



Advancing Economic Equity through Housing

March 2024


Introduction

Many of the PRO Neighborhoods collaboratives are deploying their resources to create affordable, stable, and high-quality housing options within their neighborhoods. The economic disruption caused by the COVID-19 pandemic, coupled with rapid increases in housing costs over the past two years, has reinforced the urgency of this work. But in addition to pursuing their housing-related goals, collaboratives are using these investments strategically to advance other equitable development priorities.

In a series of interviews, 10 collaborative partners described how they are implementing multifaceted initiatives that tackle other community needs, including strengthening financial health, supporting small businesses, and facilitating community engagement and ownership. The collaboratives are ensuring that residents can meaningfully benefit from the additional investment in their neighborhoods – not only through better housing options, but through improved economic mobility and quality of life.

This report explores how PRO Neighborhoods collaboratives are addressing their communities' diverse economic needs by investing in housing and linking their housing initiatives to their broader mission of supporting equitable development. Examples include these:

- **Building wealth through homeownership.** For example, a collaborative in Minneapolis, MN, is helping people of color become owner-occupants by purchasing small multi-unit properties to live in and rent out.

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- **Expanding housing supply by investing in emerging developers.** For example, in Wilmington, DE, one collaborative is providing training to aspiring local developers on the basics of business strategy and the development process to build their number and capacity.
 - **Promoting community ownership through the Community Land Trust model.** For example, in South Florida, one collaborative is using the model to build or preserve at least 300 affordable rental units.

The last section discusses some of the key successes and challenges that collaboratives have experienced while working on housing issues in their communities and shares lessons learned for community development practitioners and policymakers.

About PRO Neighborhoods

JPMorgan Chase's PRO Neighborhoods is a competitive grant program that promotes equitable economic development by investing in local solutions that address community needs. Since its inception in 2014, the initiative has awarded more than \$153 million in flexible capital to 36 communities.

Each grant is awarded to a group of community development organizations, referred to as a "collaborative." These collaboratives involve multiple partner organizations, work across the country, and employ a variety of strategies in addressing local housing challenges.

By working together, the partner organizations bring together different expertise and resources to promote the economic well-being of the target neighborhoods. They work together to address a broad range of local needs, investing in real estate development, supporting small businesses, and offering job and skills training. These and other activities combine place-based and people-based strategies that foster more equitable, inclusive, and economically vibrant communities.



Photo: Affordable rental homes developed by the 614 for Linden collaborative in Columbus, OH. (Credit: 614 for Linden)



Building Wealth through Homeownership

For many collaboratives, investing in homeownership is a way of ensuring that long-time residents are not pushed out of the community as it changes, one of the central pillars of equitable economic development. Perhaps the most immediate benefit for homebuyers is the degree of security and stability that sustainable homeownership can offer. Unlike renters, homeowners who purchase homes they can afford with fixed-rate mortgages are not vulnerable to sudden increases in their core housing costs; they are not at risk of being displaced if the owner chooses to sell the property; they can remain in their neighborhood for as long as they choose to. In recognition of these benefits, collaboratives in Wilmington (DE), Minneapolis (MN), and Philadelphia (PA) have identified promoting homeownership as a key priority of their equitable development strategy.

Collaborative Impact on Homeownership since 2014

- **540** mortgages originated
- **\$24.2** million in mortgage lending
- **232** loans to first-time homebuyers
- **231** loans to women
- **357** loans to people of color
- **446** loans to low- and moderate-income borrowers
- **1,200+** attendance at homeownership training sessions

Data reflects cumulative outcomes for all grantees as of December 31, 2022.

Lending partners are **developing and originating low-cost mortgages and providing down payment assistance and closing cost assistance** to help first-time buyers break into an increasingly competitive market. Collaborative partners are also helping buyers understand and navigate the financial and practical responsibilities of homeownership by offering **homebuyer education and counselling**. Some collaboratives, including those in Wilmington and Minneapolis, are helping homebuyers become landlords by providing **specialized financing and training for purchasers of multi-unit properties** such as duplexes and triplexes.

Beyond its implications for housing stability, investing in homeownership can improve the economic well-being of individuals and families. In interviews, collaboratives emphasized how homeownership offers a pathway for building wealth. With each monthly mortgage payment, owners are building equity in their home. Over time, their home becomes an asset that they can leverage to

take out a business loan, finance their education, or support their retirement. Owners can also benefit from price appreciation if housing values in their communities increase, as is often the case in neighborhoods undergoing economic development. For these reasons, homeownership remains one of the most important ways to [accumulate wealth](#), especially for low- and moderate-income families and families of color.



Relatedly, many collaboratives are focused on reducing racial disparities in wealth, and homeownership is an important strategy for advancing that goal. In 2017, more than 70% of non-Hispanic White families in the United States [owned their homes](#), compared to 47% of Hispanic families and 42% of non-Hispanic Black families. The legacy of housing discrimination blocked generations of people of color from purchasing homes, denying them the opportunity to build generational wealth that they can pass on to their children. Without this generational wealth, it can be difficult for families of color today to save for a down payment to purchase their first home – perpetuating a cycle of economic exclusion. For this reason, [down payment assistance](#) can be a particularly important tool for helping homebuyers of color break into the housing market.

In addition to the benefits for the individual homeowner, investing in homeownership can have positive impacts on the quality of life in the neighborhood. Increasing the share of homeowners in a place can provide economic stability to distressed areas, which can in turn catalyze further investments in retail, commercial spaces, and other amenities. When owners remain in the neighborhood for many years, they have a chance to foster closer connections with their neighbors and engage with local policymakers.

Example: Building Equity with Small Multifamily Homeownership in Minneapolis, Minnesota

In Minneapolis, the collaborative led by the Family Housing Fund has launched a multipronged program to help long-time residents of the Twin Cities – especially those who identify as Black, Indigenous, and People of Color (BIPOC) – to become owner-occupant landlords by purchasing duplexes, triplexes, and fourplexes.

The collaborative's decision to focus on such properties, rather than single-family homes, was driven by several factors. First, these properties offer significant potential for wealth building for owners, one of the central goals of the collaborative's work. Owners can use the income generated from rental units to pay down their mortgage more quickly and supplement their other income. Second, with adequate financing, these properties can be a relatively affordable entry point into the real estate market for first-time buyers. They are often [comparable in price to a single-](#)

[family home](#): in 2021, the median sales price for a two- to four-unit property in the Twin Cities metro was \$375,000 whereas the median price for a single-family home was \$370,000. Finally, by facilitating owner-occupancy, the collaborative is helping ensure that residents, rather than corporate investors, retain control over housing within the neighborhood. The collaborative sees this approach as an important strategy to prevent displacement and maintain a level of affordability for renters.

"[We want to] pilot something and kind of provide a proof of concept so that we can tell the housing system... this is a feasible, affordable tool to get into wealth building and there is demand among BIPOC communities for this opportunity."

– Family Housing Fund, Minneapolis, MN

Yet despite the potential benefits, prospective buyers face challenges in successfully purchasing these properties. A lack of generational wealth has made it difficult for many BIPOC homebuyers to enter the market, whether they intend to purchase a single-family home or a 2-4 unit property. The tight real estate market in the Twin Cities region has pushed prices even higher over the past few years, as residents compete with investors to purchase rental properties. In addition to financial barriers, many first-time homebuyers are daunted by the prospect of becoming a landlord.

The collaborative is braiding together multiple strategies to help long-time residents overcome these barriers.

The collaborative seeks to provide prospective homebuyers with education and training so that they are prepared to take on the responsibilities of becoming an owner-occupant. One of the collaborative partners, Hope Community, offers an intensive six-week training program for prospective buyers. The training covers many of the topics common to other types of homebuyer education, such as building credit and applying for a mortgage, while also introducing some of the issues that landlords must navigate, such as the regulations governing landlord-tenant relationships. As of December 2022, 40 homeowners have completed Hope Community's training program, 30 of whom identified as Black. Another partner, the Minnesota Home Ownership Center, offers a shorter online training module for prospective buyers as a complement to its existing HUD-approved homeowner education courses. Since its launch in November 2021, 133 prospective homebuyers have completed the online training course. The collaborative notes that many of the trainees in these programs might not be prepared to buy for several years, but by engaging them at this early stage, the collaborative can continue to be a resource until then.



Photos from top to bottom A new owner of a duplex, who received assistance through the Building Equity down payment assistance program.

The first homebuyer in the Building Equity down payment assistance program on her closing day. (Credit: Building Equity in Small Multifamily Homeownership)



Once a person completes one of the two training programs, they can access financing options to help them successfully transition into multifamily homeownership. The Family Housing Fund partnered with Build Wealth Minnesota to launch a new down payment assistance pilot program; eligible borrowers can receive a no-interest forgivable loan of up to \$40,000 to help finance their purchase. The loan is forgivable over five years, with 20% forgiven each year. Borrowers must earn below 115% AMI, with priority given to first-generation or first-time buyers and buyers located in one of the collaborative's seven target neighborhoods. As of November 2022, 19 households had received assistance to purchase a home. Of these, 18 were first-time homebuyers and 17 were BIPOC.

A new mortgage product aims to further meet the financing needs of BIPOC homebuyers. Build Wealth Minnesota is currently rolling out "9000 Equities," which uses a customized underwriting process to serve borrowers who would otherwise struggle to obtain a traditional mortgage. This includes borrowers who have income from self-employment or multiple jobs; borrowers who have seen a steady increase in their credit scores but have not yet reached industry-standard thresholds; and borrowers who seek to buy multifamily properties that have not been previously used as a rental property. From the launch of the pilot in May 2022 until November 2022, one person purchased a small multifamily home using the 9000 equities mortgage.

The collaborative has also developed post-purchase supports to help set up owners for long-term success as landlords. As a complement to the pilot down payment assistance program, the collaborative developed a matched savings program. The program encourages owners to set aside funds each month as an operating reserve that can be used to cover repairs, maintenance, and periods of vacancy. One of the collaborative partners, Prepare + Prosper, matches each dollar the owner saves in the operating reserve. As of October 2022, the matched savings program has served 15 owners. The collaborative also recently launched a revolving post-purchase fund to help owners improve the livability and rentability of their properties. Owners can access up to \$10,000 in interest-free loans to help them make immediate repairs, remedy code violations, or upgrade their properties.

The collaborative's efforts are driven by its commitment to racial equity and addressing the pervasive racial disparities in homeownership rates in the Twin Cities. The collaborative has had success in engaging Black buyers, and is working to build relationships with partner organizations who are embedded in Latino/Hispanic and Native American communities. The collaborative is working to build relationships with partner

The community-based organizations that are our best partners in this work are already helping people achieve homeownership, they're helping renters find places to rent, helping small businesses and entrepreneurs...this initiative is really about being the glue, the connecting point, that builds capacity in the region.

– Family Housing Fund, Minneapolis, MN




organizations who are embedded in Latino/Hispanic and Native American communities. It also aims to make stronger connections between its initiative and other local initiatives that focus on the needs of renters, small business owners, and other housing stakeholders – creating a more comprehensive system of supports for homeownership.

Expanding Housing Supply by Investing in Emerging Developers

Collaborative Impact on Developer Capacity since 2014

- **\$74.5 million** in housing development loans
- **32** housing development loans to firms owned by people of color
- **9** housing development loans to firms led by women
- **7** housing development loans made to low- and moderate-income borrowers

Data reflects cumulative outcomes for all grantees as of December 31, 2022.



Many collaboratives are financing new construction and rehab projects throughout their target neighborhoods. These activities are essential for expanding the supply of housing and enhancing affordability, but they also represent a business opportunity for local developers, contractors, and other building professionals. Collaboratives in Wilmington (DE), Portland (OR), and Cleveland (OH) are offering targeted training programs and financing to help local developers take advantage of these new business opportunities in their community.

These collaboratives are focusing their efforts on small local developers new to the industry, sometimes referred to as “**emerging**” developers. In interviews, collaborative partners noted that

emerging developers play a key role in their local housing market, but often struggle to compete with more established developers. To help these developers successfully launch and grow their businesses, collaboratives are offering **technical assistance and training; networking and mentorship opportunities; and financing products**. These initiatives are making it easier for new developers to embark on their first projects and are helping existing developers scale up their operations to take on more complex projects.

Efforts to support emerging developers can help advance equitable economic development in several ways.

Increasing the number and capacity of developers operating within an area can make it easier to boost housing supply by ensuring that there is a pool of skilled labor to meet demand for new units. Emerging developers, in particular, play an important role by building and preserving small-scale housing types, such as single-family homes, duplexes, and triplexes, which are a priority for many collaboratives. These smaller projects are often less attractive to more established developers, as they tend to be less profitable than



large developments. Emerging developers, on the other hand, are more likely to work [in this segment of the market](#). By building a new cohort of emerging developers, collaboratives can encourage a greater diversity in the type of housing that is being produced in their community.

Developer capacity-building initiatives also can help advance other aims related to economic inclusion. **Many programs for emerging developers target people who have historically been shut out of the real estate industry.** Women developers and developers of color face a [range of systemic barriers](#) to breaking into the construction industry and growing their portfolio, including a lack of access to early-stage capital; difficulty qualifying for debt and equity capital; and limited professional connections and mentorship opportunities. By helping firms led by women and people of color to overcome these systemic barriers, collaboratives can help level the playing field and help these small businesses thrive.

Several collaboratives are providing training and technical assistance to residents who aspire to use their new skills to build or rehabilitate homes within their own neighborhood. This approach helps ensure that the economic benefits generated from development activities – the jobs and revenue created from the project – stay within the neighborhood. Moreover, because they have personal ties to the community, these local developers are often more motivated to restore and develop their neighborhoods in a way that benefits current residents and resists gentrification. Local developers’ familiarity with their community allows them to build trust with residents, which can result in a smoother development process that better reflects community needs and priorities.


Example: Building Capacity among Resident-Developers in Wilmington, Delaware

In Wilmington, the collaborative led by Cinnaire launched a new initiative, called Jumpstart, to help Wilmington residents become real estate developers within their own neighborhoods. Cinnaire decided to launch Jumpstart in 2020 based on feedback it received from community organizations involved in local revitalization projects. These stakeholders expressed that there were not enough developers working in Wilmington and that the lack of developer capacity was contributing to the city’s affordable housing challenges. Staff from Cinnaire had heard about the Jumpstart model, which originated in Philadelphia, and decided to bring the program to Wilmington.

“We make sure people have a commitment in investing in Wilmington. We want people who care about the city. Applicants have said “We know what it used to be, and we want to restore these neighborhoods back to what it once was.” One or two units at a time.”

– Cinnaire, Wilmington DE

Jumpstart Wilmington **participants attend a series of workshops over four weeks** that cover topics including managing their business, identifying sites, securing development financing, and navigating the permitting and construction process. **Participants also attend networking events** where they can build

A blue-tinted photograph of the Chicago skyline, featuring prominent skyscrapers like the Willis Tower, viewed from across a body of water.

relationships with community development corporations, policymakers, lenders, resident organizations, and other stakeholders in the housing development community. As of December 2022, there have been nine Jumpstart cohorts with 95 participants graduating from the program.

Ongoing mentorship is a key aspect of the Jumpstart program. Upon graduation, participants are **paired with a more experienced developer** who guides them as they embark on their first development projects. Graduates are also **invited to monthly meetings with the Wilmington Land Bank Technical Advisory Committee**, where they can discuss challenges they face and receive recommendations from more experienced developers. For example, one Jumpstart graduate who was developing a multifamily, mixed-use project needed to apply for and subdivide a property but had no experience in subdivision. Through the Advisory Committee, the graduate was able to connect with a director of a local community development corporation who had experience subdividing properties.

Cinnaire has also developed a range of complementary programs to help Jumpstart graduates build their portfolio of projects. The Jumpstart Wilmington Loan Program provides graduates with loans for acquisition, construction, pre-development costs, and renovation costs for single-family homes and multifamily or mixed-use properties. As of December 2022, the program has provided three loans, with another seven loans in the pipeline for 2023. Cinnaire has also partnered with the City of Wilmington, Wilmington Neighborhood Conservancy Land Bank, and the Wilmington Housing Authority to launch a property acquisition program that provides Jumpstart participants with exclusive access to vacant lots or blighted properties for rehabilitation or construction. Since the program's launch in August 2022, five Jumpstart graduates have acquired properties formerly owned by the City.



Photo: Jumpstart Wilmington cohort members on a construction site visit. (Credit: Equitable Wilmington)

Promoting Community Ownership through the Community Land Trust Model

Helping long-time residents remain in their community is a central goal of equitable development. In interviews, collaborative members spoke about their concerns about long-time residents being priced out of the neighborhood; the rising cost of land in their communities; and the difficulty they faced in securing sites for affordable housing development. To respond to these challenges, collaboratives from South Florida and Boston (MA) are investing in the Community Land Trust model as a way to promote affordability while protecting against displacement as neighborhood property values rise.

In this model, a **nonprofit entity called a Community Land Trust (CLT) purchases land and maintains permanent ownership of the land.** The CLT then leases the land for a nominal fee to parties that intend to use it for affordable housing. Leaseholders can include individual homebuyers, rental housing operators, or housing developers. These parties own the structures on the land, but the land itself is owned by the CLT. By separating the cost of the land from the cost of the structure, single-family or multifamily homes can be built more affordably and offered at below-market rates to low- to moderate-income homebuyers or renters. Communities are [increasingly turning to CLTs](#) as a way to build and preserve affordable housing. Though often used to support affordable homeownership, many CLTs throughout the country have also facilitated the development and preservation of [rental housing](#).

The CLT model is distinct from other affordable housing strategies in an important way: homes remain affordable permanently. Most housing subsidies come with affordability restrictions of five to 30 years; in the CLT model, affordability restrictions remain in place for as long as the CLT owns the land. If the owner of the structure decides to sell, the property must be sold at an affordable price either to another income-qualified buyer (in the case of homeownership units) or to another party that will operate it as affordable housing (in the case of rental units). If the structure is demolished and replaced, affordability restrictions will apply to any new housing constructed on the land.



Photo: A family moves into their new CLT home in Deerfield Beach, Florida. (Credit: South Florida CLT)



The durable affordability offered by CLTs makes them a particularly valuable housing strategy in the context of a **changing neighborhood**. The CLT model offers a guarantee that low- and moderate-income households continue to have housing options within the community, even if its real estate values increase over time. This approach provides a safeguard against displacement and helps ensure that the neighborhood remains economically diverse as it changes. It also maximizes the impact of the initial subsidy: the capital used to acquire the land continues to benefit the community for decades to come, without the need for additional investment.

CLTs can also ensure that diverse residents have access to **planned community amenities and the economic and social advantages that they can bring**. CLTs can acquire land in locations that are (or will soon become) highly desirable, such as land near planned transit facilities, retail corridors, or green spaces. Without the CLT's investment, housing in these areas would likely be out of reach for low- and moderate-income households.

Finally, CLTs provide **an important avenue for community ownership and engagement**. CLTs are typically managed by a nonprofit or quasi-governmental entity and governed by a board that includes occupants of the homes located on CLT-owned land, residents of the surrounding neighborhood, and representatives from local government and nonprofit partners. The board is ultimately accountable to these constituencies and must make decisions that balance their perspectives. Through their representatives on the board, community members can shape how the land is used over time.

Example: Creating Rental Opportunities with a CLT Model in South Florida

In Miami-Dade County, the Solar and Energy Loan Fund (SELF) is working with collaborative partners South Florida CLT and CLT of Palm Beach County to create new affordable rental housing using the CLT model. The collaborative aims to build or preserve at least 300 rental units using it.

The Miami metro area is one of the [highest-cost rental housing markets](#) in the country. In 2020, more than 30% of renters in the Miami-Fort Lauderdale-West Palm Beach metro area spent more than 50% of their income on rent. That affordability challenge has been exacerbated by the region's vulnerability to hurricanes and sea level rise, which have driven up land costs in better-protected areas.

The region is also undergoing a transit expansion, which will add new rapid transit corridors and commuter rail stations throughout Miami-Dade, Broward, and Palm Beach Counties. Collaborative members recognized that these transit investments could offer an opportunity to advance economic

With the land trust...you're not only building affordable housing that may be gentrified eventually, but actually can retain affordability long term.

– South Florida Community Land Trust,
Miami/Ft. Lauderdale FL



Photo: A rendering of one of South Florida CLT's upcoming projects, a 13-unit condominium located in Miami's Little Haiti neighborhood. (Credit: MC+G Architecture)

equity within the region, providing long-time residents with better access to jobs and services while also reducing their transportation costs. At the same time, the land surrounding the proposed stations would become more attractive to private real estate investors, potentially leading to higher housing costs and, eventually, displacement of low- and moderate-income families.

The CLT approach is a particularly valuable strategy in this context. Collaborative members anticipated that development pressures will increase dramatically as transit projects are completed. Given the long timeframe for transit expansion, a more typical affordability restriction lasting 10 to 15 years would likely be insufficient for preserving affordability. By purchasing land through a CLT, the collaborative is providing a **long-term guarantee of affordable housing available near transit stations**, ensuring that low- and moderate-income residents can realize the full benefits of the transit expansion.

In 2019, the collaborative developed [South Florida's Coastal Housing Link: An Equitable Plan for Tri-Rail's Coastal Link](#), which lays out a strategy for preserving affordability near proposed transit stations using the CLT model. The plan also identified target areas based on their proximity to transit stations and overall potential for transit-oriented development, their vulnerability to flooding, and their potential for leveraging public financing.



After creating the plan, the collaborative **developed a financing product that the partner CLTs could use to acquire property** in the highly competitive Miami market. The collaborative members acknowledge that it took some experimentation to find the right financing approach. Taking advantage of the flexibility of the PRO Neighborhoods grant, the collaborative eventually developed an alternative “debtquity” financing product that is specifically designed for CLTs.

The product is structured as a low-cost loan, but it functions more like an equity investment: the CLT pays only a 1.5% interest fee each month. The loan is also forgivable after 10 years, which allows the CLT to keep its properties affordable permanently. Importantly, the funds can be advanced to the CLT as a line of credit, giving the CLT access to cash that makes it easier to acquire properties in a competitive real estate market. This product has made it possible for CLTs to successfully acquire land, something they had not been able to do while relying on more traditional financing products. The product has also helped boost SELF’s balance sheet, which in turn has helped to raise more capital and build capacity.

I’ve looked at every listing in South Florida over the past few years, I’ve submitted 50 offers. We did not get taken seriously until we had the cash...[with the new product], we were able to be taken seriously in the market. We were able to obtain land for the first time.

– South Florida Community Land Trust, Miami/Ft. Lauderdale FL

The collaborative also **adapted its acquisition strategy** in response to the area’s available inventory. Early on, the collaborative anticipated that it would meet its rental housing goals in part by purchasing existing “naturally occurring affordable housing” (NOAH) multifamily properties and rehabbing them for use as affordable housing. However, it found the inventory of such properties was extremely limited and that few government subsidies existed that could support these smaller rehab projects. Instead, it has turned its focus towards purchasing vacant or underused land for new construction, so it can better leverage government financing programs.

In 2022, the South Florida CLT successfully acquired its first “signature project,” a vacant site located in the Overtown neighborhood of Miami. The site is only four blocks from MiamiCentral, a recently expanded transit hub located in downtown Miami. The site can accommodate up to 228 rental units, with an anticipated total development cost of \$80 million. South Florida CLT plans to engage a development partner with expertise in housing developments of this scale. The initial financing for the project includes \$1.95 million in “debtquity” from SELF, supported with PRO Neighborhoods grant funding, and a \$3.75 million loan from the Florida Community Loan Fund, another collaborative partner.



Overtown, a historically African American neighborhood, is experiencing significant development pressures after a lengthy period of disinvestment. South Florida CLT views the project as an **opportunity to influence development patterns** in the main development corridor. It is exploring an arrangement with the local YWCA, which owns the adjacent lot, to create a broader redevelopment plan for the block that incorporates retail, commercial, and community spaces. This is South Florida CLT's largest project to date, and it is building internal capacity by consulting with technical and legal advisors to ensure the project is a success.

Lessons Learned

Providing affordable, safe, and secure housing is an essential part of equitable development, and a key priority for many PRO Neighborhoods collaboratives. But rather than focusing on housing in isolation, collaboratives are making strategic investments in housing that simultaneously advance other equitable development goals. What can community development stakeholders learn from these approaches and experiences? Below we identify some of the key factors that have shaped collaboratives' housing-related efforts.

Flexible capital can drive innovations in development and mortgage financing.

Collaboratives have developed a number of innovative loan products that are designed to serve borrowers who might not otherwise qualify for traditional financing. Such borrowers are often considered too “risky” for traditional lenders, but collaboratives report that the PRO Neighborhoods grant has given them the funding flexibility to experiment with new products and programs. In South Florida, the collaborative took advantage of this flexibility to pilot a new “debtquity” product for Community Land Trust acquisitions. In Wilmington, the collaborative extended targeted financing support to emerging developers working to build their portfolio of projects. In Minneapolis, the collaborative is developing a new mortgage product that serve first-time buyers with limited assets. With access to flexible grant capital, collaboratives can continue to refine these new approaches and identify products that can be scaled up and sustained over the long term .



Photo: A resident moves into a new CLT home in Deerfield Beach, Florida. (Credit: South Florida CLT)



In a changing neighborhood, preserving long-term affordability is a priority.

In many cases, collaboratives have leveraged the grant funds to facilitate the development and preservation of “naturally occurring affordable housing.” These units might be affordable to low- and moderate-income households initially, but they will not necessarily remain affordable over time without intervention. Owners could eventually choose to sell their properties at market rates, especially in communities where the local housing market is accelerating. Though such sales represent an important wealth-building opportunity for owners, they can also erode affordability and contribute to displacement. In response to this challenge, collaboratives are developing long-term affordability strategies that respond to their local market context. For example, in South Florida, the collaborative implemented the Community Land Trust model to create permanently affordable homes within a rapidly gentrifying neighborhood.

We have been taking an unconventional approach to financing.... There's so much structural racism in the market to access wealth. The only way to get wealth to BIPOC folks who are considered “risky” is you have to be unconventional. We'll be the first movers, and then it'll become more conventional.

– Boston Medical Center, Boston, MA

Pairing technical assistance with financing options can make it easier for new actors to break into the housing market.

Collaboratives share a common goal of helping those who have been historically shut out of the housing market – including homebuyers, landlords, and developers – to purchase property and build wealth as their community changes. However, access to capital is only one barrier to entering the market: people also need the know-how and skills to successfully navigate the complexities of navigating real estate transactions. For this reason, training and technical assistance are an important aspect of collaboratives' work. For example, in Minneapolis, the collaborative is offering both online and in-person training to prepare buyers for realities of purchasing a rental property and becoming a landlord. In Wilmington, the collaborative is providing intensive training and mentorship for emerging developers to help them navigate the difficulties of launching a development business, acquiring sites in a competitive market, and building their development portfolio. In both cases, the collaboratives recognized that by braiding together both financing and technical assistance and training, they could better position their borrowers for long-term success as developers and property owners.

I would say that one big lesson is that capital combined with one other ingredient – training and technical assistance, community organizing, engagement, civic investment – can do a lot in terms of then being able to change the ownership and housing environment. But capital by itself is only capital.

– Local Initiatives Support Corporation (LISC), Philadelphia, PA

PRO Neighborhoods Collaboratives

Abt Associates interviewed representatives from 10 collaboratives addressing housing challenges as part of their PRO Neighborhoods projects. We thank these collaboratives for sharing their perspectives. Collaborative members that participated in an interview are denoted with an asterisk (*).

Boston, MA. The *Boston Opportunity System* collaborative aims to promote housing security and economic mobility for residents of the Dorchester, Roxbury, and Mattapan neighborhoods. The collaborative is investing in local Community Land Trusts (CLTs) to help it acquire, rehabilitate, and preserve affordable housing.

- Boston Medical Center*, Brigham & Women's Hospital, Dudley Street Neighborhood Initiative, Jewish Vocational Resources, Health Resources in Action

Cleveland, OH. The *Opportunity CLE Neighborhoods* collaborative is providing technical assistance and flexible financing to help build capacity among community development corporations and other real estate developers working in the Glenville, Clark-Fulton, and Buckeye/Kinsman neighborhoods.

- Finance Fund Capital Corporation*, Cleveland Development Advisors Community Reinvestment Fund

Columbus, OH. The *614 for Linden* collaborative is creating a new loan pool to finance the acquisition, rehabilitation, and construction of affordable housing in Columbus's Linden neighborhood. The collaborative is also supporting rapid rehousing services for persons experiencing homelessness.

- Ohio Capital Finance Corporation*, Affordable Housing Trust of Columbus and Franklin County, Finance Fund Capital Corporation, Economic Development Institute, Nationwide Children's Hospital

Miami-Dade, Broward, and Palm Beach Counties, FL. The *South Florida Housing Link* collaborative is using the Community Land Trust model to develop affordable, energy-efficient rental housing throughout the Miami region, targeting investments towards neighborhoods that are located along a planned rapid transit line.

- Solar and Energy Loan Fund*, South Florida Community Land Trust*, Community Land Trust of Palm Beach County, Florida Community Loan Fund, Enterprise Community Partners

Minneapolis, MN. The *Building Equity in Small Multifamily Homeownership* collaborative aims to help Black, Indigenous, and People of Color (BIPOC) families build generational wealth by purchasing two- to four-unit properties. The collaborative offers homebuyer education, innovative mortgage products, and down payment assistance.

- Family Housing Fund*, Greater Minnesota Housing Fund, Land Bank-Twin Cities, Hope Community, Minnesota Home Ownership Center, Build Wealth Minnesota, Prepare + Prosper, Center for Energy and Environment

Montgomery & Prince George's Counties, MD. The *Purple Line Transit-Oriented Development* collaborative is deploying capital to preserve and create affordable housing opportunities along the new Purple Line light rail corridor in the Washington metropolitan area and engaging residents and policymakers in local housing issues.

- Enterprise Community Partners*, National Housing Trust, Latino Economic Development Center

New Orleans, LA. The *Claiborne Corridor* collaborative is offering homebuyer education and loan products to help low- and moderate-income families become homeowners. The collaborative is also providing financing and technical assistance to help emerging developers and small landlords finance residential rehabilitation projects.

- HousingNOLA*, LiftFund, NewCorp, Hope Credit Union, Hope Enterprise

Philadelphia, PA. The *Kensington Lending Partnership* collaborative is providing targeted investments to increase the supply and quality of housing in the Kensington neighborhood. The collaborative is providing financing to local nonprofit developers, including emerging developers, to help them acquire and rehabilitate rental properties.

- Local Initiatives Support Corporation (LISC) Philadelphia*, Community First Fund*, Impact Loan Fund

Portland, OR. This collaborative is working to prevent displacement and expand the supply of affordable homes in rapidly gentrifying neighborhoods. The collaborative is deploying funds to support acquisition and pre-development needs and providing financing to help homeowners construct accessory dwelling units.

- Craft3*, Network for Oregon Affordable Housing, Community Housing Fund

Wilmington, DE. The *Equitable Wilmington* collaborative provides financing and technical assistance to facilitate the preservation of affordable housing, with a particular focus on vacant and blighted properties. The collaborative also provides targeted support to emerging local developers to help them build their capacity and expertise.

- Cinnaire*, NeighborGood Partners (formerly NCALL Loan Fund), True Access Capital

Organizations that participated in an interview are denoted with an asterisk (*).

This report was prepared by Abt Associates as part of its evaluation of *AdvancingCities* and PRO Neighborhoods.

Abt Associates is an international policy and research organization with a 50 year history of conducting rigorous evaluations and supporting implementation of housing and community development initiatives. In 2018, JPMorgan Chase selected Abt Associates to be the national evaluator of PRO Neighborhoods and *AdvancingCities*.

Funding for this report was provided by JPMorgan Chase & Co.

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