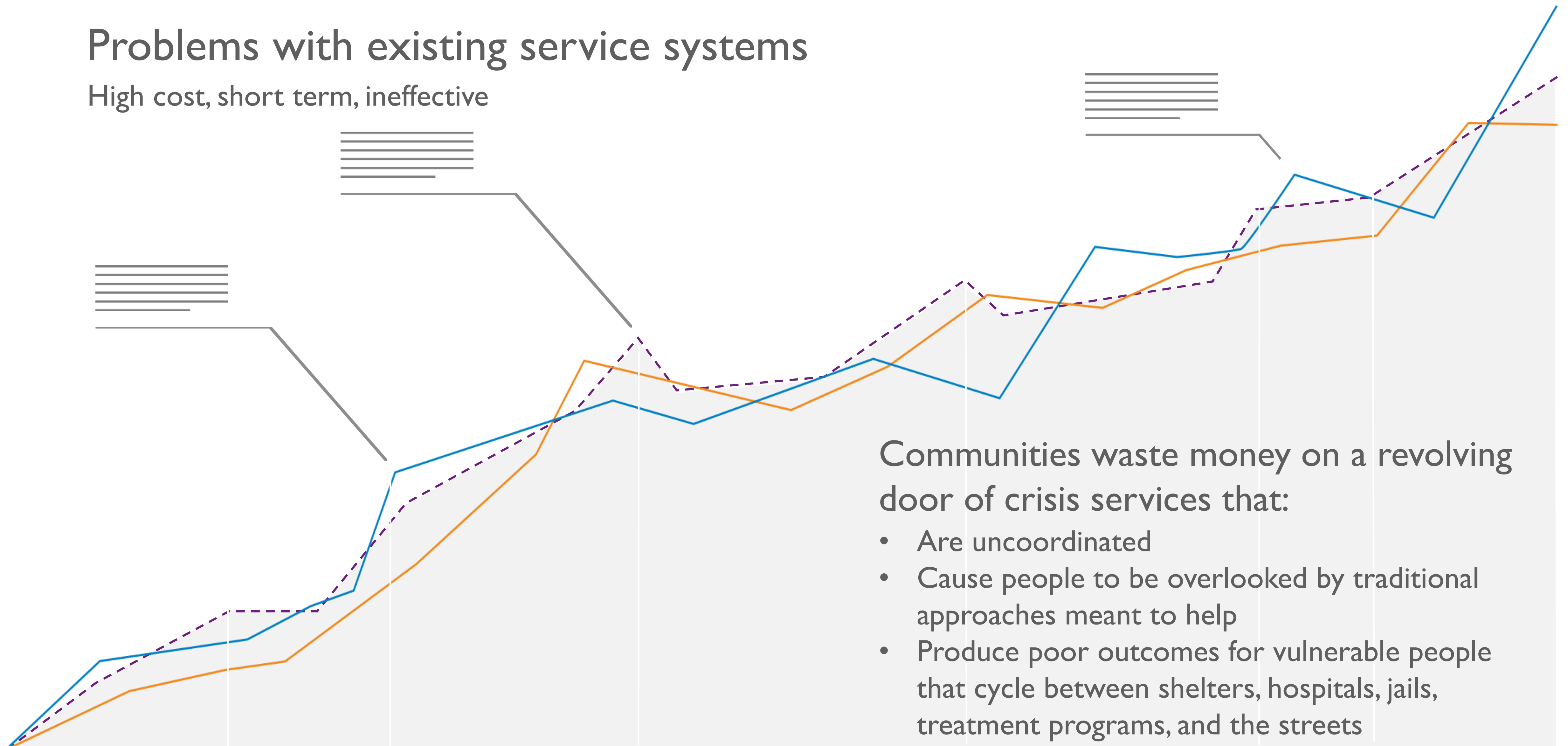


www.csh.org/fuse

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Problems with existing service systems

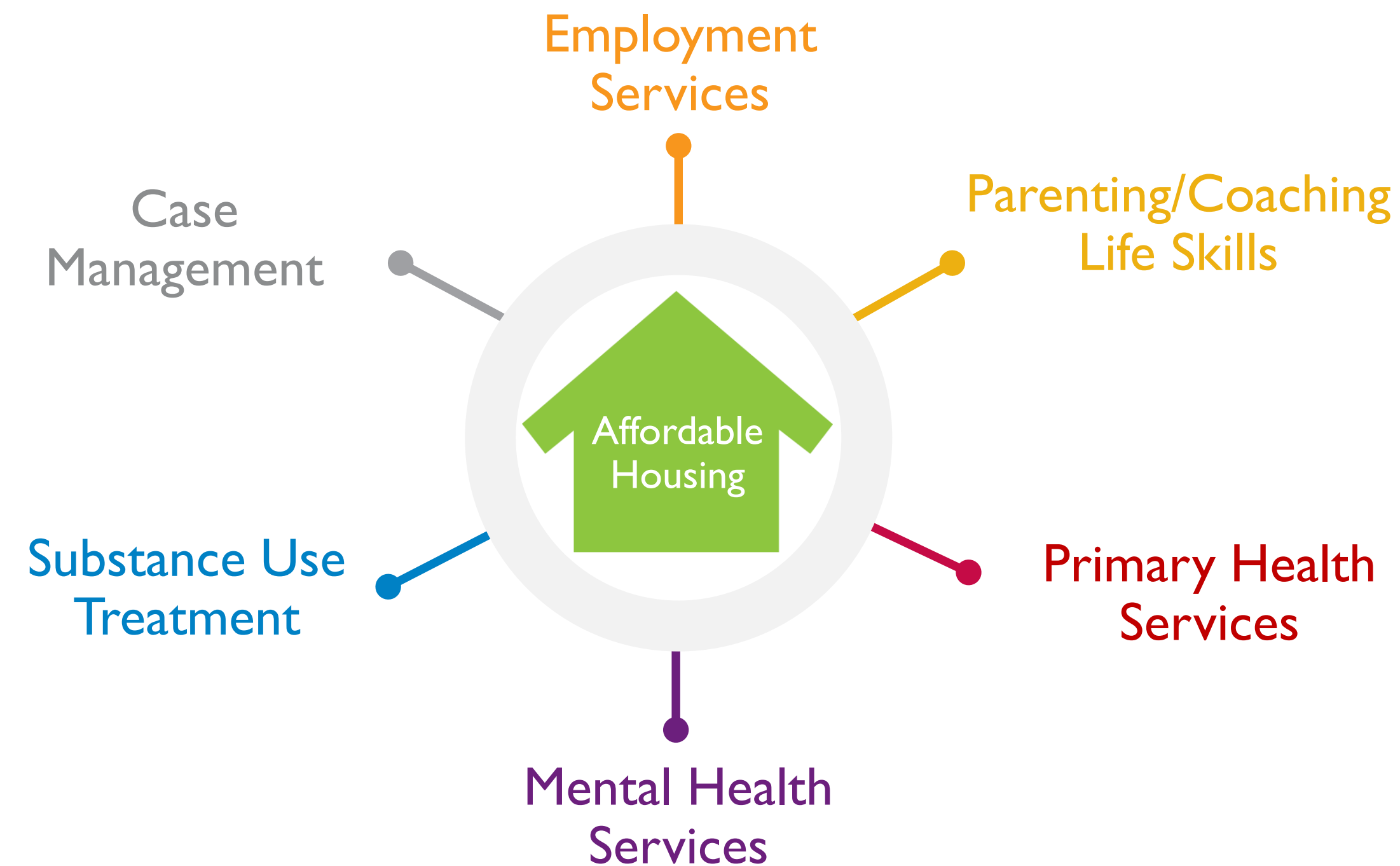
High cost, short term, ineffective



FUSE Supportive Housing is cost-effective solution, producing lasting results

It facilitates cooperation, coordination, partnerships to connect public service systems

- Strengthened partnerships
- Efficient delivery of services
- Better use of limited resources
- Improved outcomes for people and communities



Housing:

- Affordable
- Permanent / Stable
- Independent

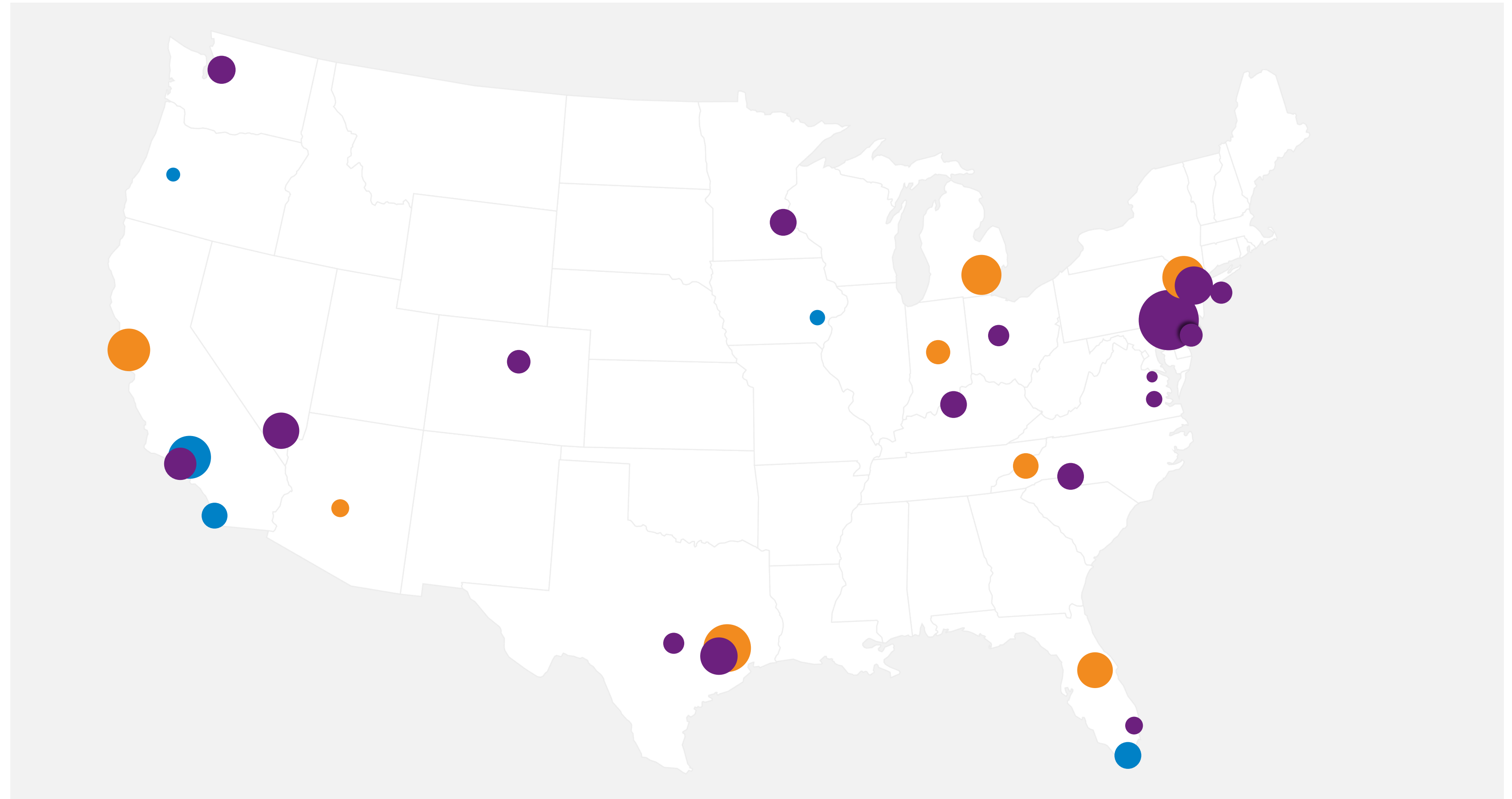
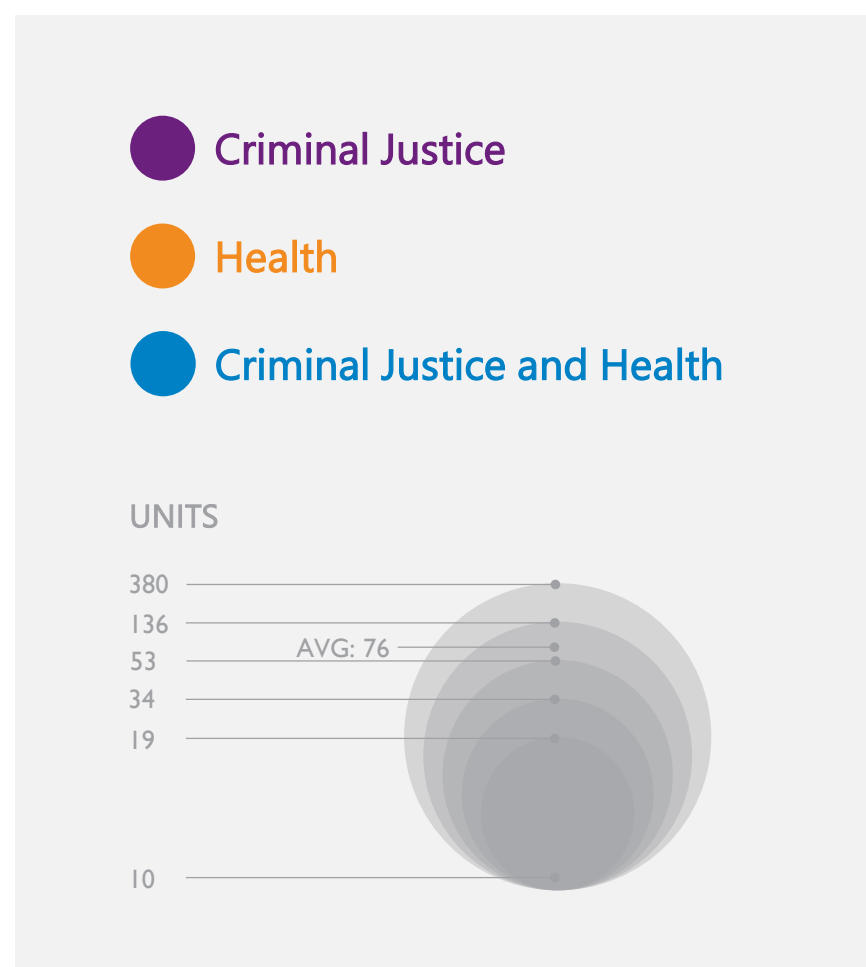
Support:

- Flexible
- Voluntary
- Person-centered Coordinated Services

So what is FUSE?

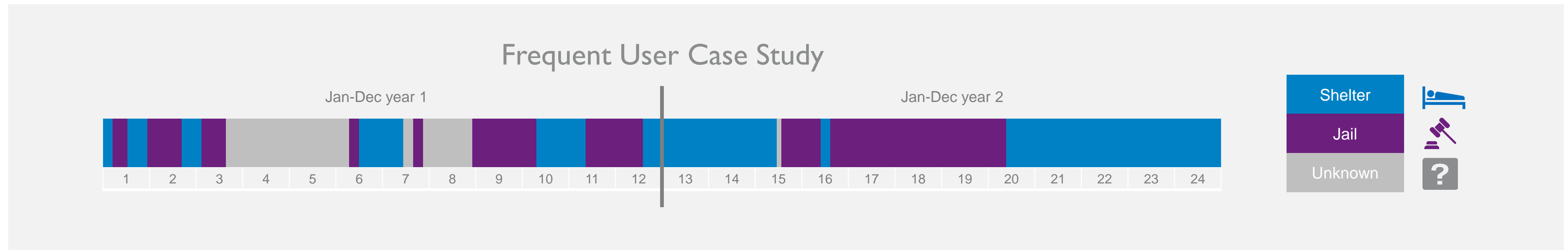
FUSE (Frequent Users Systems Engagement) is more than just housing, it's a nationally proven solution

FUSE helps communities maximize data to stabilize homeless frequent users of criminal justice and health services, reducing returns to jail and costly emergency health care.



Frequent Users

What does a frequent user look like?



Health/BH/EMT Data

44% of jail inmates have MH disorder; 24% have multiple chronic conditions

HMIS Data

Rates of homelessness among people exiting correctional institutions are 10-25%

Jail Data

A national needs assessment performed by CSH found that nationally more than 139,000 people in custody need supportive housing.

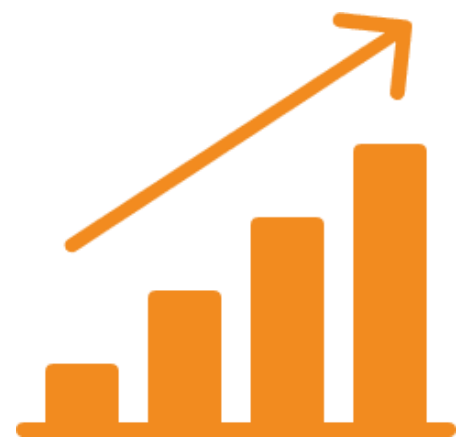
Frequent Users in Criminal Justice

Without access to stable housing with support services, an endless cycle of recidivism develops

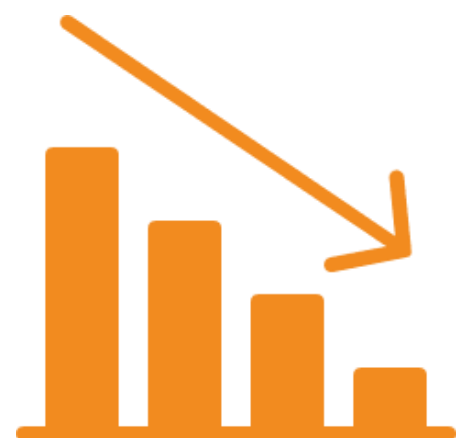


Frequent Users in Healthcare

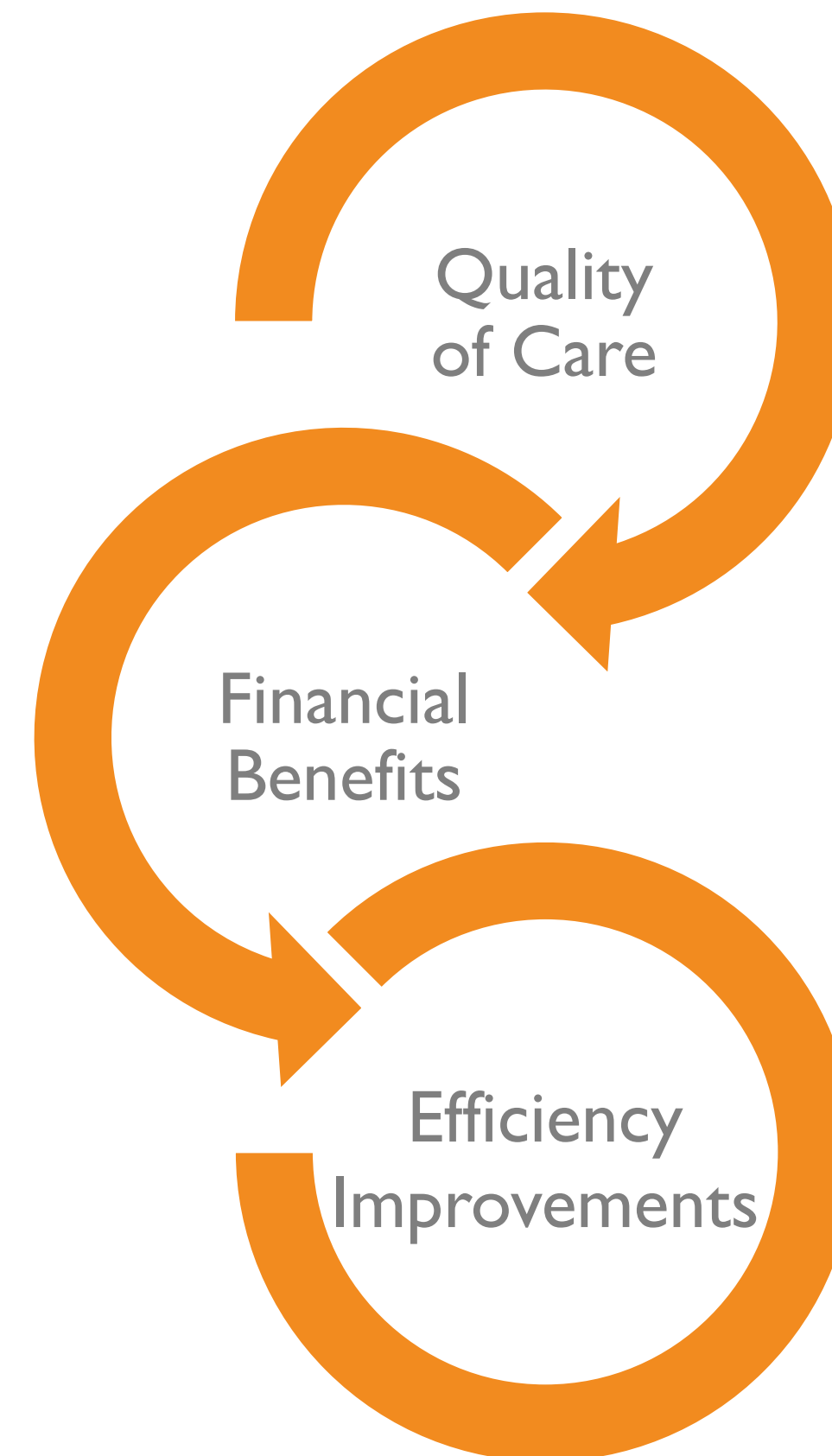
FUSE also works to improve healthcare outcomes and costs



- Increased quality of life
- Connection to more appropriate community care
- Housing stability
- Better conditions in ERs



- Decreased ER, hospital use
- Decreased ambulance usage
- End to homelessness



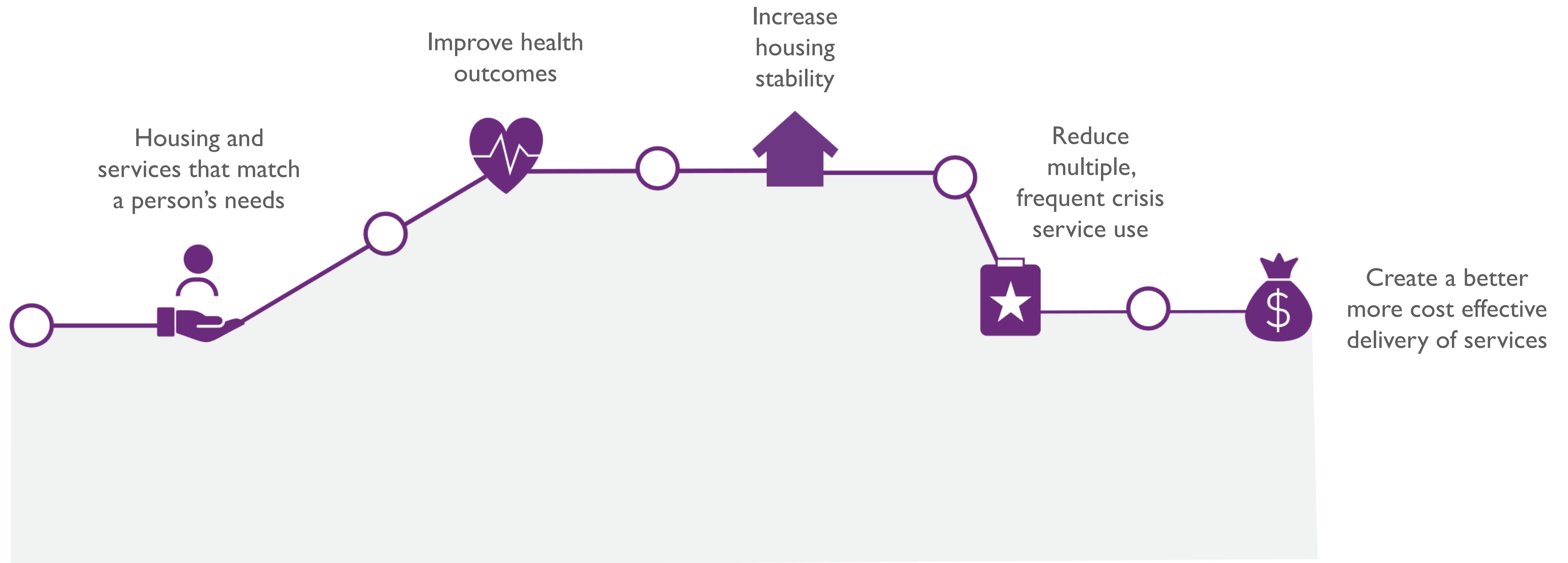
- Continuity of care from hospital to community: confidence that patients get care they need
- Reduced risk of discharge to street
- Reduced readmissions to ER and hospital

- Cost avoidance in ER and inpatient care
- Reduction in uncompensated care debt

- More appropriate use of ER space and staff
- More efficient use of hospital social workers and discharge planners

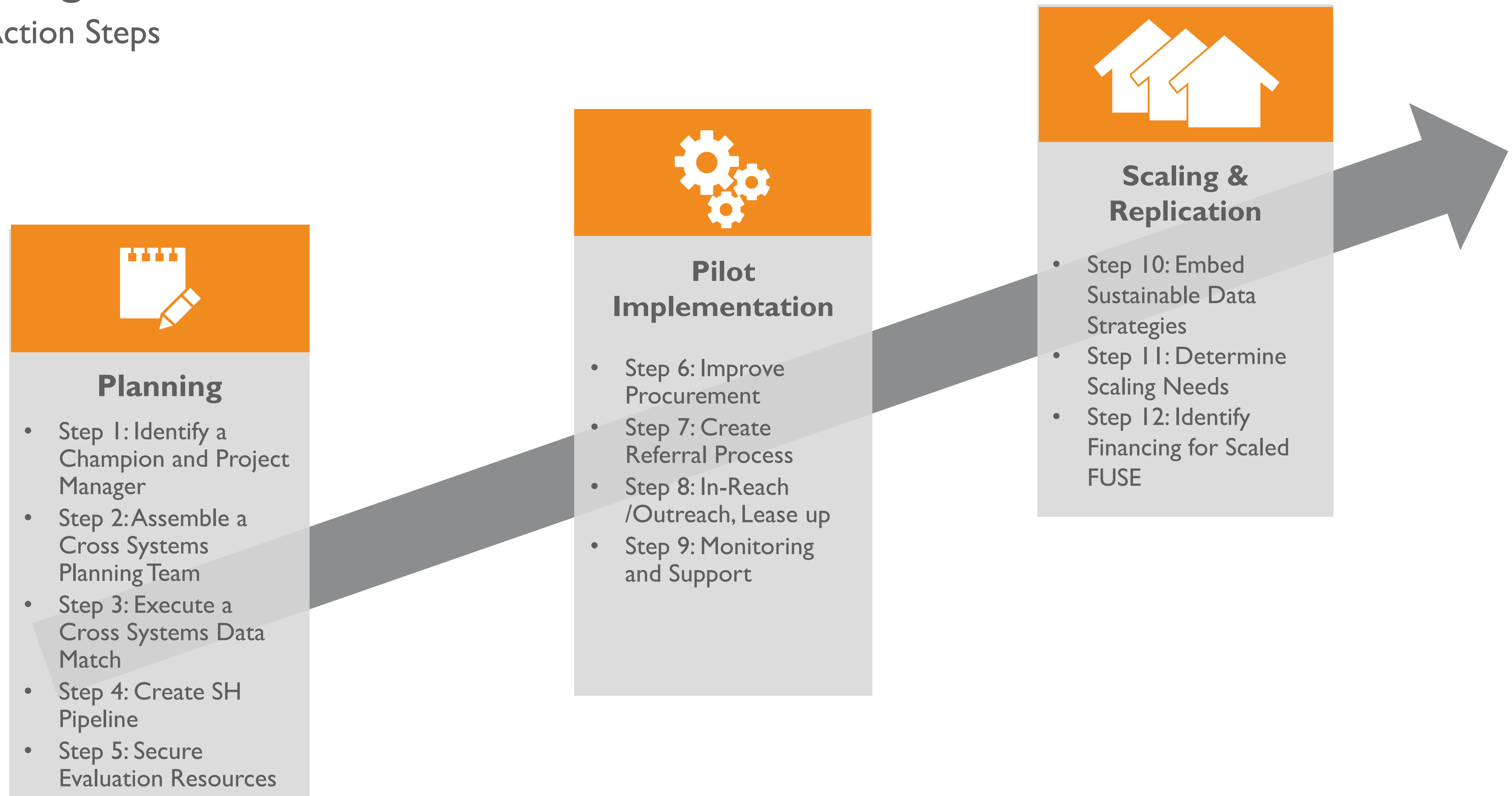
FUSE is a process

We help systems connect to housing and services for their frequent users



Growing with scale

FUSE Action Steps



Successes

FUSE Evaluations Prove It

NYC FUSE

40%

Reduction jail days

91%

Fewer shelter days

50%

Reduction in psychiatric input

86%

Housed after 2 years

San Diego Project 25

67%

Reduction in total public costs after 2 years

60-80%

Reduction in ambulance, ER, hospitalizations, arrests, jail days

200%

Net savings of over paying for housing and services

MeckFUSE (Charlotte)

50%

Fewer arrests

87%

Fewer shelter days

24%

Less ambulance service charges

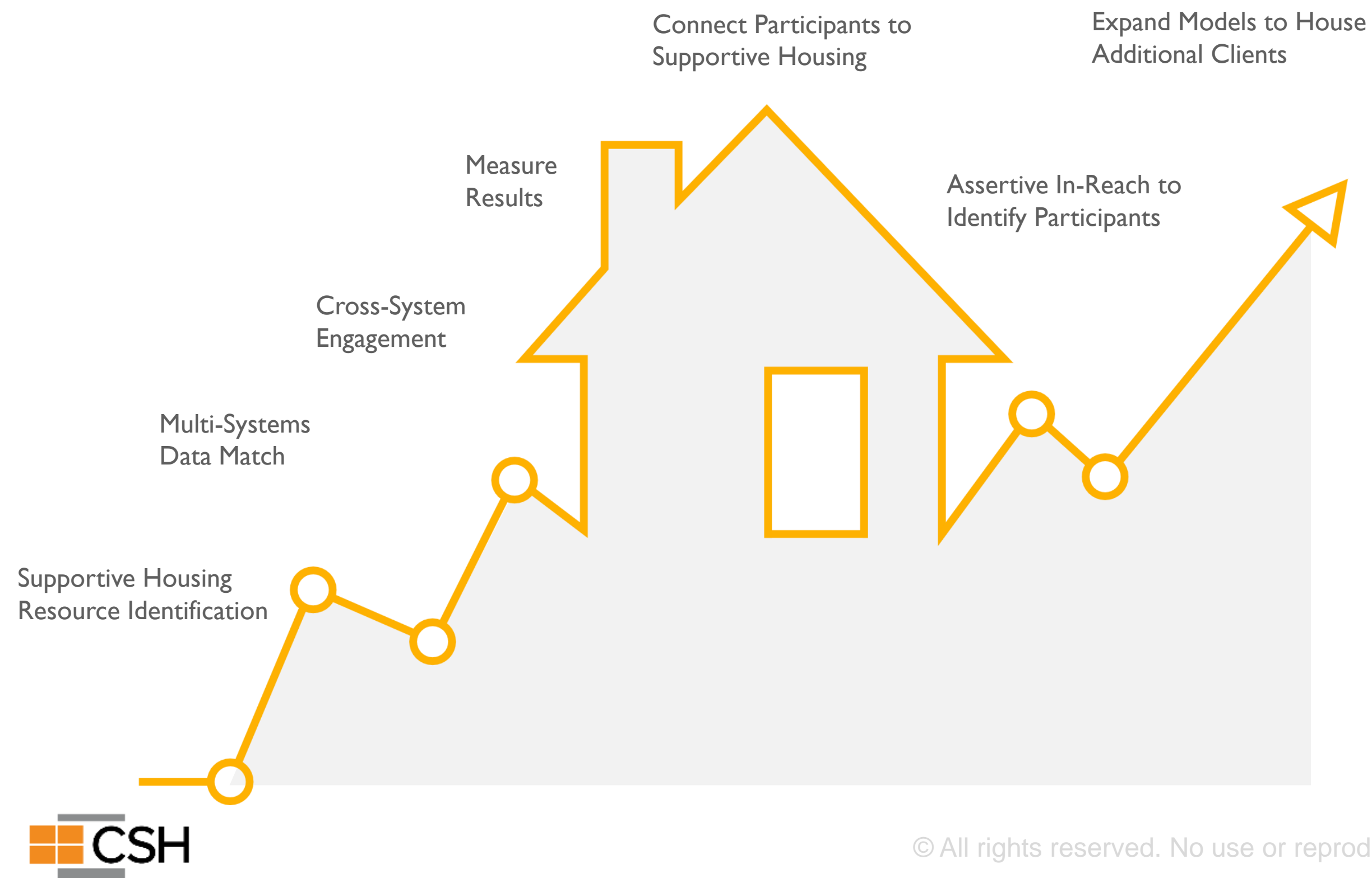
43%

Less hospital charges

Pay for Success and Impact Investment

Bigger impact and savings

FUSE can be scaled using mainstream housing and service resources



FUSE results can lay groundwork to attract investment/resources



Take action with CSH and FUSE!

This is how we can help



contact us fuse@csh.org

visit csh.org/fuse

search csh.org/training

We provide FUSE technical assistance to meet the needs of your community

**T H A N K
Y O U**

www.csh.org/fuse

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Purpose of Consulting Services

A cross-sector stakeholder group in the City of Grand Rapids is seeking technical assistance to establish a system for identifying people who are in need of supportive housing who are frequent users of the Kent County Jail, local emergency shelters, and hospital emergency departments for supportive housing. CSH created the Frequent Users Systems Engagement (FUSE) approach to help communities across the country use data and align systems to identify people with the highest costs and greatest needs for permanent supportive housing. The Grand Rapids Community is seeking CSH's consulting services to develop a local FUSE Initiative in the Heartside Neighborhood of downtown Grand Rapids.

Menu of Services

1. Cross-Systems Data Matching and Landscape Assessment (July-October 2019)

An essential component of the FUSE initiative is data-driven targeting. CSH has significant experience supporting communities nationally with overcoming barriers to cross-sector data sharing and arriving at a shared, community definition of frequent users. Assistance in this area will include:

- Identification of key systems to include and contacts at relevant agencies such as homeless systems, HMIS data administrators, jail system administrators, hospital stakeholders, as well as State-level Department of Health and Human Services (HHS) and other agency stakeholders
- Assistance with outreach and engagement to key stakeholder partners (i.e. CoC/HMIS lead agency and jails, state partners, etc.) that may contribute data, including presentations
- An assessment of data matching capacity at each stakeholder agency/organization
- Samples of data use agreements needed to execute the data match/analysis and help facilitate development MOUs/Business Associate Agreements to share data, including field selection, analytical plan, and security/privacy considerations
- Elevating best practices in planning for data sharing for FUSE populations– including how far back to look at data, fields useful to share for FUSE, frequency of use, data sharing flow, and planning for future matching/data integration
- Technical assistance on frequent user list development with available data

- Support framing and shaping the analysis of frequent user data for presentation to stakeholders to achieve consensus around targeted population and eligibility factors

Budget: Estimated cost for this task is \$11,375.00.

2. Stakeholder Engagement and Cross-System Resource Alignment Support (July – December 2019)

CSH will work with the Grand Rapids Community to establish an interagency, multi-sector FUSE stakeholder Workgroup that will design and implement a FUSE initiative in Heartside Neighborhood of downtown Grand Rapids. CSH will:

- Provide assistance with identifying and structuring the FUSE stakeholder workgroup (including, but not limited to providing guidance on composition/membership, scope, purpose, FUSE project champion, project manager, etc.)
- Facilitate one on-site multi-stakeholder FUSE kick-off meeting and participate in scheduled meetings with project partners to occur in the first two months of the contract
- Provide facilitation support of FUSE Workgroup meetings; manage agenda and ensure that project is hitting clear goals and milestones with input from local project point person
- Provide assistance with cultivating interagency collaboration and ongoing engagement with an eye towards identifying, aligning and repositioning necessary housing and services resources to implement a successful FUSE initiative, including assistance with identification of short- and long-term housing and supports
- Provide coordination support with leadership for the local Coordinated Entry System to educate on FUSE and using matched administrative data to enhance prioritization of housing resources
- Provide strategic guidance to the FUSE Workgroup in connecting its work to the creation of new supportive housing units underway in Grand Rapids
- Provide support and best practices around evaluation planning (provide support cultivating relationships with local and statewide evaluation and research partners)

Budget: Estimated cost for this task is \$12,250.00.

3. FUSE Implementation Assistance and Support (January 2019- June 2020)

CSH will work with the FUSE Workgroup in the development of an implementation framework clearly outlining the timeline and process for implementing FUSE in Grand Rapids. CSH will:

- Provide strategic guidance to the FUSE Workgroup to create the implementation framework that outlines program eligibility, service delivery, and monitoring tools
- Provide strategic guidance to the FUSE Workgroup in creating a mechanism to track implementation progress and provide sample tracking tools
- Connect to peers in Michigan and other states/localities that have successfully implemented FUSE
- Help the FUSE Workgroup to develop an assertive, targeted outreach and client recruitment plan
- Assist stakeholders in assessing the need to implement or alter a release of information for the project
- Remotely lead and develop the agendas for implementation meetings to assist Action Team and stakeholders in executing the plan

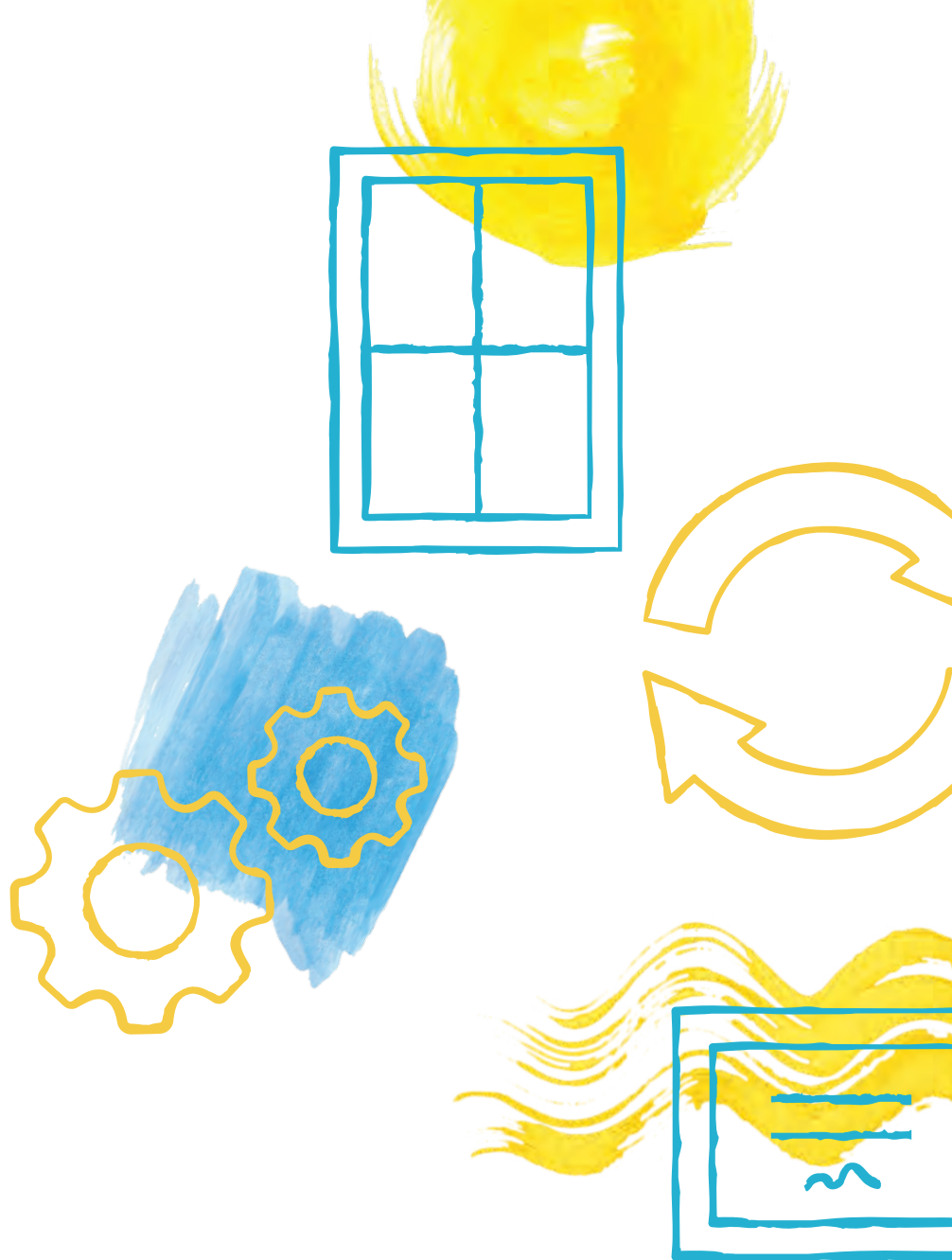
Budget: Estimated cost for this task is \$11,375.00.

Scope Budget Information:

Task Area	Timeline	Amount
Task 1 - Cross-Systems Data Matching and Landscape Assessment	July- October 2019	\$11,375.00
Task 2 - Stakeholder Engagement and Cross-System Resource Alignment Support	July- December 2019	\$12,250.00
Task 3 - FUSE Implementation Assistance and Support	January 2019- June 2020	\$11,375.00
<i>Travel</i>		\$7,500.00
Total		\$42,500.00

Next Steps

Thank you for the opportunity to submit this proposal. We would be happy to modify the scope of work with your feedback to best meet your needs. Please contact Mercedes Brown at mercedes.brown@csh.org or 810-357-6096 to discuss next steps.



FEBRUARY 2019

Community Land Trusts & Community Development

Partners Against Displacement

David M. Greenberg
National Director of Research

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Executive Summary

The number of very low-income households without any housing subsidy who pay more than 50% in rent grew from about 6 million in 2005 to approximately 8.3 million in 2015.¹ There were over 2.3 million eviction filings in 2016 and in 2017 approximately 1.4 million households were forced out of their homes unwillingly in the previous two years.² Homeownership is increasingly out of reach for low-income and middle-class people, with home prices outstripping income gains for the past six years.³ Because of these conditions, community development practitioners and local policymakers across the country are seeking tools to combat displacement. One of the more visible of these strategies involves creating or scaling-up Community Land Trusts (CLTs).

CLTs are entities or programs that hold land and govern the terms around which owners or tenants can use it. In most cases, CLTs use a “ground lease” to achieve permanent affordability by putting resale restrictions into place and setting guidelines about income eligibility. CLTs are lauded for creating permanently affordable housing, and for building a neighborhood-wide constituency for its sustained community ownership. At the same time, most land trusts are relatively small compared to the scale of local and national housing need.

This policy brief asks how partnerships between CLTs and community development institutions can scale up and sustain land trusts so as to begin to impact displacement at the neighborhood level. These goals of scale and sustainability are intertwined. Achieving scale means identifying new pipelines and resources to secure land and properties, and to rehabilitate them as needed. Making sure these larger land trusts are sustainable means ensuring that new properties’ financing and governance will allow for permanent affordability.

Scaling up sustainably: partnerships around investment, CDC-CLT infrastructure, and policy advocacy

In interviews, Community Development Corporations (CDCs) and Community Development Financial Institutions (CDFIs) found it advantageous to partner with or support CLTs for several reasons:

1. to reframe expectations about land and property and build ambitious community movements;
2. to foster greater community control of affordable housing and re-energize relationships between CDCs and their community; and
3. to preserve permanent affordability within other kinds of publicly subsidized housing programs.

To achieve these three goals, land trusts and community development organizations throughout the country are partnering to explore ways to reach greater scale of CLTs: by directing investments typically associated with the community development sector to CLTs; by using the infrastructure for the CDC movement to support CLTs or create new ones; and by supporting public policies that create new pipelines for properties that can become part of a CLT.

The report provides numerous examples of these partnerships, many of which have been supported by LISC.

- **Investments:** Community Development Financial Institutions (CDFIs) and community foundations provide grants and loans directly to CLTs across the country, and provide technical assistance to cities so they can fund land trust expansion. For example, LISC has deployed HUD capacity-building grants to CLTs in diverse places such as Tempe, Arizona; Oakland, California; and Minneapolis, Minnesota.
- **Leveraging the CDC infrastructure to support CLTs:** CLTs and CDCs have long collaborated, as many CDCs have developed homes which are turned over to land trusts. Recently, some CDCs have considered ways to move their rental portfolios into land trusts for various reasons. For example, the Banana Kelly Community Improvement Association is developing a land trust to govern their properties, while mobilizing broader community support for creating additional land trusts in the Bronx area of New York City.
- **Policy mobilization:** CDCs and CDFIs are supporting local resident-led campaigns for community control of land through land trust expansion. For example, in Buffalo, New York, LISC supported activist-led efforts in the historic Fruit Land neighborhood around expansion of a local medical center that has resulted in the creation of a municipally-supported land trust.

Policy windows and opportunities to create new pipeline and housing resources

There is heightened interest in supporting land trusts through municipal policy — in 2018 alone, cities like Denver, Nashville, and Tallahassee launched or supported new land trusts. In addition, some recent and proposed policies at the federal level could either support land trusts or would be a potential rationale for their scaled-up deployment. For example, Opportunity Zones are a creation of the 2017 tax law, and designate economically-distressed communities for preferential tax treatment of reinvested capital gains. Although Opportunity Zones can create needed funding for community-supported projects, advocates and policymakers have raised concerns that unregulated or uncontrolled investments may accelerate displacement and gentrification. Some localities are already exploring whether land trusts could acquire property in Opportunity Zones to deter speculation, and whether Opportunity Funds could support the maintenance and expansion of land trusts over time.

Finally, while CLTs are an important institution in themselves, seen only from the instrumental goal of influencing displacement, they are also an important organizing tool. That is, residents who mobilize for community control can influence housing and land use policy, and in doing so help generate new resources and new pipelines for permanently affordable housing. This organizing for a new pipeline of properties and the resources to rehabilitate them and maintain them as permanently affordable is critical, because while CLTs are vehicles for community control, they do not in themselves ensure sustainable growth. As a result, organizing for new policies, such as adequately-funded tenant “right of first refusal” programs, the transfer of land bank-acquired properties into land trusts, or the disposition of tax-foreclosed properties into CLTs, may be an area for collaboration between CDCs and CLTs, because in hot housing markets both movements are in need of new pipeline and new resources.

Introduction

\$100,000

is the amount a household needs to earn a year to afford a typical Bay Area apartment.

The lowest-earning fifth of US renters spend over half their income on housing and have about \$15 a day remaining for all other expenses, including food, clothing, medicine, and transportation.⁴ The number of very low-income households without any housing subsidy who pay more than 50% of their income in rent grew from about 6 million in 2005 to approximately 8.3 million in 2015.⁵ In some of the nation's hotter real estate markets, such as the Bay Area, a household would need to earn nearly \$100,000 a year to afford a typical apartment, and in New York State a renter would need to work 115 hours a week at minimum wage to afford a two bedroom rental — on any given day, 10% of children in the New York City public school system are living in a homeless shelter.⁶ As for homeownership, buying a home is increasingly out of reach for low-income and middle-class people, with home prices outstripping median income gains for the past six years.⁷ Even in areas with less expensive housing such as the Detroit metro region, home prices have increased about 50% in the last five years, putting homeownership out of reach of many low-income people. As a result of these escalating pressures — which stem not just from rising costs but stagnant wages and rising inequality — there were over 2.3 million eviction filings in 2016, and approximately 1.4 million households in 2017 were forced out of their homes in the previous two years.⁸

Because of these conditions, practitioners and policymakers all around the country are seeking tools to combat displacement.⁹ One of the more visible of these strategies involves creating or scaling-up Community Land Trusts (CLTs), because CLTs generally ensure community control of land, aim to provide permanent affordability on their properties, and attempt to remove properties from the speculative market. CLTs are organizations or programs that hold land and govern the terms around which owners or tenants can use it. In many cases, CLTs use a “ground lease” to mandate the permanent affordability of homes or apartments in the trust by creating income eligibility and resale restrictions. CLTs also attempt to create more collective stewardship of land by engaging different kinds of stakeholders. For example, in a traditional CLT, a trust is governed through a tripartite board composed of CLT residents, community stakeholders such as local officials or nonprofit leaders, and neighborhood residents who are not in the CLT but live in the area. In these ways, CLTs are lauded for creating permanently affordable housing, as well as building a constituency for the sustained community ownership and stewardship of this valuable resource.

At the same time, most land trusts are relatively small compared to the scale of housing need described above. There are approximately 225 CLTs throughout the US, according to the Grounded Solutions Network, which supports the CLT movement as a technical assistance provider and intermediary. While a few are large and well-established, the median (or typically-sized) CLT contains 50 housing units. Though not an entirely fair comparison given greater policy support for other affordable housing vehicles, to put these figures into context, in 2018 there were over one million units of public housing (whose charge is also to be permanently affordable), 1.8 million tenant-based housing choice vouchers,¹⁰ and over 2 million units had been produced through the Low Income Housing Tax Credit.¹¹

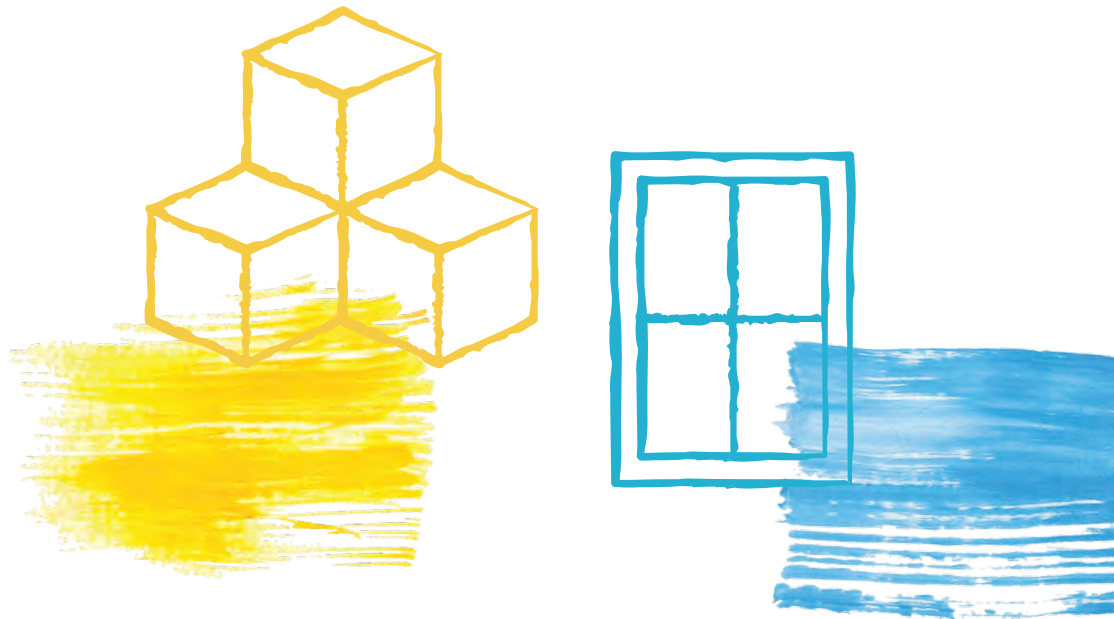
115 hours

a week at minimum wage is needed to afford a two bedroom rental in New York State.

This policy brief asks how partnerships between CLTs and community development institutions can scale up and sustain land trusts so as to begin to impact displacement at the neighborhood level. To answer this question, LISC Research and Evaluation conducted interviews with city officials, advocates, and community-based practitioners engaged with land trusts in eight cities and examined recent policy proposals related to CLTs. The brief finds that community development organizations throughout the country are partnering with land trusts so as to help them reach greater sustainable scale in several ways:

1. by directing **investments** typically associated with the community development sector to CLTs;
2. by using the **infrastructure** of the CDC movement to support CLTs or create new ones; and
3. by supporting **public policies** that create new pipelines of properties and resources to help them become part of a CLT.

The remainder of the brief explores the factors that supported both the growth of CLTs and the community development movement, and examines the potential synergies between the two kinds of institutions.¹² It then looks at different examples of partnerships before exploring some important policy developments at the federal level that may support these partnerships. Finally, the paper provides a summary of current challenges and opportunities related to CLTs becoming a major new resource in the fight against displacement.



Community Land Trusts and the Community Development Movement

CLTs first appeared in the United States as Civil Rights movement activists drew on international collectivist models to support African-American farmers in Albany, Georgia.¹³ While CLTs grew in number during the '80s and '90s, their greatest period of growth has been the 2000s.¹⁴ A recent survey found most units within CLTs to be on the East Coast or New England. But CLTs exist in every US region and in different kinds of market contexts, including urban and rural places, large and “hot” housing markets as well as smaller places with cheaper land but which still experience affordability challenges and displacement pressures.



Increased investment, an expanding organizational infrastructure, and public policy support fueled the growth of both CLT and CDC movements. These three factors are also potential avenues of partnership to scale up and sustain CLTs.

200%

increase in CLTs nationwide during 1980s and 90s.

One significant example of a CLT which has sought to influence displacement at the neighborhood level is Dudley Neighbors, Inc. a project of the Dudley Street Neighborhood Initiative (DSNI) in Boston. Involving 226 units of affordable housing, as well as an urban farm, parks and commercial space, the CLT was founded in 1988 after organizing by local residents led to the State of Massachusetts giving DSNI powers of eminent domain, so as to be able to claim neglected and abandoned properties and make them permanently affordable.¹⁵

In many instances, local governments have supported the growth of land trusts through public policy decisions, seeing opportunities either to intertwine their own affordable portfolio with land trust strategies, or seeking to support independent CLTs. Much of this innovation occurred by necessity, as housing policy became more localized and a loss of federal resources required creative municipal solutions. As an example of the intertwining of city programs and CLT models, Irvine, California placed units affiliated with their Inclusionary Zoning program into land trusts to ensure their permanent affordability. As described below, the City of Chicago currently regulates affordable units created by private developers through a land trust supported by its Department of Planning. Cities have directed resources from HOME Investment Partnership and Community Development Block Grant (CDBG), bond finance, and Tax Increment Financing (TIF) to support land trusts, and have also attempted to ensure fairer property assessments so that properties are not taxed according to the market rate.¹⁶

For its part, the community development movement has also been propelled by supportive national and local policies, and from the infrastructure of intermediaries who provide financing and capacity-building assistance. In the 1980s and 1990s, the number of CDCs doubled nationwide,¹⁷ encouraged by new federal funding streams for affordable housing development through CDCs, and by the actions of city government to funnel vacant or distressed properties to CDCs for affordable housing construction.¹⁸ Like CLTs, the community development sector has also benefited from local activist movements against redlining and urban renewal, and for affordable housing and community control. And similar to CLT's reliance on technical assistance and funding networks like Grounded Solutions, CDCs rely on intermediaries such as LISC and other Community Development Financial Institutions (CDFIs) for support through loans, grants, equity and capacity-building programs.¹⁹

In other words, increased investment, an expanding organizational infrastructure, and public policy support fueled the growth of both CDC and CLT movements. These three categories of investment, organizational infrastructure and public policy are explored on the following pages as potential avenues of partnership to scale up and sustain CLTs.



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community development
sector has benefited from
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affordable housing and
community control.

Exploring Synergies Between CDCs and CLTs

As many have noted, both land trusts and community development corporations are concerned with similar outcomes — affordability and, increasingly for the community development movement, permanent affordability. Both kinds of organizations can bring development expertise to the table, with CDCs as a whole known somewhat more for their track record of building and preserving affordable housing, although many CLTs also act as developers. And both movements are concerned with resident engagement — with CLTs as a whole known somewhat more for this kind of organizing for community control, although many activist CDCs have a very strong base in their communities. While some writers and practitioners emphasize tensions or differences between CDCs and CLTs,²⁰ as described below, the movements have a track record of working together.

The primary reason to promote partnerships between the community development and land trust movements is to address the level of need described above for permanently affordable housing that is under sustainable community control — to reach, in other words, sustainable scale. These goals of scale and sustainability are intertwined. Achieving scale means identifying new pipelines and resources to secure land and properties, and to rehabilitate them as needed. And making sure these larger land trusts are sustainable means that new properties' financing and governance need to allow for permanent affordability for low-income individuals.

In addition to this goal of sustainable scale, interviews surfaced three broad motivations for CDCs and CDFIs to partner with CLTs or support them: a desire to

1. reframe expectations about land and property so as to build ambitious community movements,
2. foster community control and revitalizing CDC-community relations, and
3. preserve permanent affordability.

First, CLTs create an alternative model of ownership, where buildings may belong to homeowners or tenants but the land is stewarded more generally by the surrounding community and its leaders. Some CDC practitioners believe this fact can help reframe local conversations around land and property: as Gregory Jost, Director of Community Organizing of the Banana Kelly Community Improvement Association argues, “CLTs can break the mold that some people have in mind that private property is always private property and there’s only one way to own things, and we have to live with whatever consequences there are to having land as a real estate commodity.” And because CLTs tap into deep-rooted discontent with housing market outcomes, they may become a focus for community mobilization that can result in new pipelines for affordable housing creation. As an organizing tool, CLTs allow groups to ask fundamental questions about the nature of community control, and to express it in novel ways — for example, one of the largest and most famous CLTs, Boston’s Dudley Street Neighbors, came from an organizing effort that led to perhaps the only community-driven example of eminent domain in the US.

Second, some practitioners believe that the “tripartite” model of CLT governance presented an opportunity to energize or re-energize constituencies who interact with CDCs. That is, while many CDCs engage neighborhood residents in community planning, organizing, and leadership, a recurrent theme in the policy literature (and one that applies to all community-based nonprofits) is a need for constant efforts to maintain connections to the people they serve.²¹ Because CLT governance can require this connection to a community, a CDC who tries to organize a CLT is in some ways forced to “reconnect to base,” as Jost described as a rationale for recent engagement with the CLT model.

A third, commonly-cited rationale in interviews was how CLTs can maximize the use of public resources used to develop affordable housing by providing a mechanism to ensure such housing remains so permanently, and by “recycling” investments that are passed on to future owners or tenants. Because different programs often rely on public resources of various sorts — whether vacant land or properties, or funding from state, local, or federal government — layering CLT controls onto these investments is a way to make sure that they serve their purpose as long as the CLT is sustainable.

“CLTs...can break the mold that some people have that private property is always private property and there’s only one way to own things, and we have to live with whatever consequences there are to having land as a real estate commodity.”

– Gregory Jost, Banana Kelly Community Improvement Association



Achieving Scale and Sustainability Through Partnerships

While preliminary evidence suggests that land trusts help prevent displacement at the neighborhood level, it appears they would need to reach scale to do so.²⁰ Partnerships between land trusts and community development actors have helped CLTs reach greater scale in three ways:

1. by directing **investments** typically associated with the community development sector to CLTs;
2. by using the **infrastructure** of the CDC movement to support CLTs or create new ones; and
3. by supporting **public policies** that create new pipelines for properties that can become part of a CLT.

Investments

Traditional sources of community development financing can help CLTs scale up, as loans from CDFIs and other community institutions are being used to expand land trust portfolios. For example, in Oakland, a combination of loans from the Northern California Community Loan Fund, city grants, and an innovative crowd-funding campaign recently helped with the acquisition of a mixed-use property in a gentrifying neighborhood that will become part of the Oakland CLT (OakCLT).

Though CDFI loans have supported land trust scale-up, CLTs interviewed did cite pricing or timing issues that sometimes made it challenging for them to use CDFI loans over other private and public financing sources on a consistent basis, particularly in hot markets where CLTs are competing with cash-only buyers. As Steve King, Executive Director of OakCLT reflected, “We certainly see the CDFI community as an essential partner to scale this work. But a structural thing to solve for is the rapidity that we need to close — cash means the situation moves very quickly. So we need resources to solve for that timing issue.” These resources may involve acquisition funds that can be quickly deployed.

“We certainly see the CDFI community as an essential partner to scale this work. But a structural thing to solve for is the rapidity that we need to close — cash means the situation moves very quickly. So we need resources to solve for that timing issue.”

– Steve King, Oakland Community Land Trust

Another example supported by a local CDFI, municipal and state government is the Interboro CLT in New York City. In hot urban markets where CLTs are often most needed, land is often difficult to assemble in a defined geography. In these situations, financing CLTs that may acquire, rehabilitate and sell units even when they are spread across a city is another way that groups are developing portfolios of considerable scale.

Interboro CLT formed to support affordable homeownership in New York City by stewarding permanently affordable single family homes and cooperatives. It has received funding from Citi Community Development and the Attorney General of the State of New York to develop a 200-300 unit pipeline. Not confined to one neighborhood, Interboro seeks to create clusters of units in different neighborhoods in order to create permanently affordable housing in the midst of rising prices and gentrification. Interboro's model creates resale restrictions through a ground lease that allows for modest wealth building for owners while preserving affordability requirements — allowing approximately a 2.5% increase in equity per year with credits for home improvements. From the perspective of community and public-sector actors, Interboro also represents an opportunity to preserve the affordability benefits of existing city homeownership programs.

In order for CLTs to be sustained or to expand, it is necessary to support the staffing and capacity needs of CLTs. A major source of investment which LISC has deployed to support both CDCs and CLTs is the Capacity Building for Community Development and Affordable Housing Program, also known as Section 4. LISC has deployed Section 4 grants to CLTs and CLT programs, including ones in places as diverse as Tempe, Arizona, Oakland, California, and Minneapolis, Minnesota.

LISC has deployed HUD Section 4 capacity-building grants to CLTs in places as diverse as Tempe, Minneapolis, and the Bay Area.

In Tempe, the Newtown CDC formed as an active neighborhood association in the 1990s, which moved to tackle broader community issues such as jobs and housing. It has administered a land trust program since 2005, comprised of approximately 130 properties — making it one of the largest CLTs in the state of Arizona. Newtown has acquired and rehabilitated approximately 10 single family homes a year, often competing directly with speculators in low-income neighborhoods. Each of these homes is placed into a land trust which sets income restrictions and restricts resale so as to make the units permanently affordable. Because selling homes at a low price would not cover the costs of acquisition and repair, Newtown has used allocations from federal programs such as HOME and the Neighborhood Stabilization Program to make sure that properties can be turned over to owners at affordable prices.

For Newtown, the land trust combines individual-level and community-wide goals — creating an affordable housing opportunity for a low-income household while also preserving the city's overall affordability. As David Crummey, the CLT's Real Estate Development Manager, reflected, "How do we balance overall long-term affordability while still allow wealth-building?" The CDC also views the land trust as a way of retaining federal resources so that the properties that received them remain affordable on a permanent basis.

Long-term sustainability of Newtown's CLT program is promoted in several ways. Newtown repairs the home to a high standard, including replacing any major systems that at the end of their lifespans before selling the home. Since unexpected expenses can threaten a low-income household's ability to stay in the property over time, Newtown provides repair loans at 0% interest that are secured by the property. (In addition to the no-interest repair loans, the CDC allows access to a toolshed for various kinds of everyday maintenance and home improvements.) As a result of these supports — and also in part because Newtown is a HUD-approved housing counseling agency with a history of advising low-income homeowners — there has never been a foreclosure of a CLT home, and only one case of deed-in-lieu-of-foreclosure in the hundreds of homeowners who have been part of the program over time.

\$1 m

was provided to
Grounded Solutions
to help scale up
land trusts by
Citi Community
Development

Across the country in Minneapolis, the City of Lakes CLT (CLCLT) is also supported by LISC Twin Cities through Section 4 funding, as part of its longstanding support of land trust strategies in the market. CLCLT was founded in the early 2000s after a network of local funders and the CLT technical assistance provider Institute for Community Economics (ICE) convened CDCs, CDFIs, and other stakeholders throughout the Twin Cities metropolitan area. Initially, CLCLT partnered with CDCs across the city who developed affordable homes through their own programs and then folded units into the CLT after they were rehabilitated. But, in recent years, CLCLT has started to renovate the properties directly. CLCLT prides itself on being accessible to low-income populations, with an average of households earning 51% of Area Median Income (AMI) at time of purchase. As Jeff Washburne, executive director of CLCLT reflects: “we’re getting serving incomes as low as tax credit deals [in terms of their affordability to low-income populations]...and are able to keep the homes permanently affordable.”

CLCLT has also developed new initiatives to scale up their land trust, such as one partnering with low-income homeowners facing tax forfeiture or whose properties have code violations and require serious repairs. These homeowners often have both limited income but also limited mortgage debt. The CLCLT helps finance repairs if the owner agrees to take part in the CLT, making the home stay permanently affordable if and when the household decides to move on. In addition to helping keep a struggling owner in their home and neighborhood (something that code enforcement fines would otherwise make difficult, if not impossible), the program also removes from the market units that could otherwise be at risk for acquisition by speculators, which would drive up prices at the neighborhood level.

In these ways, loans and grants from CDFIs have supported CLTs’ efforts to expand their portfolios, although these efforts also surface the need for greater public investment in affordable housing, and for other policy and practice tools that can help acquire property in hot markets.

The City of Lakes CLT is currently reaching out to struggling homeowners who might otherwise lose their properties due to city fines for code violations.

Relying upon and supporting an organizational infrastructure

CDCs and CLTs both have extensive infrastructures of support: intermediaries and technical assistance providers, multi-city learning networks, and, increasingly, funders who support both CDCs and land trusts. For example, Citi Community Development, a typical source of community development funding, recently provided \$1 million to Grounded Solutions to help scale up land trusts, including \$500,000 in recoverable capital grants for acquisition.²³ Another kind of infrastructure related to community development are the affordable properties created or managed by CDCs themselves. As described above, many CLTs also have partnered with CDCs to develop properties. CDCs are also exploring whether their rental housing may be folded into a land trust, as described on the following pages.



Can you really
have community if
there's no economic
interdependence?

Merging CDC and CLT Initiatives: The Case of Banana Kelly in the Bronx



We believe that a big tool to fight displacement, maybe the only tool, is control of the land and housing resources.

– Harold DeRienzo

The Banana Kelly Community Improvement Association is a CDC which has played a critical role in the history of the South Bronx. It is also folding its own rental portfolio into a land trust, providing technical assistance to CLTs forming around New York City, and advocating for the creation of new ones.

Some of Banana Kelly's work stems from earlier efforts to engage in city-wide shared management of their buildings. Banana Kelly is one of the founding members of the New York City Joint Ownership Entity, aka the JOE, a program of which LISC was a founding entity. The JOE allows CDCs to assign ownership interests in their property to an umbrella entity, and receive membership interest and board seats. The JOE, in turn, manages the assets, and provides more consistent revenues and a large balance sheet for future development projects.

Banana Kelly realized that the strategy of engaging with the JOE — which was created to provide efficiencies of scale and more regular income streams to CDCs — could be further strengthened if they also allowed their properties to be governed by a CLT. (The JOE has a separate class of membership for land trusts sponsored by CLTs that allows their joint stewardship by the JOE and by local stakeholders). Combining a joint management entity with a land trust has several benefits for Banana Kelly. First, it would establish greater local resident engagement with the affordable properties as part of a broader strategy to increase community control of housing in the Bronx. As Banana Kelly's executive director, Harold DeRienzo reflected, “We believe that a big tool to fight displacement, maybe the only tool, is control of the land and housing resources.” Gregory Jost, Director of Community Organizing, contrasted this collective ownership model with approaches which do not sufficiently engage beneficiaries of development in decision-making, asking: “can you really have community if there's no economic interdependence? If we're just providing affordable housing as a service, what's the ownership stake for the residents?”

“Who is the community? There are people who have been living for decades and there are people who are new arrivals. There are different sets of stakeholders, and they need to engage with the history of this land...people need to be connected to the struggle.”

Second, while the JOE requires CDCs to keep their properties affordable even if they leave the entity, a CLT's ground lease was seen as providing additional affordability safeguards. Wary of the example of CDCs in New York who needed to sell affordable buildings to meet financial needs, Banana Kelly felt that the ground lease and the tripartite governance both promoted long-term affordability: as DeRienzo said, “It's one more layer of protection.”

Banana Kelly is also working to expand the land trust movement in New York City, by providing technical assistance to the East Harlem CLT, which encompasses four rental buildings as its properties are renovated. The CDC is also working with local residents who are fearful of gentrification as a result of a planned neighborhood rezoning around Southern Boulevard in the Bronx, and who have proposed CLTs as a strategy to acquire buildings in advance of speculators. However, Banana Kelly notes that while a ground lease can ensure affordability restrictions, truly preserving affordable housing requires a financial model for acquisition and rehabilitation that can be viable over time: as DeRienzo notes, “CLTs themselves do not guarantee a minimum income to allow financing to work.”

Banana Kelly’s vision of organizing for new land trusts and providing technical assistance to existing ones has a careful eye toward sustainability. Some affordable housing advocates have been wary of collective ownership models if there is not adequate support for their governance over time, because the potential for mismanagement or leadership transition can lead to a loss of affordability. As DeRienzo says, “There should be an infrastructure where people don’t have to devote their whole lives to this. We have this tendency to say, you pick one person and they become the king or queen, and then when they leave, everything falls apart because they don’t have the infrastructure.” Mindful of this, Banana Kelly’s approach to leadership development around CLTs acknowledges the importance of generational transition and a flow of strong board members to govern the properties.

This work of promoting more sustainable CLT governance involves educating diverse parts of the neighborhood about community history. For example, Jost has been involved in planning workshops with youth who were unaware that a subway line used to run directly to their neighborhood, connecting it more directly to Manhattan, and that the county seat of government was also in the community. Jost sees another value of the land trust model as provoking these broader community conversations: “Who is the community? There are people who have been living here for decades and there are people who are new arrivals. There are different sets of stakeholders, and they need to engage with the history of this land.” He notes that generational transitions require constant story telling: “people need to be connected to the struggle.”

In addition to being an example of how a CDC can advocate for and provide support for CLTs, the case of Banana Kelly shows how efforts to fold CDC holdings into land trusts can be paired with other efforts to achieve scale and sustainability in asset management, as with the JOE.

The Role of Public Policy

As described above, CLTs have been deployed by city government as a tool to maintain affordability restrictions on properties in conjunction with other kinds of policy tools, including bond and TIF financing. For example, in Chicago, the Chicago Community Land Trust (CCLT) is an independent 501(c)3 whose board is currently appointed by the Mayor. It works with the city's Department of Planning and Development to implement the Affordable Requirements Ordinance (ARO), which requires developers of projects with 10 or more units who receive any concession/consideration from the City of Chicago, such as density bonuses, zoning changes, city subsidies or city-owned land to set aside 10% of these units for affordable housing. The CCLT uses Deed Restrictions (currently limited to 30 years, although they are exploring ways to expand these protections to roll over into a new 30-year term with each resale of the unit) and has approximately 100 units in its portfolio. While the CCLT itself is seeking new sources of pipeline beyond the ARO, its straightforward administration shows that it is not onerous for cities to develop CLTs that might receive new units and steward them for permanent affordability. In cases where CLTs are not a priority for municipal government, resident organizing can help, and in the process can identify new pipelines for affordable housing. As described in the previous section, organizing for CLTs can build on a desire to create permanent affordable housing in an alternative ownership model that can promote community control.

The City of Chicago Community Land Trust (CCLT) shows it is not onerous for cities to develop CLTs that might receive new units and steward them for permanent affordability.



**There was no plan
for the community.
We were supposed
to be gone already.**

– Dennise Barr

While CDCs like Banana Kelly are actively engaged in community mobilization for land trusts, CDFIs have also acted in support of these kinds of resident and community-driven campaigns, by providing technical assistance about land trust financing as they come into shape. For example, in Buffalo, New York, LISC informally supported activist efforts in the historic Fruit Land neighborhood that have resulted in the creation of a land trust. There, a resident association known as the Fruit Belt Advisory Council organized in response to expansion plans of the adjacent medical center. While some of the Advisory Council's efforts focused on quality-of-life issues such as employee parking on neighborhood streets, others analyzed how the community could organize and take ownership of one of its most valuable sources of wealth — land.

As Dennise Barr, a leader with the Council, reflected about the need for this planning and mobilization to fight displacement: “There was no plan for the community. We were supposed to be gone already.” The Council conducted research on different strategies to build community wealth in partnership with the organization Open Buffalo, and settled on a land trust as the focus of their advocacy. As their campaign unfolded, this also meant exploring how different kinds of community development agencies could support a land trust, and in this way, LISC Buffalo lent its expertise and connections to individuals within city and county agencies. The early result of the Council's organizing has been the City directing 20 tax-foreclosed properties to the newly-formed Fruit Belt Community Land Trust. As the land trust scales up, the community is already looking to the 200 additional lots controlled by the city in the neighborhood for an additional pipeline of community control, having already successfully organized for a moratorium on their sale to private developers.

Finally, while public policy is critical to scaling up CLTs, the opposite is also true — reduced resources over time can make CLT growth more challenging, despite exceptionally strong local practice.

One Roof Community Housing, located in Duluth, Minnesota, is one of the country's larger and more successful CLTs. Founded in 1990 as the Northern Communities Land Trust, the organization was renamed One Roof after a merger of Neighborhood Housing Services (NHS) of Duluth in 2012, and now conducts a range of services and activities including homebuyer counseling, tenant and landlord mediation, rehabilitation and repair loans, and multifamily development and preservation. It has been supported by Duluth LISC since 1998, first through technical assistance grants and then with Section 4 capacity-building resources as the organization began to scale up. This assistance, according to Jeff Corey, One Roof's Executive Director, "helped us get our legs under us and think systematically about development instead of thinking lot by lot."

Currently, One Roof has about 300 homes in its land trust, which have been purchased by individuals whose average income was about 60% of Area Median Income (AMI). Given the fact that Duluth has approximately 38,000 housing units in total²⁴ this means that One Roof's portfolio represents a not-insignificant proportion of its total market. As Corey reflected, "What makes us a little unique is that we are participating in the real estate market in a significant way – lots of people know about us." Over time the land trust has seen approximately 150 resales, resulting in a significant amount of subsidy that has been "recycled" so as to continue to benefit community affordability. One Roof acts as its own developer and operates Common Ground Construction, a wholly-owned social enterprise.

According to Corey, the growth of One Roof's land trust over time was aided by public policy, especially at the state level. For example, its expansion, already underway was further assisted by a shift in Minnesota housing policy that directed affordability gap grants to expand CLTs, rather than loans which would have been more difficult to repay in the resale of long-term affordable homes. One Roof's growth was further assisted by the Minnesota State Housing Finance Agency's introduction of a mortgage product tailored to CLTs, a model which local lenders picked up upon — according to Corey, "The State's product blessed [private lending to CLTs] and gave it a lot of legitimacy."

Conversely, costs for expanding One Roof's land trust portfolio have risen significantly, related to acquisition, rehabilitation, and regulatory compliance — all while the broader funding environment, especially at the federal level, has not kept up pace. That is, federal funding for the HOME program has declined by approximately 50% since FY2002, during which time the CDBG program also lost about 40% of its funding.²⁵ On these dynamics, Corey reflected that "the two limiting factors are costs continuing to rise and the available permanent capital to lower the price of the homes. It's crazy how much more expensive it was now than 20 years ago. So when folks talk about us going to scale, my answer is invest more deeply."

Federal Policy Opportunities

The overall current context of displacement in urban centers and the interest of local government and community groups in scaling up sustainable solutions in response provides a policy window for affordable housing advocates to push for CLTs. In addition, some recent and proposed policies at the federal level provide additional potential synergies with land trust strategies. These include the emerging implementation of Opportunity Zone programs, and proposed new vehicles at the federal level including housing legislation such as the Neighborhood Homes Investment Act.

Anticipating neighborhood change and Opportunity Zones

As described above, CLTs are being contemplated as a strategy to acquire land and permanently hold it as affordable in many areas where speculation and escalating housing costs pose displacement risks. Using CLTs in anticipation of neighborhood change may be particularly important as related to Opportunity Zones, a new tax incentive program. Opportunity Zones might create new sources of revenue to scale up CLTs, but they also risk accelerating displacement if not properly implemented.

Opportunity Zones are economically-distressed communities, designated by states and territories and certified by the U.S. Treasury Department, in which certain types of investments may be eligible for preferential tax treatment. The tax incentive is designed to spur economic development and job creation in distressed communities by providing tax benefits to investors. While a source of investment to distressed areas, advocates and policymakers have raised concerns that a lack of “guard-rails” in federal guidelines as to the nature of local investments may accelerate displacement and gentrification.

LISC has advocated for policies that can counteract displacement risks of Opportunity Zones, including suggesting to the Department of Treasury that certification guidelines address these issues. However, LISC has also indicated that state and local policy plays an important role in maximizing benefits and minimizing the displacement risks of Opportunity Zones, whether through the form of companion incentives to steer subsidies to community-benefiting projects or through other kinds of interventions. CLTs are one vehicle that might be funded to acquire property in advance of Opportunity Zone implementation. For example, in places like Saint Paul, Minnesota, where the Rondo neighborhood has been designated as an Opportunity Zone, a study by the Urban Land Institute suggested that Opportunity Funds might potentially subsidize acquisition of a large portfolio of properties, especially if complementary incentives were in place.

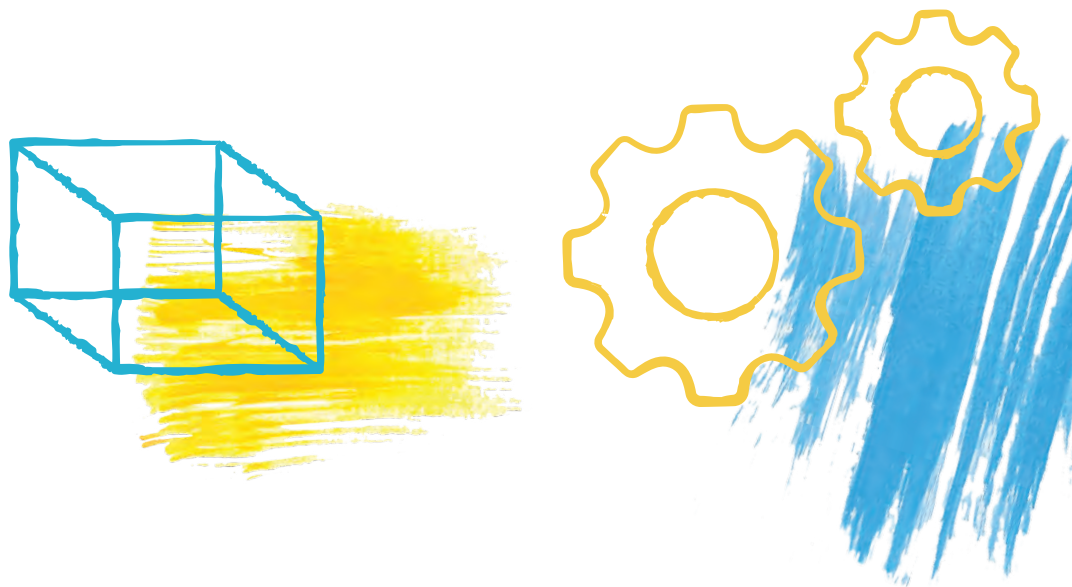
While a source of investment to distressed areas, advocates and policymakers have raised concerns that a lack of “guard-rails” in federal guidelines as to the nature of local investments may accelerate displacement and gentrification. CLTs are one vehicle that might be funded to acquire property in advance of Opportunity Zone implementation.

Maximizing the use of proposed new federal housing investments: The Neighborhood Homes Investment Act

As described above, many federal programs are often engaged in acquiring and rehabilitating properties that go into CLTs. One important policy proposal that might be deployed to support CLTs is the Neighborhood Homes Investment Act (NHIA), legislation that is currently supported by a coalition of CDFIs, including LISC, as well as other national affordable housing intermediaries and financial industry partners.²⁶

While the federal Low Income Housing Tax Credit has supported the creation of millions of rental units, there is no comparable policy that stimulates the building and rehabilitation of owner-occupied, 1-4 unit family homes. The NHIA addresses the fact that the cost of construction or renovation in many neighborhoods exceeds the market value of the home. An earlier version of this bill, proposed under President George W. Bush in 2004, had bipartisan sponsorship from 46 Senators and 304 Representatives in the 108th Congress (S. 875 and H.R. 839). The NHIA would bridge the financing gap between the cost of construction or rehabilitation and the amount paid for the property by homebuyers or owners. NHIA allocations would be claimed only after quality construction work has been satisfactorily completed and homes are owner-occupied. States would allocate and administer the NHIA on a competitive basis, similar to the current process for rental housing under LIHTC. Because the “appraisal gap” is particularly significant for land trusts, where sale and resale costs are kept low, the NHIA could be a significant new investment tool to grow and sustain land trusts.

Because the “appraisal gap” is particularly significant for land trusts, where sale and resale costs are kept low, the NHIA could be a significant new investment tool to grow and sustain land trusts.



Conclusion: CLTs as an Organizing Vehicle Against Displacement

In 2018 alone, organizing has helped cities newly embrace the CLT model in places as diverse as:

Nashville
Tennessee

Denver
Colorado

Tallahassee
Florida

Partnerships between community development institutions and community land trusts can help land trusts reach sustainable scale. As described above, loans and grants from CDFIs have supported CLTs' efforts to expand their portfolios, although these investments also surface the need for acquisition funds that can act quickly in hot markets. CDCs and CLTs can partner as developers of properties that can be folded into land trusts, and also in conjunction with innovative strategies for asset management — the case of Banana Kelly in the Bronx shows how land trust strategies can be combined with other efforts to collectively manage CDC portfolios at scale. (Consolidating CDC holdings also may allow them financial leverage to obtain and rehabilitate additional properties.)

While CLTs are an important institution in themselves, seen only from the instrumental goal of influencing displacement, they are also an important organizing tool. That is, residents who mobilize for community control can influence local housing and land use policy, and in doing so help generate new resources and new pipelines for permanently affordable housing, as seen in the case of Buffalo above. In fact, in 2018 alone, organizing has helped cities embrace the CLT model in places as diverse as Nashville, Tennessee, Denver, Colorado, and Tallahassee, Florida.

This kind of organizing is critical, because while CLTs are vehicles for community control of land, they do not in themselves ensure sustainable growth. Without a publicly-supported pipeline of property and adequate funding for rehabilitation, these efforts may not reach significant scale. Indeed, as practitioners reflected throughout the brief, the very kinds of displacement challenges that create a need for CLTs make it challenging for them to scale-up while competing with speculators for properties in the private market.

As a result, organizing for new policies, such as adequately-funded tenant “right of first refusal” programs, the transfer of land bank-acquired properties into land trusts,²⁷ or the disposition of tax-foreclosed homes into CLTs, may be area for collaboration between CDCs and CLTs, because in hot housing markets both movements are in need of new pipeline. For example, “zombie” properties, or homes in foreclosure which remain vacant and often languish in a state of unclear ownership, are potentially ripe for repurposing into CLTs or other affordable housing programs.²⁸ Designating this kind of pipeline is key to taking CLTs to scale, given otherwise prohibitive acquisition costs. And if these new sources of pipeline are realized, additional subsidy will likely be required in order for homes to be rehabilitated and made permanently affordable for the lower-income income bands traditionally served by CLTs, without “cannibalizing” from existing affordable housing resources used for other purposes. In other words, realizing new tools for achieving anti-displacement goals at scale require sector-wide commitments that may benefit the affordable housing movement as a whole.

Endnotes

- ¹ U.S. Department of Housing and Urban Development (2017). *Worst Case Housing Needs: 2017 Report to Congress*. Washington DC: HUD.
- ² Desmond, Matthew (2016). *Evicted: Poverty and Profit in the American City*. New York: B \ D \ W \ Y Broadway Books; 2017; American Housing Survey, 2017 estimates. Accessed 1.4.18 <https://www.census.gov/programs-surveys/ahs.html>.
- ³ Joint Center for Housing Studies of Harvard University (2018). *The State of the Nation's Housing*. Cambridge, MA: Harvard University.
- ⁴ Larrimore, Jeff, and Jenny Schuetz (2017). "Assessing the Severity of Rent Burden on Low-Income Families," FEDS Notes. Washington: Board of Governors of the Federal Reserve System, December 22, 2017.
- ⁵ U.S. Department of Housing and Urban Development (2017). *Worst Case Housing Needs: 2017 Report to Congress*. Washington DC: HUD; latest published estimate of worst case housing needs.
- ⁶ National Low Income Housing Coalition. *Out of Reach: The High Cost of Housing 2018*. Washington DC: NLIHC.
- ⁷ Joint Center for Housing Studies of Harvard University (2018). *The State of the Nation's Housing*. Cambridge, MA: Harvard University.
- ⁸ Desmond, Matthew (2016). *Evicted: Poverty and Profit in the American City*. New York: B \ D \ W \ Y Broadway Books; 2017 American Housing Survey.
- ⁹ Displacement in this case involves both moving out of a unit or neighborhood involuntarily, and being prevented from moving into a previously-accessible neighborhood.
- ¹⁰ HUD's PIC database, accessed 10.9.2018, https://www.hud.gov/program_offices/public_indian_housing/systems/pic.
- ¹¹ NYU Furman Center (2017). "The Effects of the Low-Income Housing Tax Credit (LIHTC)." Research Brief.
- ¹² As described below, community development organizations and community land trusts have intertwined histories, and many might consider them both as part of a broader movement for community control. Further, while the brief focuses on the opportunities of partnerships, it does not take the position that CLTs should replace other kinds of strategies to develop and preserve affordable housing. Indeed, some community development practitioners have mixed feelings about initiatives, like land trusts, which limit wealth-building opportunities for homeowners.
- ¹³ Geisler, Charles and Gail Daneker, editors (2000). *Property and Values: Alternatives to Public and Private Ownership*. Washington DC: Island Press.
- ¹⁴ Sungu-Eryilmaz, Yesim and Rosalind Greenstein (2007). "A National Study of Community Land Trusts." Cambridge, MA: Lincoln Land Institute.
- ¹⁵ Medoff, Peter and Holly Sklar (1994). *Streets of Hope: The Fall and Rise of an Urban Neighborhood*. Cambridge, MA: South End Press.
- ¹⁶ Davis, John Emmeus and Rick Jacobus (2007). *The City-CLT Partnership: Municipal Support for Land Trusts*. Cambridge, MA: Lincoln Institute for Land Policy.
- ¹⁷ Stoutland, Sara E. (1998). "Community Development Corporations: Mission, Strategy, and Accomplishments." in R. Fregruson and W. Dickens (Eds), *Urban Problems and Community Development*. Washington, DC: Brookings Institution Press.
- ¹⁸ Goetz, Edward (1993). *Shelter Burden: Local Politics and Progressive Housing Policy*. Philadelphia: Temple University Press.
- ¹⁹ Keyes, Langley C., Alex Schwartz, Avis C. Vidal, and Rachel G. Bratt (1996). *Networks and Nonprofits: Opportunities and Challenges in an era of federal devolution*. *Housing Policy Debate*, 6(2), 201-229 .
- ²⁰ Defilippis, James (2004). *Unmaking Goliath: Community Control in the Face of Global Capital*. New York: Routledge.
- ²¹ Greenberg, David M. *Creating a Platform for Sustained Community Improvement*. New York: MDRC.
- ²² Choi, Myungshik, Shannon Van Zandt & David Matarrita-Cascante (2018). Can Community Land Trusts slow gentrification? *Journal of Urban Affairs* 40(3), 394-411.
- ²³ Kusisto, Laura (2018). Private-Sector Solution to Affordable Housing Gets Off the Ground, *Wall Street Journal*, April 26 2018.
- ²⁴ American Housing Survey, 2017 estimates. Accessed 1.4.18 <https://www.census.gov/programs-surveys/ahs.html>.
- ²⁵ McCarty, Maggie (2016). Department of Housing and Urban Development (HUD): Funding Trends Since FY2002. Washington, DC: Congressional Research Service.
- ²⁶ See <https://neighborhoodhomesinvestmentact.org/> for more information.
- ²⁷ For more discussion on this topic see Fujii, Yasuyuki (2016). Spotlight on the Main Actors: How Land Banks and Community Development Corporations Stabilize and Revitalize Cleveland Neighborhoods in the Aftermath of the Foreclosure Crisis. *Housing Policy Debate* 26(2), 296-315.
- ²⁸ The New York State Attorney General's Office has funded LISC to support initiatives throughout the State to address Zombie properties; see http://www.lisc.org/media/filer_public/b0/f2/b0f21341-e134-4712-afe1-98cebdbf9d73/042018_housing_zombie_vacant_properties_best_practices.pdf. Designating tax-foreclosed properties to CLTs may also push against local market dynamics that lead to speculation and displacement.



lisc.org

Community Land Trusts

and the Future of Housing Finance

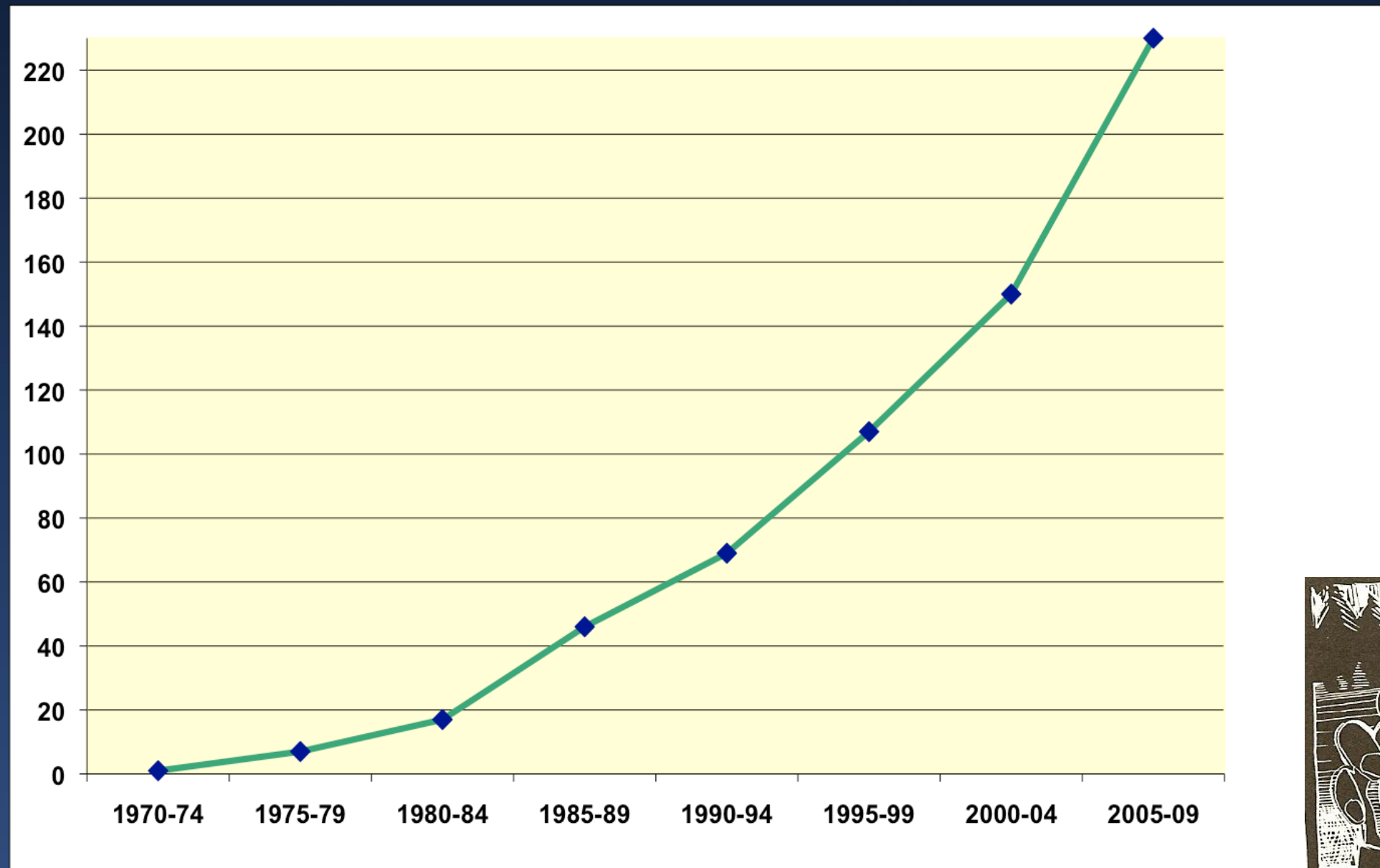


Community Land Trusts, 2008



Community Land Trusts and the Future of Housing Finance

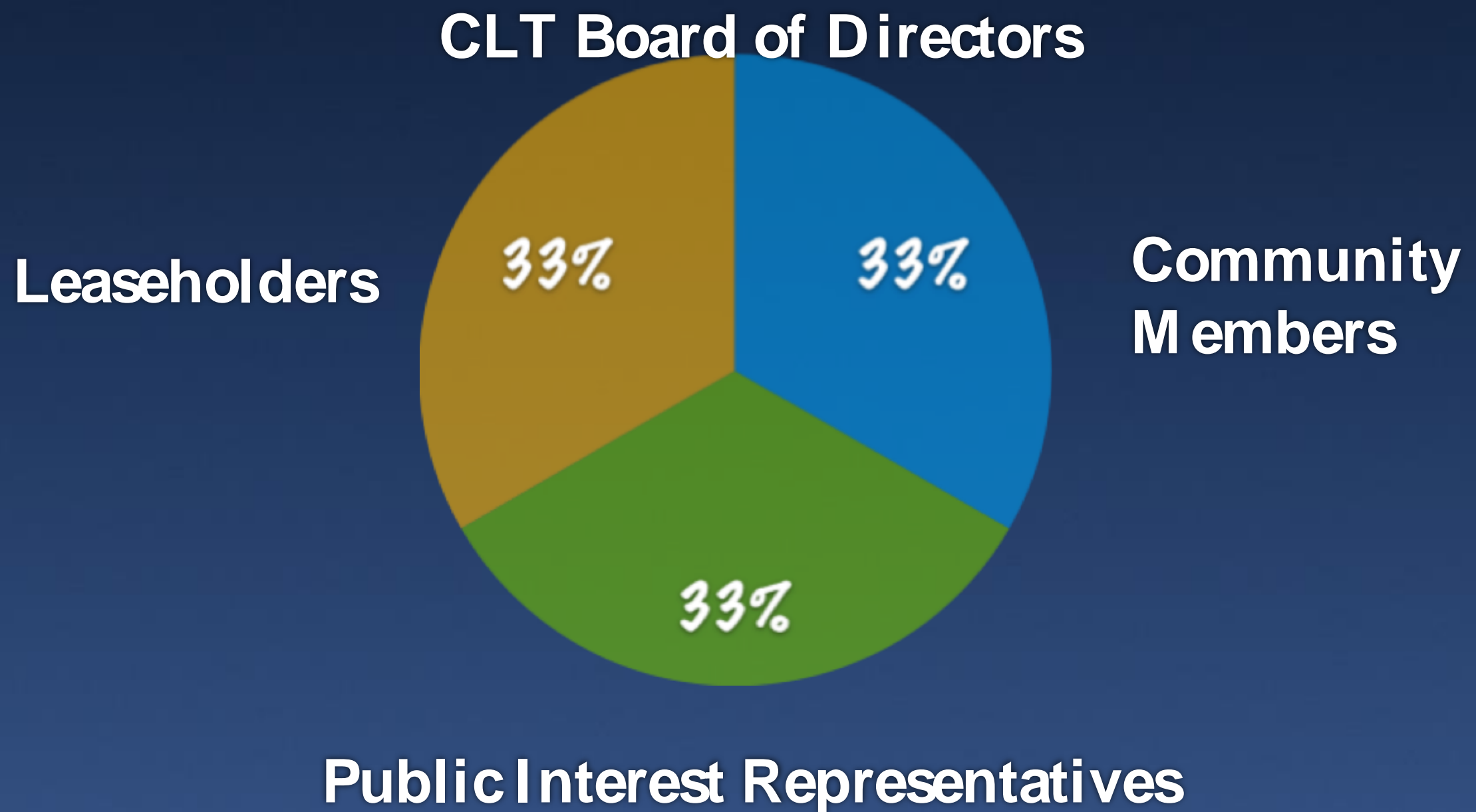
Number of CLTs in the US



CLT Organizational Structure

- Typically, CLTs are nonprofit, 501(c)(3) community-based organizations
- Variations include CLTs structured as subsidiaries of established nonprofit community organizations or programs operated within the corporate structure and governance of these organizations
- The mission, charter and business plan for CLTs are focused on long-term operations and sustainability

CLT Governance Structure



CLT Mission and Operations

- CLTs acquire land through donation or purchase
 - removing this land from speculative market
 - placing long-term control of this land in the hands of the local community
 - allowing community to control long-term *use, disposition and affordability* of buildings located on CLT-owned land

Community Land Trusts and the Future of Housing Finance



CLT Separates Ownership of Land From Home

CLT retains ownership of land
Homebuyer buys - and owns - her home
CLT leases land to homeowner

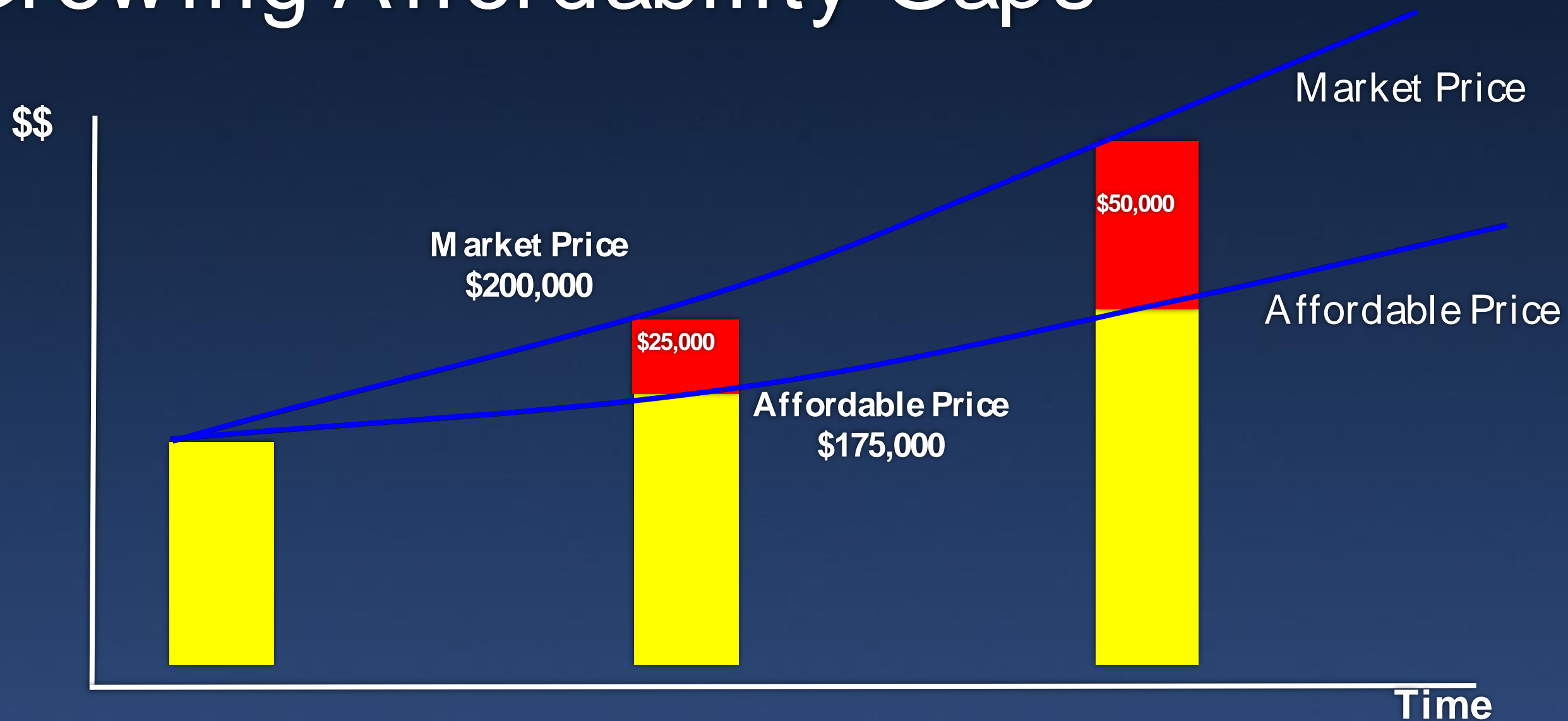
CLT Ground Lease

- 99-year, inheritable and renewable
- Essential functions:
 - Conveys to homeowner exclusive, durable, enforceable leasehold interest in land
 - Prescribes mutual accountability between CLT and homeowner
 - Stipulates restrictions on homeowner's *use*, *occupancy* and *transfer* of leasehold estate

Major Contribution #1: *Permanent* Housing Affordability

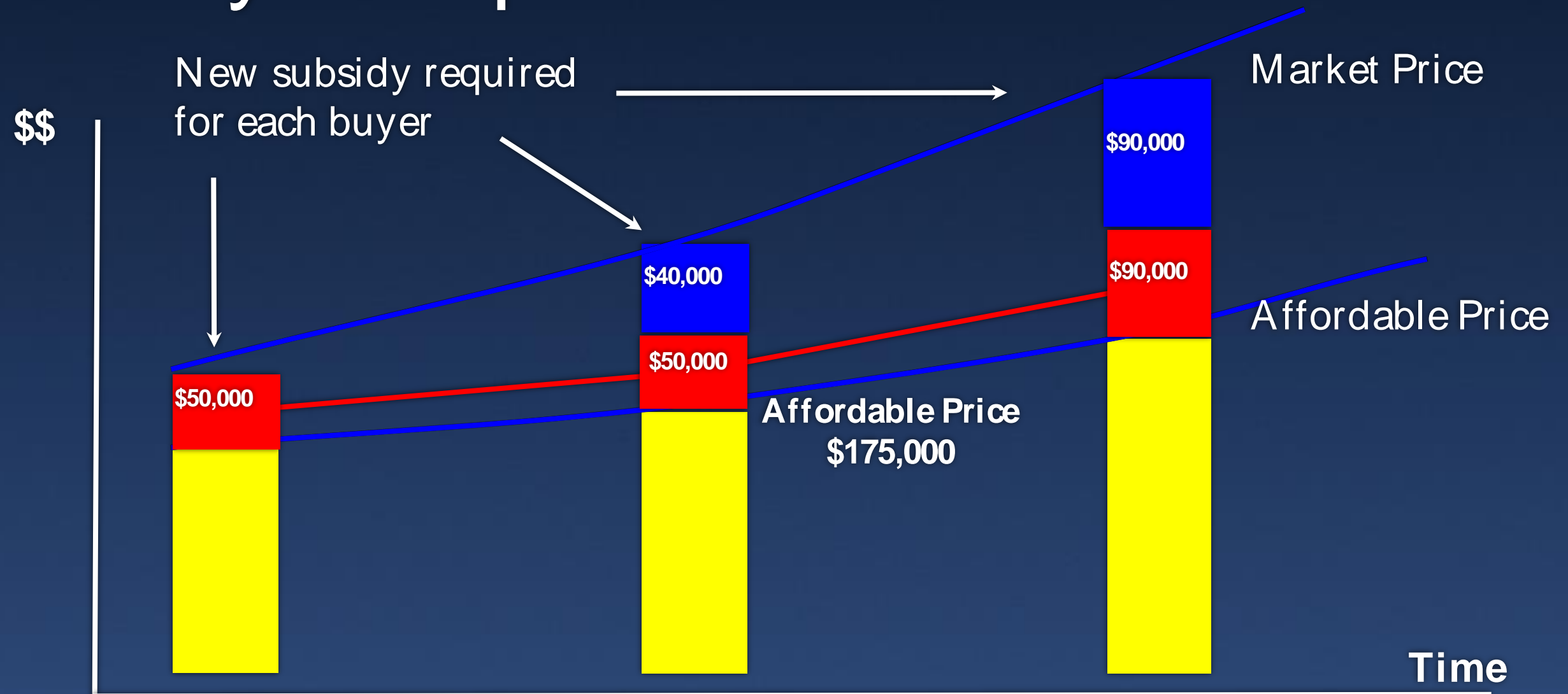
- Subsidy is structured neither as grant nor as a subordinate “soft second” debt to homebuyer
- Subsidy is used to write down purchase price of home to limited-income homebuyer
- Subsidy is locked into the home by limiting the price for which homeowner can sell her home
 - through resale formula in ground lease

Growing Affordability Gaps



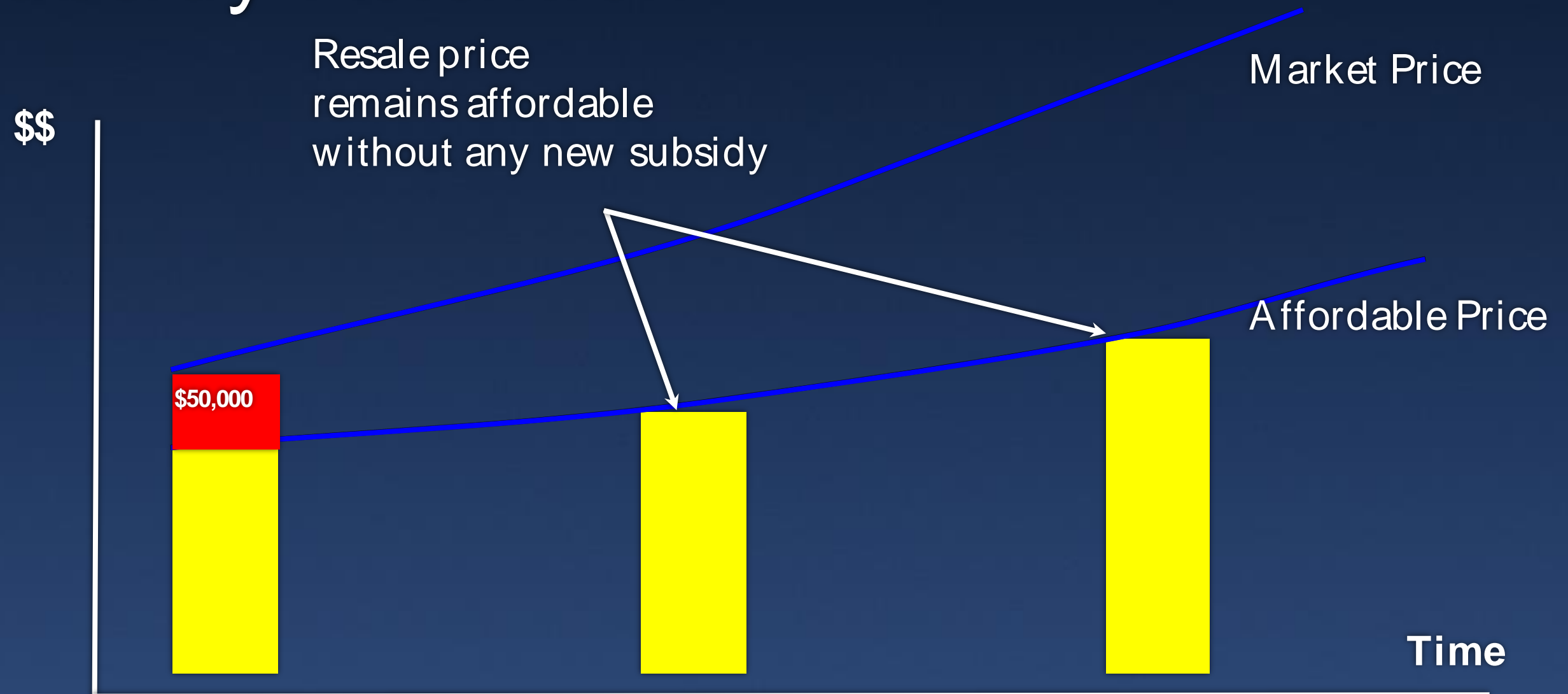
require growing levels of subsidy

Subsidy Recapture



still leaves growing gaps

Subsidy Retention



creates *permanently* affordable housing

Community Land Trusts and the Future of Housing Finance

CLT Resale Formula: Example

Original appraised value (land & improvements)	\$200,000
Minus affordability subsidy	(\$50,000)
Original CLT purchase price	\$150,000
CLT homeowner's share of appreciation	25%
Appraised value (land & improvements) at resale	\$300,000
Increase in value during ownership (\$300,000 - \$200,000)	\$100,000
Seller's share of appreciation (\$100,000 x 25%)	\$25,000
Resale price to next CLT homebuyer (\$150,000 + \$25,000)	\$175,000

Outcomes: CLT Homeownership

- Limited-income households are able to purchase homes and build equity
- Affordability is assured for subsequent homebuyers - without additional subsidy
- Public/ private subsidy is protected and leveraged
- Favorable loan-to-value ratios for mortgage lenders, as CLT affordability subsidy is structured as equity

Major Contribution #2: *Backstopping* CLT Homeowners

- Unlike typical nonprofit homeownership efforts, the work of CLTs work is *not* finished when homeowner moves in
- Ground lease contractually obligates a long-term, mutually-accountable relationship between CLTs and their homeowners
- CLTs commit to providing ongoing *backstopping* assistance to their homeowners

Backstopping CLT Homeowners

- Monitor and enforce lease compliance
- Monitor and support homeowner progress and success
 - approve all mortgage financing
 - collect ground lease fees
 - reserve right to step in and cure mortgage default on part of borrower
- Provide additional support and assistance

Outcomes: CLT Backstopping

- There has been literally *no* fallout from the subprime crisis among CLT portfolios
- According to Mortgage Bankers Association, 2008 nationwide foreclosure rate was 3.3%
- Nationwide CLT survey showed that 2008 foreclosure rate among CLT homeowners was 0.52%

Benefits of CLT Homeownership for Mortgage Lenders

- Standardized ground leases and other documentation among CLTs
- Favorable loan-to-value ratios
- Backstopping support by CLTs for CLT homeowner/ mortgagee dramatically decreases likelihood of foreclosure

Community Land Trusts

and the Future of Housing Finance

Michael Brown
Burlington Associates
www.burlingtonassociates.com



CONTRACT FOR SERVICES
Between
Dwelling Place
and
Burlington Associates in Community Development, LLC

This AGREEMENT is made as of the 1st day of May 2019 by and between the **Dwelling Place** whose principal office is presently located at 101 Sheldon Boulevard SE, Suite 2, Grand Rapids Michigan 49503 **Burlington Associates in Community Development, LLC**, a limited liability company, organized in the State of Vermont (hereinafter referred to as "Burlington Associates") with a mailing address at P.O. Box 994, Burlington, Vermont, 05402.

Witnesseth:

Whereas, Dwelling Place desires to engage Burlington Associates to assist it and its community partners to assess the feasibility of establishing and operating a community land trust (CLT) operation within its service area; to determine the critical business planning assumptions on which a this CLT program or organization would be established and operated to permanently preserve the affordability single-family and multi-family homes and other community uses; and to assist in building the capacity of the CLT and to design and implement the CLT homeownership and mixed-use stewardship programs;

Now, therefore, Dwelling Place and Burlington Associates do mutually agree to the terms and conditions of this Contract for Services.

Section 1. Scope of Work

Burlington Associates shall perform the following tasks while coordinating the execution of such tasks with Dwelling Place, as appropriate:

1.1 Assist Dwelling Place and key community stakeholders to develop a business plan that articulates the critical assumptions on which a Dwelling Place-sponsored community land trust would be established and operated – Specific tasks to be completed include:

- Consider and determine the critical business planning assumptions for the CLT – including: organizational structure and governance; service area; target clientele and affordability requirements; housing and mixed-use priorities; critical organizational functions to be managed; staffing capacity requirements; anticipated pace and scale of CLT's portfolio growth; etc.
- Develop annual operating budget requirements (expenses and revenue) for the first five (5) years of the CLT's operations, were one to be established.
- Draft a written summary of critical business plan assumptions and including multi-year operating budget projections for a Dwelling Place-sponsored community land trust.

1.2 If a decision is made at the end of the initial business planning phase to proceed with establishing a CLT organization or program, assist Dwelling Place and the initial

directors designated for the CLT governing board to establish the CLT initiative and its operations and design and implement its residential (and non-residential, if appropriate) stewardship programs. Specific tasks to be completed include:

- Introduce and explain the CLT concept to local audiences and stakeholders to build a base of awareness and support for the CLT.
- Establish the CLT organization or program and to build its capacity to operate and manage its core functions successfully over time.
- Design the CLT homeownership program, including:
 - Develop the ground lease agreement and resale formula for use in the sale of the CLT's first homes.
 - Orient local lenders in order to begin securing leasehold mortgage financing commitments for qualified buyers of the CLT's homes.
- If mixed-use or commercial properties are to be part of the CLT's portfolio, develop a model commercial lease instrument to adapt for specific projects.
- Develop a range of policies and procedures needed in order for the CLT to operate successfully including: stewardship policies and procedures; CLT-specific homebuyer orientation plans and materials; homebuyer selection policies; etc.

The specific scope of services is outlined more fully in the Proposal for Services from Burlington Associates, dated March 13, 2019, attached below as Exhibit A.

Section 2. Responsibilities of Dwelling Place

In addition to compensating Burlington Associates for services performed and reimbursing Burlington Associates for expenses incurred in carrying out the Scope of Work, Dwelling Place shall be responsible for completing the following tasks, all of which are necessary and essential for Burlington Associates to complete its tasks in a successful and timely fashion:

- 2.1** – Assemble and convene the CLT planning committee and any other community stakeholders who will participate in meetings (remote and on-site) with Burlington Associates and deliberate the critical decisions required to complete scope of services outlined above. Cover any costs associated with these meetings (such as meeting space, publicity, photocopying and the like).
- 2.2** - Arrange for and schedule any meetings with public officials, local lenders, funders, non-profit organizations and other local resources that may be required.

Section 3. Limitations

Both parties acknowledge that the information provided and the services rendered under the Scope of Work by Burlington Associates will be **advisory** to Dwelling Place, which will assume sole and complete responsibility for making final decisions related to the services provided.

Section 4. Personnel

- 4.1 Burlington Associates.** Michael Brown is the principal of Burlington Associates who shall play the leading roles in carrying out the Scope of Work specified in Section 1 of this Contract for Services.
- 4.2 Dwelling Place.** Dennis Sturtevant, CEO of Dwelling Place, shall oversee this Contract for Services and shall be the primary point of contact for Burlington Associates in responding to any requests for payment, information, or staff support.

Section 5. Scheduling of Work

The sequencing and scheduling of all services will be specified through periodic consultation and mutual agreement between Mr. Sturtevant and Mr. Brown.

Section 6. Term

Work under this contract shall be retroactive to March 1, 2019 and shall be completed no later than December 31, 2019, unless extended by the written mutual consent of both parties.

Section 7. Compensation

- 7.1** Compensation for professional services provided by Burlington Associates shall be paid by Dwelling Place at a reduced rate of one hundred sixty-five dollars (\$165.00) per hour. Travel time is included in the professional hours billed, up to but not exceeding a **maximum** of eight (8) hours per day for each day spent on-site, including travel between Bozeman MT or Burlington VT and Grand Rapids MI. Total compensation for professional services is a not-to-exceed amount of twenty-five thousand nine hundred dollars (\$25,000.00). In addition to compensation for professional services, Burlington Associates will be reimbursed by Dwelling Place for documented travel expenses paid by Burlington Associates in carrying out the Scope of Work specified in Section 1 herein, including transportation costs, lodging and meals – estimated to be no more than three thousand dollars (\$3,000.00).
- 7.2** If additional time and professional services are requested by Dwelling Place or the CLT above the tasks and products identified in the Scope of Work, Burlington Associates will bill for these services at its current rate of one hundred sixty-five dollars (\$165.00) per hour.
- 7.3** Burlington Associates will submit monthly invoices to Dwelling Place, identifying the time worked by date, the general service(s) that were performed, the reimbursable expenses incurred and the total compensation (and any expense reimbursement) that is due and payable.
- 7.4** Dwelling Place will pay all invoices from Burlington Associates within twenty-one (21) days of receipt. A late fee of five percent (5%) per month may be added to the balance of

invoices that remain unpaid for longer than thirty (30) days and Burlington Associates may terminate this Contract for Services if an invoice remains wholly or partially unpaid for longer than forty-five (45) days.

Section 8. Termination

- 8.1** **TERMINATION FOR CONVENIENCE.** This Contract for Services may be terminated by mutual agreement of both parties. In the event of termination not the fault of Burlington Associates or Dwelling Place, Burlington Associates shall be compensated for all services rendered and reimbursed for all expenses incurred up to and including the termination date.
- 8.2** **TERMINATION FOR CAUSE.** This Contract for Services may be terminated by either party upon fourteen (14) days written notice should either party fail substantially to perform in accordance with its terms through no fault of the party initiating the termination. In the event of termination through the fault of Burlington Associates, Burlington Associates shall not be due compensation for services rendered after the last billing immediately preceding the termination. In the event of termination through the fault of Dwelling Place, including nonpayment as described in Section 7.4, above, Burlington Associates shall be due compensation for all services rendered and shall be reimbursed for all expenses incurred up to and including the termination date.
- 8.3** Within 30 days of termination of this contract, Dwelling Place shall be entitled to receive copies of all finished reports prepared by Burlington Associates under this Contract for Services.

Section 9. Employment Status

For purposes of performing the services specified in this contract, the parties agree that Burlington Associates is an independent contractor. Burlington Associates is not an employee of Dwelling Place. Burlington Associates is responsible for all withholding and other tax liabilities resulting from this contract.

Section 10. Miscellaneous

10.1 *Nondiscrimination*

Burlington Associates shall not discriminate against any employee, applicant for employment, or applicant for services because of race, color, religion, sex, disability, age, sexual or affectional orientation, or national origin.

10.2 *Translations*

Services provided by Burlington Associates will be conducted in the English language. Should Dwelling Place determine that verbal or written information provided by Burlington Associates must be translated into a language or languages other than English, Dwelling Place shall bear the responsibility and the cost of performing such translations.

10.3 *Assignments and Subcontracts*

Burlington Associates shall not assign the performance of this Contract or any portion thereof to any principal of Burlington Associates other than Mr. Brown or fellow Burlington Associates Partner, John Emmeus Davis, without the prior knowledge and verbal approval of Dwelling Place. Nor shall Burlington Associates subcontract the performance of this Contract or any portion thereof to any person who is **not** a principal of Burlington Associates without the prior written approval of Dwelling Place.

10.4 *Agreement and Amendment*

This Contract represents the entire agreement between Dwelling Place and Burlington Associates. No changes, modifications, or amendments in the terms or conditions of this Contract shall be effective unless reduced to writing, numbered and signed by duly authorized representatives of Dwelling Place and Burlington Associates.

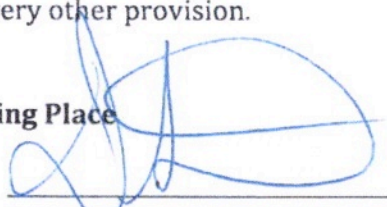
10.5 *Severability*

If any provision of this Contract for Services is found to be illegal or unenforceable, this Contract nevertheless shall remain in full force and effect and the provision shall be stricken.

This contract shall be governed by applicable federal and state law. Each provision is separate so to the extent that any provision is rendered invalid by any act of the U.S. Congress, the Michigan Legislature Assembly or the Vermont State Assembly, it shall have no effect on the validity of each and every other provision.

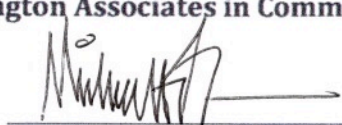
Dwelling Place

By:


Dennis Sturtevant, Chief Operating Officer

Burlington Associates in Community Development, LLC:

By:


Michael Brown, Partner



Burlington Associates
in Community Development

Exhibit A

13 March 2019

To: Denny Sturtevant, Dwelling Place
From: Michael Brown
Re: **Community Land Trust Technical Assistance**

Thank you for inviting Burlington Associates to provide you with a proposal for services to assist Dwelling Place to establish and operate a community land trust (CLT) to preserve permanently the affordability of housing developed and made available by Dwelling Place. Here is our proposal for services, outlining the work to be completed and the professional services we prepared to provide to your organization to (a) determine the critical business planning assumptions on which the CLT would be established and operated – and (b) assist with establishing and building the capacity of the CLT and designing its permanently affordable homeownership program.

Community Land Trust Technical Assistance

We suggest a two-part, sequential approach to the work to be completed:

1. *Business planning* – Determine the anticipated range and scope of the CLT's activities; how best to structure and govern the CLT's operations; and what kind of capacity – and what level of resources – will be required to help ensure that the CLT will be successful over time.
2. *Implementation* – Establish the CLT and its operations and design its homeownership program

Phase One: CLT Business Planning

To better ensure the CLT's long-term success, a number of critical operating assumptions merit careful consideration and deliberation and resolution before proceeding with creating the CLT. These include:

CLT Mission

- + *Portfolio* – Will the CLT's focus be solely on providing and preserving affordable owner-occupied homes – either single-family or multi-family homes, such as townhomes and condominiums? Or might the CLT, at some point in its operations, also preserve affordable rental housing? Might commercial or mixed-use properties ever become a part of its portfolio?
- + *Service area* – Will the CLT prioritize its activities within certain neighborhoods in Grand Rapids or will it be designed and structured from the outset to operate throughout the entire city? Might the CLT one day expand to include other communities and municipalities in western Michigan?

CLT Corporate Structure and Governance

- + *Organization* – What organizational entity will own and lease CLT parcels and carry final responsibility for its ongoing operations of the CLT and the management of its critical stewardship functions? Will the CLT be operated (at least initially) under the corporate structure and governance of Dwelling Place? Or ought the CLT be incorporated as a new (standalone or affiliated) nonprofit organization? How best to address issues that include: mission fit; cost-effective and economies of scale; risk management; community optics and perceptions; and long-term goals?

- + **Governance** – For whichever corporate structure is determined, how will the CLT be governed? What will be the designated composition of the CLT’s board of directors? How many directors? And how will these directors be selected?

CLT Organizational Capacity

- + **Core functions to be managed** – What, specifically, are the critical tasks to be managed by on a day-to-day, month-to-month basis by the CLT entity? And what are the ongoing stewardship obligations the CLT must manage on a month-to-month and year-to-year basis for a very long time?
- + **Scale** – Will the CLT’s portfolio be comprised solely of the 45 units in the three identified apartment communities (Martineau Apartments, New Hope Homes, and Grandville Homes)? Or might additional homes be added to the CLT’s portfolio? And, if so, how many homes can reasonably be expected to be added each year over the course of the next five (5) years – i.e., 2020-2024?
- + **CLT staffing requirements** – Based on this assessment of the critical functions to be managed and the anticipated pace and scale of the growth of its portfolio of permanently affordable homes, what will be the staffing – and administration and overhead – requirements for the CLT?
- + **Operating budget projections** – What are the budgetary requirements to cover CLT start-up costs, including legal costs (e.g., 501(c)(3) application, documents review, etc.), meeting expenses and community outreach and education? What would be the projected annual operating costs for the first five (5) years of the CLT’s operations? And how much revenue will be needed to cover these operations and administrative costs – and what are likely sources for this revenue?
- + **Partnerships and competition** – What are the key partnerships that will need to be forged and maintained in order for the CLT to be successful? Are there other programs, municipal initiatives, or organizations that could compete with, complicate or impede the CLT’s operations?
- + **Stewardship sustainability** – At what point might it be possible for the CLT to become self-sustaining, at least insofar as its stewardship functions are concerned?

Phase Two: CLT Implementation

Assuming that Dwelling Place determines to proceed with creating the CLT, as determined in the initial business planning phase, the second phase would focus on establishing the CLT and designing its permanently affordable homeownership program.

Establish CLT’s Organizational Capacity – Assist Dwelling Place to:

1. Establish CLT’s corporate structure, based on Phase 1 business planning assumptions regarding mission, operations, program priorities, and governance.
 - a. If it is decided to establish the CLT as a program of Dwelling Place, review its Articles of Incorporation and bylaws, to recommend amendments (e.g., mission, powers and duties and governance) that are advisable, as well as review its 501(c)(3) charitable designation to determine if additional information may need to be provided to the IRS.
 - b. If the decision is to establish the CLT as a separate – or as a separate-but-affiliated – non-profit corporation, assist with developing Articles of Incorporation and bylaws (based on model CLT documents) for the new CLT entity and provide narrative for use in the CLT’s application to IRS for 501(c)(3) tax-exempt designation.
2. Introduce the community land trust concept, by making presentations, as and where needed, to explain the planned CLT initiative and to build awareness and support for its mission, its plans and its community goals.
3. Orient, advise and assist in building the capacity of paid staff that is designated (or hired) to manage the CLT’s operations.

Design CLT Homeownership Program – Assist Dwelling Place to:

1. Develop a ground lease agreement, including resale formula, to be used for affordable owner-occupied homes to be added to the CLT's portfolio.
2. Develop a master ground lease agreement to be used for multi-family (e.g., condo) properties
3. Orient local mortgage lenders in order to secure a commitment to originated leasehold mortgage home purchase financing for qualified CLT homebuyer households.
4. Develop a homebuyer selection policy that includes:
 - a. income targeting for CLT homebuyers
 - b. eligibility and selection criteria
 - c. application and selection process
5. Develop an orientation process to be used to educate potential homebuyers about benefits and responsibilities of buying, owning and selling a CLT home.
6. Develop a framework for the CLT's stewardship policies and procedures.
7. Educate key professionals in the community development, real estate, appraisal, and housing development sectors in the region regarding the benefits and requirements of community land trusts.

Proposed Process and Timeline

In my experience, it is most effective for a small working committee to commit to the deliberation and decision-making process throughout both phases of this process. This committee, of course, ought to include Dwelling Place staff and/or directors but could also include key public sector and private sectors from Grand Rapids (or beyond).

Phase One

I think most of the Phase 1 business planning process can be managed virtually – i.e., with me (or, perhaps occasionally, my colleague, John Davis, also a Burlington Associates Partner) participating remotely via web conferences, working through the critical, foundational issues outlined above. I anticipate that we would need to schedule 3-4 virtual committee meetings that I would facilitate over a 4-6-month timeframe. In between, we would swap written drafts and financial modeling, iteratively, to make sure these summaries and their assumptions are accurate. Then, towards the end of Phase 1, I would make a multi-day on-site visit with three objectives: (1) to finalize the business plan with the CLT planning committee and Dwelling Place; (2) to the extent you wish, accompany Dwelling Place staff to share the plans for the CLT's implementation with key stakeholders and policy makers; and (3) to meet with the planning committee to begin discussing key issues to be addressed in the second, implementation phase.

Following this site visit, I would draft and forward to you draft a final summary of the preliminary business planning assumptions for a to-be-established CLT for its first five years of operations, including a narrative that outlines these assumptions and multi-year operating budget projections. This document will provide Dwelling Place with a framework to use (1) to evaluate and determine how to proceed with the implementation and launch of the CLT; and (2) to build political, financial, and community support for the CLT and its mission and operations

Phase Two

As with the first phase, I would facilitate a series of meetings (participating remotely) with the CLT planning committee (which could, potentially, be the CLT's board of directors by this time) to work through the critical decisions (outlined above) to be made to establish the CLT and design its homeownership program. The exact number of meetings, as well as the frequency and timing of these meetings, will need to be negotiated but I expect that 3-4 monthly meetings would be warranted over timeframe of six months or so.

Sometime in the middle – or towards the end – of this process, I would make a second (and final) on-site visit. Again, the purpose of this visit would be to finalize the decision-making required for starting up and operating the CLT and its permanently affordable homeownership program and, to the extent helpful, to

help you all build local awareness and support for this CLT initiative. During this visit, I would likely also meet with local lenders, appraisers and others who will need to know about the benefits and requirements of CLT homeownership.

By the time this implementation phase is complete, all of the deliverables outlined above for Phase 2 will be in place.

Technical Assistance Budget

Burlington Associates' current billing rate is \$165.00/hour (up to maximum of 8 hours per day for on-site work including travel time). We also require reimbursement for travel expenses incurred for on-site work

The total cost for Burlington Associates' professional services to complete both the initial business-plan-ning phase and the follow-up implementation phases, as outlined above, is a not-to-exceed amount of **\$25,000**. Additionally, the *estimated* cost for travel expenses (airfare; overnight lodging; ground transportation; and meals) for the two, multi-day on-site visits is **\$3,000**.

Should Dwelling Place request additional services beyond the scope of work outlined above, this work would be billed at a rate of \$165/hour and would be in addition to the budget outlined above.

It is my hope that this memo provides you with the information that you need to determine whether Dwelling Place would like Burlington Associates to provide this assistance. Should you require additional information or clarification regarding this proposal – or you wish to discuss modifying the proposed scope – please do not hesitate to contact me at your convenience. Otherwise, we look forward to your response

Thank you for your consideration.



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