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DIVERSITY IN DEVELOPMENT: OBSERVATIONS AND RECOMMENDATIONS FOR AIDING DEVELOPERS OF COLOR ACROSS THE U.S.

PREPARED FOR MONARCH HOUSING ASSOCIATES

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EXECUTIVE SUMMARY

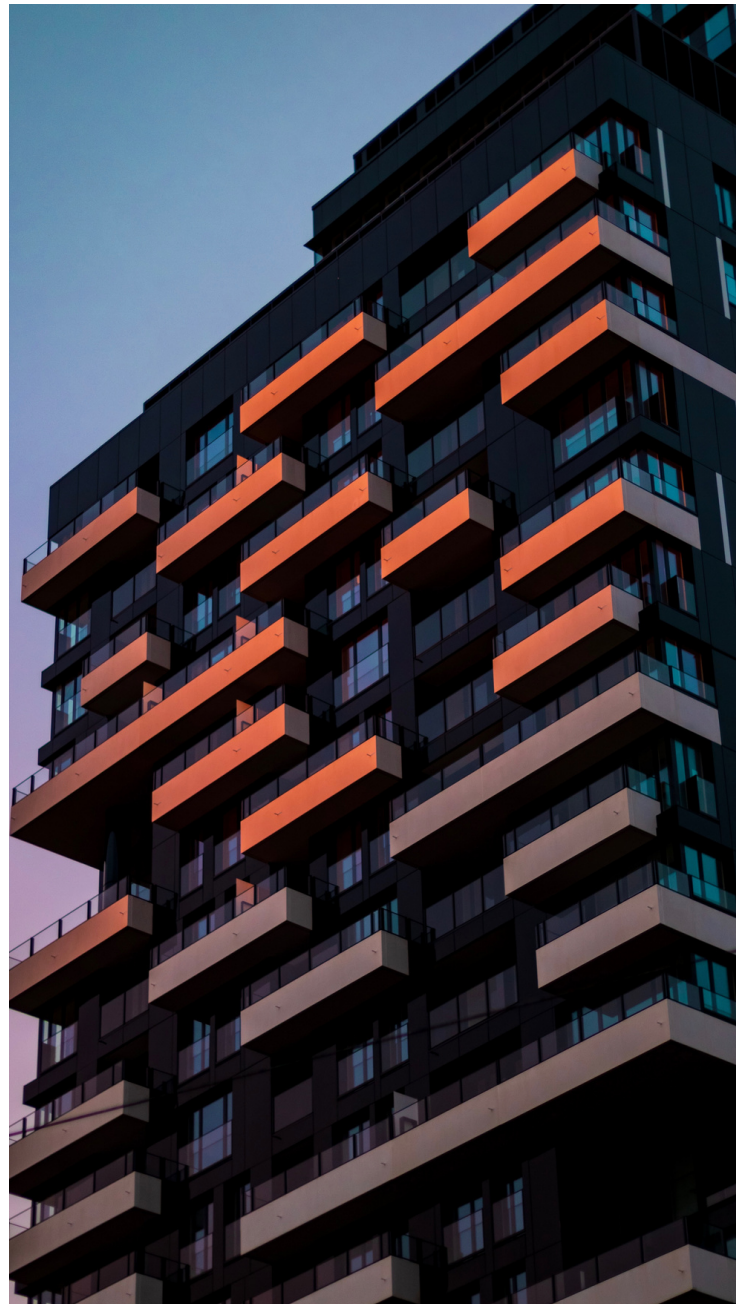
To support Monarch Housing Associates's Diversity in Development project, the Rutgers Master of Public Policy student research team produced several deliverables that sought to better understand the lack of diversity in developers within affordable housing. These deliverables included:

1. A Landscape Analysis which reviews the available literature and best practices surrounding emerging developers from underserved communities.
2. New Jersey Stakeholder Interviews to better understand the perspectives of developers of color, funders, and advocacy organizations involved in affordable housing.
3. The Development of a Survey to be distributed to developers of color to further understand their experience in the affordable housing sector and the barriers they face to accessing it.

From this research, the main lessons learned were:

1. Financial barriers and lack of knowledge about affordable housing practices were the most vital issues that affect the success of affordable housing projects for developers of color. There needs to be a combination of access to capital and training programs to eliminate barriers to entry for emerging developers to allow for diversification in the sector.
2. There is a gap between advocates and developers of color that needs to be addressed to better impact policy. Better collaboration between developers and advocacy organizations must be forged to develop better policies and programs to create tangible change.

3. While the influx of new grant opportunities and programs for developers of color have emerged as a result of this diversification movement, many developers feel pigeon-holed into the affordable housing space. Emerging developers do not see any push for them to enter market-rate housing projects which is a more profitable industry.



Overall, there is much exciting work being done surrounding the diversification of developers in affordable housing and new innovative programs are being introduced all across the United States. But there is still more work and research that must be done to make this vision a reality. To support this work, the research team developed 6 policy recommendations as follows:

1. Amplify voices of developers of color through the creation of feedback repository programs and sharing data to facilitate networking and use the information gained to restructure policies and programs accordingly to better serve these groups.
 2. Strengthen Black-led Community Development Financial Institutions (CDFIs) through public reporting of demographic information to encourage CDFIs to promote diverse leadership.
 3. Utilize the Competitive Inner City and Grove Impact's Developers' Directory Tool to establish concrete data on the number of developers of color across the United States.
 4. Advocate for more land bank initiatives within New Jersey through the use of expanded subsidies.
 5. Ask for state and local aid in diversifying and expanding funding sources to support developers of color in short-term market-rate construction projects to sustain a steady cash flow while completing the construction of affordable housing complexes.
 6. Urge state policymakers to consider Low-Income Housing Tax Credit (LIHTC) reforms which include the reduction of the 50% ownership per project to 25%.
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ACKNOWLEDGEMENTS



The team would like to thank all that made this research possible from the volunteer interviewees, to our advisor and of course the wonderful folks at Monarch Housing for allowing us to tackle such important work on your behalf. We hope this is only the beginning of the valuable insight you will be able to collect and further inform the mission of your organization.

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INTERVIEWEES

INTRODUCTION

This report provides findings of a project by the Bloustein School's practicum student research team for Monarch Housing Associates to examine emerging developers of color in the affordable housing sector. Monarch Housing Associates is a non-profit organization focused on ensuring every person has quality, affordable, permanent housing that fosters freedom, independence and community integration. They achieve this vision through expanding the supply and accessibility of housing opportunities by engaging in housing development and strategic planning to end homelessness. Monarch makes this work possible through the efforts of two teams, the Housing Production Team focused on developing affordable and supportive housing across the state, and the Ending Homelessness Team focused on creating and implementing strategic plans to end homelessness.

To support the creation of affordable and supportive housing, Monarch has worked with a variety of developers over the years. Through these partnerships, they have developed expertise in issues surrounding housing development concepts and financing tools involved in these projects. As a result of this unique knowledge, Monarch Housing Associates received funding through the Robert Wood Johnson Foundation to implement the Diversity in Development Project. The goal of this project is to create lasting impact on access to affordable housing in New Jersey by addressing the barriers emerging developers from underserved communities face while also establishing alternative pathways for those developers to contribute to the development of affordable housing.



The Diversity in Development project seeks to change the overall landscape of housing development throughout New Jersey by addressing equity issues for those who participate in constructing affordable housing and the populations which affordable housing targets. Monarch aims to use the project findings to inform advocacy and policy recommendations proposed to key stakeholders to enhance access to developers of color and generate greater equity in the affordable housing sector.

To support Monarch's Diversity in Development work, a research team of students from Edward J. Bloustein School of Planning and Public Policy at Rutgers University conducted a project that includes a landscape analysis, stakeholder interviews, and development of a survey questionnaire. The landscape analysis includes a review of the available published literature about developers of color in affordable housing and best practices surrounding increasing the number of Black, Indigenous, and people of color (BIPOC) developers. To understand the perspectives of New Jersey stakeholders, interviews were conducted with developers of color, funding organizations, and advocacy, outreach, and policy stakeholders within the housing development field. Lastly, the survey questionnaire was created to be distributed to New Jersey developers of color to better understand the barriers they face in constructing affordable housing.

In what follows, this report includes background about why the lack of diversity in the affordable housing sector is a problem. It will highlight innovative programs across the country that are addressing the barriers that developers of color face. The report will then feature methods and findings from the interviews with developers, advocacy organizations, and financiers in the housing development sector to better understand the challenges BIPOC developers experience and best practices to increase diversity. Finally, this report will conclude with a synthesis of the research teams' findings and a set of policy recommendations to aid in the diversification of affordable housing development.

BACKGROUND



Affordable housing continues to be a topic of great concern in New Jersey and all over the United States. Accessibility and availability of affordable housing for people is in the forefront of policymakers' minds. The conversation around affordable housing has also shifted towards the growing concern over the lack of diversity in the development of housing. Over the past few years as the Black Lives Matter movement has grown, there has been recognition of the near absence of housing developers from underserved communities in the housing development space (Abrams, 2021). The murder of George Floyd sparked a racial reckoning within the country and spotlighted the need for this diversity.

According to NAIOP, the Commercial Real Estate Development Association, in 2013, only 4.4 percent of commercial real estate professionals were Black (Abrams, 2021). A more recent report from 2021 released by the Urban Land Institute stated that 5 percent of their members identified themselves as Black or African American (Abrams, 2021).

Developers of color are not proportionally represented in the United States population and the clear lack of diversity is noted by industry leaders and historically scarce research on the subject.

Why is this lack of diversity a problem? In the already limited affordable housing that does exist, it is extremely difficult for persons with complex needs to be approved to live in these spaces. Many landlords and developers discriminate against individuals that they deem to be challenging tenants. These are often people with disabilities, those with mental health and substance use disorders, and justice involved individuals. People of color are disproportionately represented in these groups. Developers from underserved communities theoretically have a deeper understanding of the social and economic issues that plague these communities because they are a part of the community. This deeper understanding and perspective can lead to the inclusion of more marginalized populations who have been traditionally kept out of affordable housing efforts.

The diversification of the affordable housing development sector, however, is not an easy task. Emerging developers from underserved communities face significant barriers to entry into the field (Abrams, 2021). Access to capital which includes access to loans is a primary challenge for developers of color (Abrams, 2021). Historically this has been a long-standing problem for people of color with ties to racism and discrimination in the lending process. Like tenants of color, developers of color have also been discriminated against in the affordable housing sector. This is an important social justice component to the lack of developers of color present in affordable housing that policymakers must address. Structural racism is the underlying force for the absence of diversity seen in affordable housing developers and continues to strengthen the barriers put in place by society to prevent people of color from job opportunities and socioeconomic mobility.



Racially Restrictive Covenants:

During the 1920s, racially restrictive covenants (RRC) placed land use and acquisition limits on African American developers. These covenants prohibited racial and religious minorities from purchasing, leasing, or developing properties in affluent and predominantly

white neighborhoods. In essence, RRCs ensured neighborhood segregation over many generations and laid the foundation for zoning laws and practices such as redlining (Thompson, Kim & Moore, 2021). Redlining is a discriminatory practice that disproportionately classified prominent African-American neighborhoods as "hazardous" or "dangerous." Over time, banks systematically denied the residents in redlined districts mortgage loans and similar financial services.

In 1948 a Supreme Court ruling deemed RRC unenforceable and the 1968 Fair Housing Act outlawed RRC. However, the RRC had a long lasting impact on the economic outcomes of African American and developers of color. A disproportionate amount of African American families continue to live in disinvested neighborhoods compared for White American families. Likewise, the existence of these laws prohibited developers of color from purchasing land with substantial market value (Shoenfeld & Cherkasy 2019). Therefore, it discouraged African Americans from participating in the community development sector.

Looking Forward:

Although there are many barriers associated with the diversification among affordable housing developers, there has been an exciting push to create funding opportunities and training programs to increase their numbers. Large banks like JPMorgan Chase and Citigroup have devoted millions of dollars in equity and financing for affordable housing projects by BIPOC developers (Abrams, 2021). This is a good first step in the right direction for increasing diversity among affordable housing developers; however, more research and work must be done to inform and fuel this movement.

HIGHLIGHTS FROM LANDSCAPE ANALYSIS

This section features five exemplary programs from around the country that address the lack of diversity among housing developers. Understanding the current initiatives being implemented is a critical step in progressing research on this topic; therefore, each program will be discussed in detail. The purpose of this section is to identify what practices have been successful and what practices haven't. Doing so, serves to advance the knowledge surrounding the challenges faced by developers of color.

Methods:

developers of color that exist throughout United States. These are programs that primarily provide education, technical assistance, capital, resources, and connections to the emerging developers they serve. Once we identified the existing programs, we analyzed each one to determine which programs were the most influential.

To conduct a thorough scan, we first separated the country into geographic regions. Each member of our research team analyzed the existing programs in one of the specific regions. Following the



This facet of our qualitative approach involved an analysis of the existing literature on developers of color in affordable housing development. This research included both historical and contemporary analysis to better inform our understanding of the evolution of the industry. The most important component of our literature review was the landscape scan because it provided insight into the various initiatives currently being used to address the lack of diversity among developers.

For the landscape scan, we identified the most effective programs and initiatives for

culmination of our independent regional scans we shared our findings. After going over our scan as a team, we selected five of the most notable programs to investigate further. This section highlights those five programs in detail.

Findings:

“Buy Back the Block” Initiative Cook County Land Bank Authority West Woodlawn, Southside Chicago, Illinois 2022

In May of 2022, the Cook County Land Bank Authority (CCLBA) established the Buy Back the Block Initiative in Southside, Chicago. The CCLBA was created as a response to the social and economic concurred by the proliferation of vacant lots and abandoned houses in many neighborhoods in South Chicago. Their mission is to acquire vacant tax-delinquent lots and sell them to qualified community developers to construct affordable housing, small businesses, and essential neighborhood amenities. They seek to inspire sustainable community led development by prioritizing partnerships with developers of color who are from Chicago.

Five African American developers pioneered their recent Buy Back the Block initiative. They seek to advance the social and economic outcomes of residents of West Woodlawn Pointe in Southside Chicago by repurposing 11 vacant lots into luxury housing units. In 2018, 82.8% of residents in West Woodlawn were African American, with a median household income of \$29,728, and 37.2% of individuals lived below the poverty line (Khare et. al, 2021). The construction of these housing units would increase property values, median household income, and property taxes revenue. As a result, neighborhood amenities such as community centers and libraries can be constructed to improve

residential life.

The redevelopment of West Woodlawn Pointe cost \$8 million. CCLBA sold each lot of the developers for \$1,000 (Ramos, 2022). Additionally, the developers received a \$1.4 million commitment towards the construction cost from the Chicago Department of Housing in partnership with the Chicago Community Loan Fund (Ramos, 2022).

This is an exemplary initiative that increases African American representation in the community development sector by mitigating two vital barriers faced by developers of color – lack of equity and land availability. All five developers combined their financial resources, skills, and experiences to resource a neighborhood in this home town.



*“THESE BLACK DEVELOPERS ARE BUYING BACK THE BLOCK”
By Sean Jones, Bonita Harrison, DaJuan Robinson, Keith Lindsey, & Derrick Walker,
Crain’s Chicago Business | June 18th, 2021*

Philly RiSE
Black Squirrel Collective with the
Urban Land Institute
Philadelphia, Pennsylvania
2022

Philly RiSE is an accelerator program for Black and Brown real estate developers launched by the Black Squirrel Collective (BSC) in partnership with the Urban Land Institute (ULI). Formed in 2021, BSC aims to connect underserved communities with the resources to sustain a community-based economy. Founded in 1936, ULI is the oldest and largest network of cross-disciplinary real estate and land use experts in the world. The idea for an accelerator program first began because BSC's leadership had been increasingly concerned about the limitations for small developers of color in accessing and developing land in Philadelphia. Therefore, they launched a city-wide survey and found that developers of color face specific barriers throughout the real estate development process. The two most notable limitations were the inability to understand the acquisition process and the inability to meet the capital requirements. Hence, BSC set out to create its own program in partnership with ULI, Philly RiSE, to help address these dilemmas.

The guiding goal of Philly RiSE is to balance the inequity in local real estate development. The program has four pillars: community building, education and training, coaching and mentoring, and providing capital. To achieve its goal, Philly RiSE will provide training, support, and access to capital for developers of color in Philadelphia. Specifically, participants will receive professional

mentoring and coaching from an experienced real estate development team. They will also be enrolled in a 15-week ULI certified developer training program with national subject matter experts and industry professionals. Most notably, each participant will be provided access to five property sites in Philadelphia's most underserved communities. These residential properties will have no less than half of their units available at an affordable rate. The program utilizes 95% capital financing (Equity & Debt) to fund each participant's development.

One downside of the program is its limited scale. Only a cohort of ten to twelve black and brown developers are selected to participate in the program. To qualify for Philly RiSE, a developer must have at least five properties and be committed to completing all their properties within Philadelphia. Therefore, the program is designed for developers already building their own real estate business, not for individuals interested in doing so.



The cohort graduates of the Philly RiSE program's training at Booker's Restaurant & Bar on Dec. 20, 2022.
Image Credits: Tom Gralish - Philadelphia Inquirer Staff Photographer

**Greater Minnesota Housing Fund
Emerging Developers of Color program
St. Paul, Minnesota
2021**

The Greater Minnesota Housing Fund (GMHF) is a CDFI that was founded in 1996 to address affordable housing needs for Minnesotans in underserved communities. GMHF supports the creation of affordable homes through strategic investments and strong partnerships with a dedication to social and racial justice. The organization is committed to advancing policies that further equity for communities of color throughout the state. GMHF advances this work through directly funding affordable housing projects, providing technical support to local communities, linking projects to financial resources, and researching innovative policies to increase the production of affordable housing.

In addition to this work, GMHF developed a program for developers of color. In November of 2021, the Emerging Developers of Color program was launched to address the underrepresentation of BIPOC investors and developers in the affordable housing sector. The goal of the program is to disrupt the systemic racial barriers to financing for real estate investment and development. Through this program, GMHF provides access to capital for BIPOC developers utilizing flexible financing tools and grant support to build affordable housing projects. Additionally, technical assistance is provided for emerging developers to build skills and manage projects effectively. In its first year, the Emerging Developers of Color

program awarded over \$13.9 million in flexible, low-cost loan capital and \$475,000 in pre-development grants to 23 affordable housing developments led by developers of color. This investment created 480 housing units and resulted in significant outreach efforts with engagement of over 100 prospective developers of color all over the state. GMHF is looking to the future and continuing its efforts in supporting more developers of color financially to reduce barriers to entry into the affordable housing field.

**Regional Map
of Minnesota**

Creating and preserving
affordable housing in
Minnesota's 87 counties

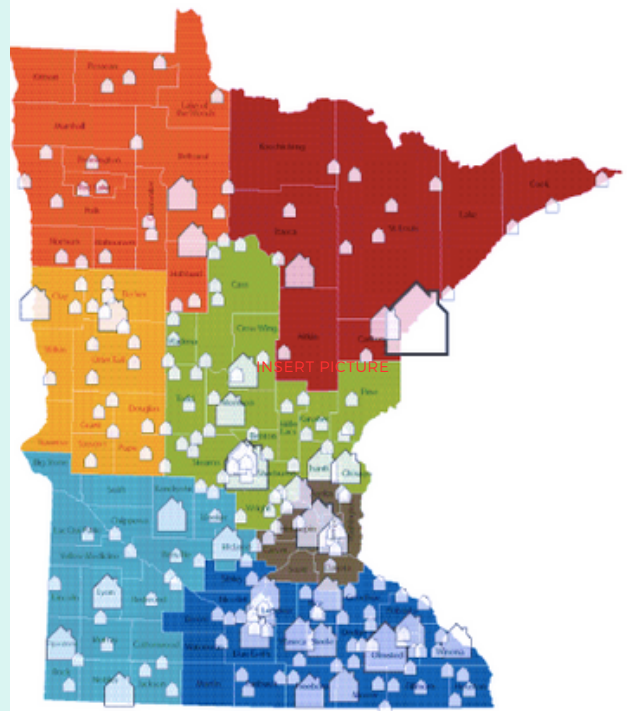
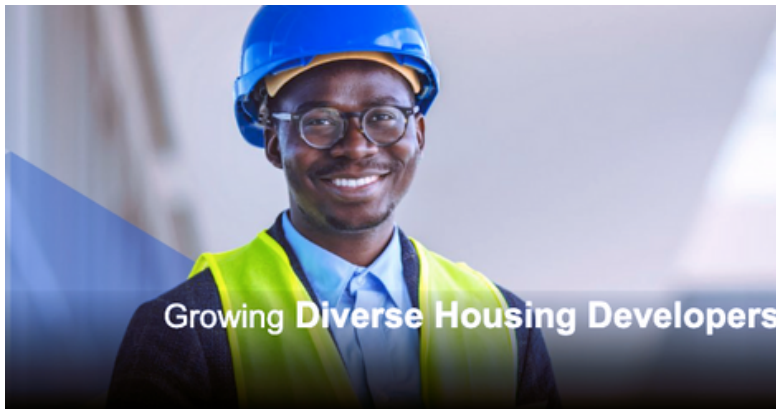


Image Credit: GMHF <https://gmhf.com/about/>

Capital Impact Partners, Low Income Investment Fund, Reinvestment Fund Growing Diverse Housing Developers Multiple State Program 2022

Capital Impact Partners (CIP) of Arlington, VA, Low Income Investment Fund (LIIF) of San Francisco, CA, and Reinvestment Fund (RF) of Philadelphia, PA partnered to form the Growing Diverse Housing Developers' program. Each of these organizations have operations in various cities across the country. The commonality within these organizations is their mission to help build communities of opportunity. They do this through providing credit and capital, leveraging data, and forming partnerships to create opportunities within underserved communities.

affordable housing sector. Growing Diverse Housing Developers solves one main problem in the development space which is the lack of racial equity. The first cohort of the program contained 27 men and women real estate developers of color from both the nonprofit and for-profit sector. The participants were from California, Georgia, Texas, Baltimore, New York City, Philadelphia and Washington, D.C. The potential impact of this new program is significant with the knowledge that only two percent of real estate development companies are Black led (Capital Impact Partners, 2022).



Expanding Affordable Housing and Supporting Developers of Color
<https://www.capitalimpact.org/programs/wells-fargo-growing-diverse-housing-developers/>

The Growing Diverse Housing Developers program is funded by a \$30 million dollar grant from the Wells Fargo Foundation which aims to support real estate developers of color and create more affordable housing. The program specifically provides lower-cost capital, training, and support in navigating the

Twin Cities LISC: Financial Opportunity Center Multiple State Program 2022

LISC (Local Initiatives Support Corporation) seeks to revitalize communities and provide economic opportunities to residents through capital and strategy. Founded in 1988, Twin Cities LISC has helped over 17,000 families secure affordable housing, supported community development projects, and created new spaces for recreation and living. Twin Cities LISC strives to fulfill their mission through strengthening new partnerships, providing skills and resources to talented individuals in low income communities, and influencing local, state and federal policy created and implemented in underserved areas. As an organization with multiple roles, Twin Cities LISC ensures that residents of underserved communities are equipped with the necessary and appropriate resources to succeed.

Twin Cities LISC has received over \$734 million in grants, loans, and equity and leveraged \$2.9 billion from other investors. One of its main goals is to increase wealth in underserved communities through investing 50% in organizations/projects led by people of color by 2023. An innovative program that Twin Cities LISC has developed is the Financial Opportunity Center that offers low-income residents information and resources regarding financial stability and also connects them with individuals and organizations involved in providing affordable healthcare, utility assistance, and food security. The key goal of the Financial Opportunity Center is to coach individuals and understand how

they can best utilize the resources and services provided. Through this program, Twin Cities LISC has helped over 6,900 individuals improve their financial literacy and find career opportunities for 2,104 of their clients.

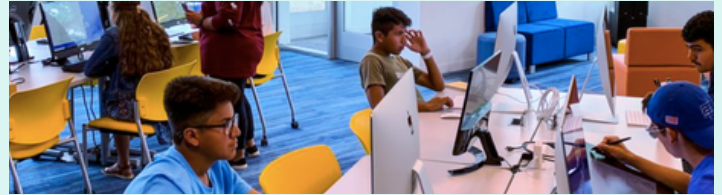


Image Credits: LISC Financial Opportunity Centers Financial Opportunity Centers support local residents through economic opportunity, training and coaching | LISC Twin Cities

Conclusion:

The national landscape analysis provided the research team with a fuller understanding of the current policies and programs being implemented across the country. There are various organizations that are pioneering programs to advance the work of developers of color in the housing development sector. These programs highlight the importance of reducing barriers to financial capital as well as the gap in knowledge many emerging developers face. From this analysis, it is clear that BIPOC developers need both financial and educational support to thrive in the development space. Providing developers of color with capital is a significant first step in the right direction to diversifying the field and breaking down existing barriers but it is insufficient alone. Training programs are also crucial resources that break down barriers for emerging developers. The housing development field is complicated for anyone to navigate and having access to education and networks of other BIPOC developers is key to building successful projects. Coupling access to capital with training gives developers of color the best opportunity to break into the affordable housing space and ultimately diversify it.

FINDINGS FROM INTERVIEWS

Methods:

The diversity in development project seeks to change the overall landscape of housing development in New Jersey by addressing equity issues for those who construct affordable housing and the populations that need it. Specifically, our research team was responsible for investigating the challenges that developers of color uniquely face. Identifying these barriers is a crucial component in addressing the equity issues that exist. To properly do so, it was important to consider the entirety of the development process. From advocacy to construction to financing, all facets of real estate development must be scrutinized. Failing to do so risked overlooking the nuance that exists throughout the process, especially for developers of color. Therefore, our research required a dual-faceted qualitative approach.

For the primary facet of our research, we conducted interviews with individuals from various organizations in the development space throughout New Jersey. To gain a holistic understanding of the barriers that exist, we spoke with individuals from development firms, financing organizations, and advocacy groups. Because of their differentiating experiences, we developed a different set of interview questions for individuals working in each of these three fields. During the interviews, one team member was tasked with asking the questions and



following up with relevant probes while a second team member took detailed notes. Our field notes were stored in a secure location to protect the privacy of those interviewed. All eight of the interviews conducted were carried out over Zoom.

Following the completion of the interviews, we had to analyze our field notes. Doing so was crucial for identifying the common themes and barriers that came up during our discussions. To analyze the interview notes, we highlighted specific phrases that consistently appeared. When pulled together and put into context, these phrases formed the basis for both the themes and the best practices we identified.

Findings:

Barriers Faced by Developers of Color

We interviewed two male developers of color whose operations were mainly in New Jersey. They each manage a development firm and have over 20 years of experience in real estate. Both developers spoke extensively on financial and technical barriers they experienced or noticed within the community development sector.

Regarding financial barriers, both interviewees discussed the need to improve equity as a poignant challenge faced by African American developers. Several developers, including one of our participants, made staunching financial sacrifices to generate sufficient equity for a loan. For example, some developers have sold their houses and emptied their savings account to use as equity for their real estate projects. Furthermore, many developers of color had to accept low shares in a project in exchange for partnerships to contribute equity or additional funding. So though CDFIs and government subsidies have been an effective mode of accessing capital, the lack of equity to access these loans and grants has been overlooked.

In addition to financial barriers, the developers underscored the need for adequate training programs. The two areas of concern pertained to the calculation of construction costs and access to government tax credit programs. The developers recommend training programs

to provide instruction on decreasing construction through cost negotiation and reducing hidden fees. Likewise, training programs should guide developers to understand and navigate the application processes of more government subsidy programs.

Funding Organizations

Upon interviewing three members of a CDFI, we learned how their organization functions, their impact on communities and their innovative solutions. A large portion of their organization deals with developers not only in relation to funding their projects but also supporting them along the way. All members spoke of the challenges their CDFI faces compared to their for-profit competitors.

Members interact with developers on a regular basis, from their relationships members noticed common themes over the years. One difficulty exists in accessing affordable housing deals in a competitive market on behalf of their clients. They are competing against time, availability of their ideal properties, and of course other private investors. After a lengthy housing search in this low inventory market, they often face additional challenges. The deals the CDFI are bidding on, more often than not, get out-bid by those with more access to capital and other resources. Understandably so, as CDFIs have many more compliance aspects to manage than their private investor counterparts.

The type of projects that developers engage with range from 1-2 unit properties all the way up to massive 300+ mixed-use properties. There is a complex set of challenges for each yet also a list of supportive programs offered to combat these issues. One support that a member wishes both groups have in place is live technical assistance which guides

developers through each deal they face. The robust programs offered at this CDFI are regarded as helpful in their own right, but the learning that comes from having a guide in the middle of deal exploration is what this member sees as the most requested throughout their time with developers.

Other suggestions that members of this CDFI have for the advancement of their work support the availability of funding sources. First, this CDFI overall thinks the federal government should place priority on funding affordable housing. In doing so the federal programs that exist need to place less strenuous application processes prior to accessing capital needed to purchase land. Whereas for-profit companies already have capital to acquire the land without seeking rigorous subsidies programs. Second, members call for not only acknowledgement but cooperation with communities to construct affordable housing in their neighborhoods. For some communities this currently takes the form of legal requirements, but there has to be more cooperation past a requirement in order for the availability of affordable housing to prosper. Lastly, related to the accessibility of funding, there needs to be a policy in place that makes CDFIs like this one competitive with capital rich developers. This policy would somehow carve out loans from banks to nonprofits first, before they become available to private investors.

Advocacy, Outreach, and Policy

To understand another perspective that developers of color face, we interviewed three individuals with experience in the advocacy, outreach, and policy side of affordable housing development. Each of their three respective organizations are deeply involved in housing matters throughout New Jersey; thus, they each had their own perspectives and sentiments to bring to the table. Because of their experience with both BIPOC developers and underserved communities of color, they were able to highlight the unique barriers faced by each population. For developers, the most notable barriers are the requirements of the Low Income Housing Tax Credit (LIHTC) and the lack of access and knowledge of financing mechanisms. For communities, the most noteworthy challenges are affirmative marketing, creditworthiness, quality of the units, and vulnerability to climate change. Addressing the barriers experienced by the developers is instrumental to addressing the barriers faced by underserved communities. By diversifying the developers, affordable housing developments will become more flexible and effective, thus the communities will benefit immensely.

It is evident that developers of color disproportionately experience barriers to success, but it is less clear what those barriers specifically are. Our interviews with professionals from the advocacy side of affordable housing identified two influential barriers that must be addressed. The first barrier is in the LIHTC. The LIHTC is the primary mechanism for building and financing affordable housing in the United States. It is a federally funded program administered by the New Jersey Housing and Mortgage Financing Agency (HMFA). The LIHTC requires that the project developer must have previously had 50% ownership in a LIHTC project. This requirement is a problem because there is only a small number of developers and investors in the state who have consistently been able to access this program. Thus, many developers, especially BIPOC and emerging developers, are automatically left out from the program because of this requirement.

If a minority developer wants to access the LIHTC but they do not qualify, they must partner with one of the qualified developers to apply for the project. Therefore, BIPOC and minority developers

are often unable to apply for the LIHTC independently. The structure of the program's requirement ensures BIPOC and women developers partner with larger, wealthy developers but not lead their own projects. This results in well-resourced developers getting awarded tax credits too easily and too often. And these developers are usually wealthy, white, and are well connected to the financing institutions. Addressing this disparity caused by the LIHTC is a vital step in creating more equity in the development space. The most effective way to do so is to reform the requirements of the program so that more developers can access it. This would mean decreasing the previous ownership percentage for developers applying for the tax credits. Doing so would expand access for those who have been unfairly left out.

The second barrier faced by BIPOC developers that we identified in our interviews is the disparity in financial knowledge and the disproportionate difficulty in accessing credit. Most often, emerging developers have immense difficulty receiving funding for their projects. Not only is the lack of access to funds a result of financial constraints and institutional restrictions, it is also because of a lack of education about the funding mechanisms. Therefore, developers of color, especially those new to the sector, tend to experience challenges when navigating the financing structures of development. For instance, an emerging developer is likely to apply for and obtain a large multi-million dollar loan to complete their project. Loans of this size require a lot of legal compliance which emerging developers do not have

the expertise or capacity to provide. Therefore, these large loans turn out to be a disservice to emerging developers.

Rather than these large loans, BIPOC developers need access to lines of credit. A line of credit worth a few hundred thousand dollars is just as impactful to the developer as the large loan and it doesn't require as much complex legal compliance. Thus, developers of color need increased access to useful and effective financing mechanisms like lines of credit, not like multi-million dollar loans. To address this disparity in financial knowledge, organizations across the county have launched training and education programs for emerging developers. These programs need to really focus on the financial knowledge and skills needed to succeed in the development sector. This will ensure that emerging developers of color are better able to navigate the funding mechanisms so that they are aware of all the options available to them.

Conclusions:

The developers we interviewed richly informed our research. Listening to their experiences provided a critical perspective on the current state of the industry from individuals directly involved in it. Our discussions with developers of color, specifically, provided insight into the unique challenges they encounter in the development process. Learning firsthand about the barriers faced by developers of color was a critical endeavor in completing our research.

Because financing is a vital component of the affordable housing development process, speaking with funding organizations offered additional important perspectives for our research. People of color have disproportionately experienced barriers in accessing conventional financing; thus, we needed to consider the current funding sources available in the industry. To do so, we spoke with mission-oriented community development finance institutions (CDFIs). This informed our research on the perspectives of funders, especially those who intentionally seek out developers of color. The CDFIs provided us with a unique fiscally responsible lens that was not uncovered in our interviews with BIPOC developers.

During our discussions with developers and funders, we gained insight into the formal and structural barriers faced by developers of color; however, we were less able to identify the informal challenges from these conversations. Therefore, it was important for us to interview advocacy groups working in the development and affordable

housing sphere as well. The advocacy groups we spoke to provided numerous examples of the many, often overlooked obstacles faced by both developers of color and individuals seeking affordable housing. These examples informed our research in a way that would not have been possible if we did not speak to such organizations. Their insight into the real-life, informal challenges faced by emerging developers of color provided a much-needed complement to our analysis of the formal barriers that exist.

DISCUSSION

Overall, there is still much work that needs to be done to diversify the affordable housing development sector but there are promising steps being taken to lead the field in the right direction. The information learned from the landscape analysis revealed that financial barriers and lack of knowledge were the most crucial aspects that impact the success of affordable housing projects for developers of color. Many of the programs that currently exist throughout the United States combine both a funding source and training programs to give emerging developers opportunities to break into the space. This is a vital combination of resources that bridges gaps in capital and knowledge for BIPOC developers and allows them to eliminate barriers to entry. Policymakers and advocates alike should use these programs as a blueprint to continue to grow services and make them more widely available throughout the country. This progress will aid in the diversification of affordable housing developers and lead to more affordable housing opportunities for tenants of color.

Additionally, our interviews with stakeholders reaffirmed much of what we discovered in the landscape analysis. Developers of color and advocates shared that financial and educational barriers are the main barriers that impede emerging developers from entering the affordable housing field. But these interviews also uncovered other vital topics that were not discovered in the initial analysis. For many interviewees, they have found a gap between advocates and BIPOC developers that needs to be bridged. Developers of color felt that there needed to be more interaction between themselves and advocates to better align their policy goals and recommendations to diminish barriers to entry. This finding highlights the importance of policymakers and advocates working directly with the community of developers of color to tailor programs to what is going to be most effective in real life applications. This coordination of effort will go a long way to diversifying the field and creating better outcomes.



Lastly, an issue that emerged from our interviews that developers of color felt strongly about was the feeling that BIPOC developers are being pigeon-holed into the affordable housing space. While the influx of grant opportunities to create affordable housing projects has been positive, developers felt there has been no push for them to enter the market-rate housing market which is often a more profitable industry. This widens the already existing racial disparities gap in not only the housing development space but also for economic inequality people of color experience. Although the intentions of this movement are good, there are unintended consequences for developers of color that must still be addressed. As the affordable housing crisis continues to burn throughout the United States, the diversification of developers will play a crucial role in putting out the fire.

POLICY RECOMMENDATIONS

The research team proposes six policy recommendations to further the success of BIPOC developers within the affordable housing sector:



1. Amplifying Voices of Developers in Targeted Programs:

Corporate initiatives and targeted programs that address the challenges faced by emerging developers are relatively recent. Prominent banks such as JPMorgan Chase & Co and Well Fargo have committed millions of dollars in grants to finance training and mentorship programs for developers of color.

However, centering on the needs and concerns of developers of color when structuring these initiatives would enhance the effectiveness and efficiency of these programs. Both of the developers we interviewed highlighted the need for more in-depth courses to provide extensive training in accessing capital and analyzing construction costs. Similarly, acquiring knowledge about generating equity needed to obtain a loan was a poignant emphasis during one interview. These are only a few of the concerns that must be amplified when designing training programs.

We propose two structural changes to bridge the prevailing communication gap between developers of color and directors of community development training programs.

1. **Feedback Repository:** Training programs should consider liaison between the programs and previous cohorts. These representatives would maintain a mutual relationship with former students inquiring about their challenges and success. A repository of alumni feedback would inform the program director of problem areas to capture within their course structure.
2. **Shared Data:** Training programs serving similar demographics should share the summaries of their cohort feedback with one another. Such collaboration will increase the sample size and thus magnify areas of concern among developers.



2. Building and Strengthening Black-Led CDFIs:

CDFIs are instrumental funding sources for most community development nonprofit organizations and individual developers of color. CDFIs offer financing at a lower interest rate than conventional banks. Most importantly, these mission-driven financial institutions often undertake projects that revitalize low-income communities providing capital for the construction of affordable housing and essential neighborhood amenities.

New Jersey Community Capital (NJCC) and the African American Alliance of CDFI CEOs (AAACC) epitomize notable organizations that seek to invest in the Black-led CDFIs. NJCC raised an estimated \$5 million in grant capital to create the Equitable Small Business Initiative (ESBI) in partnership with the African American Chambers of Commerce. ESBI provides capital to business owners of capital and also provides a vehicle to support the African American Chambers of Commerce-NJ's move to become a certified CDFI. Similarly, the African American Alliance of CDFI CEO is committed to capacity building among Black-led CDFIs through cooperative efforts with the Chief Executive Officers of these institutions. Their mission is to strengthen the financial and operational capacity of Black-led CDFIs.

In addition to the efforts of NJCC and AAACC, we recommend the following policy actions:

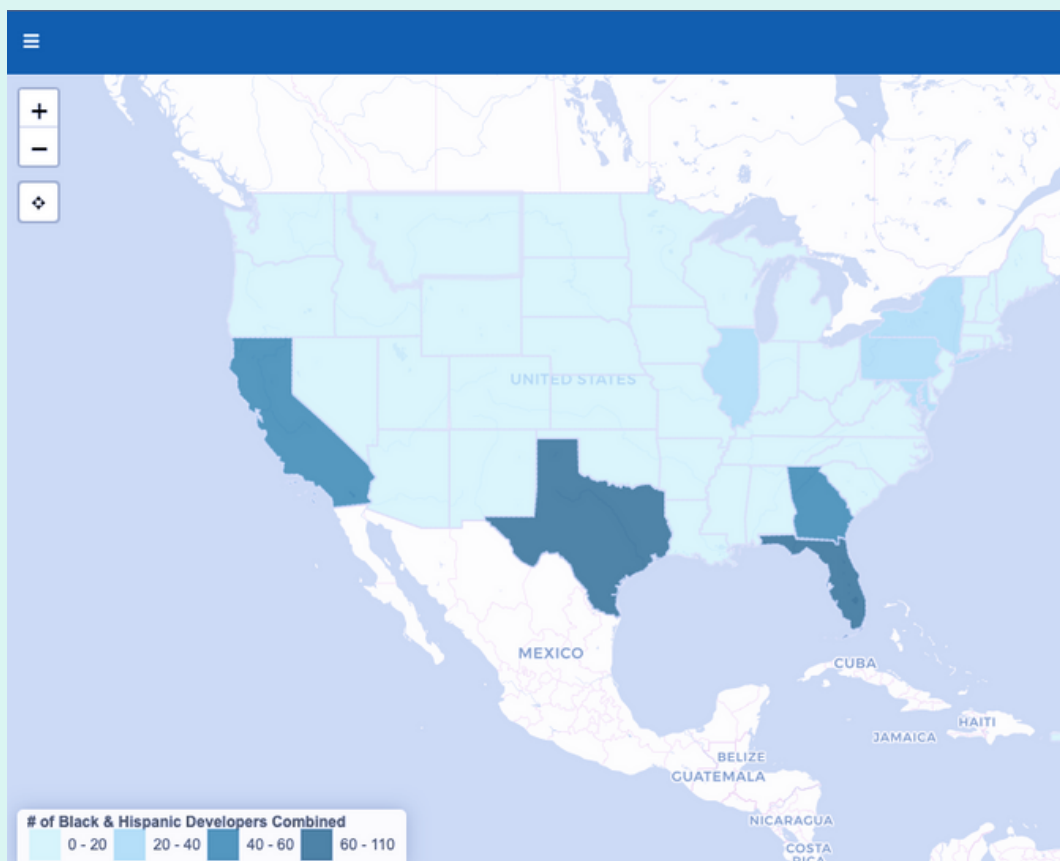
1. First, we encourage community development leaders to advocate for state and local grant allocations to support the establishment of loan funds required to form a CDFI within minority-led financial institutions.
2. Secondly, we support robust enforcement of racial equity scorecards within financial institutions. Racial equity scorecards are learning tools developed by AAACC in partnership with Community Vision, a nonprofit advocacy enterprise. The cards measure economic impact within a community across five spectrums: wealth building, leadership support, access to land, culture and place keeping, and racial equity (AAACC n.d). Essentially scorecards provide quantitative measures for financial institutions to assess the impact of their current guidelines.

3. Advancing Existing Developers Directory Tool:

The Initiative for a Competitive Inner City and Grove Impact, a nonprofit research organization, recently constructed a virtual map and directory of African American and Hispanic developers throughout the United States. The map summarizes the number of African American and Hispanic developers in each state and within the metropolitan or micropolitan areas. It also ranks each state by the number of developers of color per number of African American and Hispanic residents. Furthermore, it provides an overview of each developer's organization.

There are notable benefits and limitations to this directory. The directory conceptualizes and quantifies the total number of developers of color in a given state. Such metrics are relevant for policy solutions surrounding the inclusion and diversification of African American and Hispanic individuals in the housing development sector. However, due to the recency of this tool, the directory is missing many developers of color.

Therefore, we recommend notable community development institutions such as Monarch Housing Associates to featuring this directory on their web pages and printed newsletters. Likewise, we invite emerging developers of color to send an email to info@groveimpact.org with details of their company and location.



Map and Directory of Black and Hispanic Real Estate Developers
The Initiative for a Competitive Inner City (ICIC) and
Grove Impact



Center for Community Progress

4. Establishing More Land Bank In New Jersey:

Land banks are government or nonprofit agencies that acquire vacant, tax-delinquent lots or dilapidated buildings in underserved communities. Their mission is to stabilize low-income neighborhoods by redeveloping the properties for the productive use of residents. As previously mentioned, initiatives like Buy Back the Block, with Cook County Land Bank, mitigate the barriers that developers of color experience in accessing land. Most land banks sell the properties in underserved communities to local developers at below-market value. Therefore, the land is made available for developers at an affordable rate while minimizing competition with large for-profit corporations.

As of March 2022, an estimated 250 land banks exist throughout the United States distributed among 17 States (The Center for Community Progress, n.d). Since the legislation of the New Jersey Land Bank law in 2019, the state currently has one land bank located in Newark. However, as of 2014, Isles Inc, a community development corporation, partnered with local community groups to spearhead the Trenton Neighborhood Restoration Campaign. The campaign seeks to advocate for a land bank in Trenton. According to a representative at Restoring Trenton, one of the affiliated organizations, “dysfunctional city council and staffing turnover at City Hall,” has stymied efforts to develop a land bank in Trenton.

Due to inconsistent leadership at the local level, we recommend an alignment of local advocacy with state-level policy priorities. Isles, Inc. and fellow advocates must present the formation of Trenton Land Bank at the forefront of a broader state-wide affordable housing crisis. Revitalization of Trenton neighborhoods will positively impact the overall social and economic outcome of New Jersey residents. Also, State-level advocacy will foster public support and engage key government stakeholders such as the state Governor.

5. Expanding Funding Sources:

Multiple interview respondents underscored the importance of diversifying funding sources in community development projects. In recent years various government subsidies, local grants, and tax credits have been allocated toward the construction of affordable housing units. Affordable houses are essential pillars in strengthening the social and economic outcomes of low-income families. Therefore, the effort to provide sufficient funding to develop these units is laudable. However, affordable housing projects often present a financial challenge to developers of color because it is less lucrative than market-value ones.

We recommend the diversification of state and local funding sources to support developers of color in short-term construction projects involving single-family units at market value or commercial development. These intermediate projects would allow developers to sustain a steady cash flow while completing the construction of an affordable housing complex.

6. Low-Income Housing Tax Credit (LIHTC) Reform

The LIHTC program is an essential funding source for emerging developers. The program offers 4 percent and 9 percent tax credits to subsidize the acquisition, construction, and rehabilitation of affordable rental housing. However, a couple of criteria in the current Qualified Allocation Plan create barriers for emerging developers of color. For example, LIHTC requires a developer to obtain 50% ownership of a project to qualify for the program's benefits. However, due to limited equity, this restriction causes BIPOC developers, especially women, to establish partnerships with large corporations. These partnerships often result in developers of color receiving a lesser share of the property, thus making fewer profits.

Our research supports the advocacy of Fair Housing Center and Monarch Housing Associates regarding the financial implications that the current statutes impose. Fair Housing Centers worked with Monarch Housing Associates to propose various amendments to the plan to mitigate existing barriers. Included in their recommendations is the reduction of the 50% ownership per project to 25%. This amendment will enable developers of color to qualify for the tax credits without settling for a lower share in the project to attract potential partners. Therefore, we urge policymakers to authorize this recommendation at the state level.

APPENDICES

APPENDIX A : INTERVIEW QUESTIONS

General Questions For Developers

- 1.What is your position and responsibilities at ____(name of org)?
- 2.How long have you been working in that role_____ and how long at ___ overall?
- 3.What are the primary roles or mission of _____ (name of org)?
- 4.Does (name of org) work on affordable housing development? (If so, please provide a couple of examples of recent affordable housing projects that your (name of org) funded or worked on?
- 5.In your experience, what are the major barriers to affordable housing development for underserved communities in New Jersey?
- 6.Are there particular barriers faced by developers of color in the affordable housing sector? Probe if not mentioned: How about accessing capital? How do you suggest these barriers be overcome?
- 7.Is your organization involved in advocacy or other activities to address barriers to affordable housing development for underserved communities? Probe as needed: What activities, policies?
- 8.Does our organization provide training programs or other supports for emerging developers? Do you find the training or other supports to be effective? (If so) In what ways?
- 9.Do you have recommendations of best practices for improving equity and diversity in the affordable housing development sector? Are there particular policies in place that you would highlight as contributing to diversity among housing developers?
- 10.Do you receive applications from a diverse pool of applicants, including people from historically under represented groups? (predominantly white or developers of color?) What steps do you believe investors in the development of affordable housing can take to improve diversity among developers?
- 11.Are there any other developers or other contacts that you would recommend we speak to about the issues we discussed today?

APPENDICES

APPENDIX A : INTERVIEW QUESTIONS

General Questions For Advocacy Groups

- 1.What is your position and responsibilities at __ (name of org)?
- 2.How long have you been working in that role _____ and how long at ___ overall?
- 3.What are the primary roles or mission of _____ (name of org)?
- 4.Does (name of org) work on affordable housing development? (If so, please provide a couple of examples of recent affordable housing projects that your (name of org) funded or worked on?
- 5.In your experience, what are the major barriers to affordable housing development for underserved communities in New Jersey?
- 6.Do you have recommendations of best practices for improving equity and diversity in the affordable housing development sector? Are there particular policies in place that you would highlight as contributing to diversity among housing developers?
- 7.Are there particular barriers faced by developers of color in the affordable housing sector? Probe if not mentioned: How about accessing capital? How do you suggest these barriers be overcome?
- 8.Are there any questions you would like to ask developers about their involvement in affordable housing?
- 9.Are there any other developers or other contacts that you would recommend we speak to about the issues we discussed today?

APPENDICES

APPENDIX A : INTERVIEW QUESTIONS

General Questions For Professors

1. Please describe your research or experiences pertaining to the development of affordable housing? Probes if needed: have you worked on issues related to development in underserved communities? Have you worked on issues related to diversity among affordable housing developers? To what extent do you focus on New Jersey?
2. What is your perspective on the current challenges within the affordable housing development sector?
3. In your experience, what are the major barriers to affordable housing development for underserved communities in New Jersey?
4. Are there particular barriers faced by developers of color in the affordable housing sector? Probe if not mentioned: How about accessing capital? How do you suggest these barriers be overcome?
5. Do you have recommendations of best practices for improving equity and diversity in the affordable housing development sector? Are there particular policies in place that you would highlight as contributing to diversity among housing developers?
6. What steps do you believe investors in the development of affordable housing can take to improve diversity among developers?
7. Are there any questions you would like to ask developers about their involvement in affordable housing?
8. Is there anything else that you would like to mention about policies or strategies to improve the diversity of affordable housing developers that we have not covered today?
9. Are there any other developers or other contacts that you would recommend we speak to about the issues we discussed today?

APPENDICES

APPENDIX A : INTERVIEW QUESTIONS

General Questions For Funders

1. What is your position and responsibilities at __ (name of org)?
2. How long have you been working in that role _____ and how long at ___ overall?
3. What are the primary roles or mission of _____ (name of org)?
4. Does (name of org) work on affordable housing development? (If so, please provide a couple of examples of recent affordable housing projects that your (name of org) funded or worked on?
5. In your experience, what are the major barriers to underserved communities to fund affordable housing development?
6. Does our organization provide training programs or other support for emerging developers? Do you find the training or other support to be effective? (If so) In what ways? Probe: From in our previous interview with Leah she mentioned Equitable Small Business Initiative which seek to help the African American Chamber of Commerce become a CDFI. I you speak to the process involved in achieving that goal.
7. Do you have recommendations of best practices for improving equity and diversity in the funding of affordable housing?
8. Do you receive applications from a diverse pool of applicants, including people from historically under represented groups? (predominantly white or developers of color?) Do you have a rough percentage of how many developers you provide loans to?
9. Are there any other developers or funders that you would recommend we speak to about the issues we discussed today?

APPENDICES

APPENDIX B: SURVEY

1. Which best describes your current involvement in developing affordable housing?

- a. Full-time
- b. A large part of my work (50% or more)
- c. Between 10% and 50% of my time
- d. Involved less than 10% of my time
- e. Not involved at all at this time, but interested in working on affordable housing development (please skip to #5 if you select 'e' as your answer)
- f. Not involved and little or no interest in working on affordable housing development (please skip to #6 if you select 'f' as your answer)
- g. Other _____

2. How long have you been working in the field of affordable housing development? Your best estimate is fine.

_____ (please circle one unit of time) Years Months

3. Did you have affordable housing experience before starting your firm?

- a. Yes
- b. No

4. **If you answered YES to #3**, please answer the following question: tell us more about your first experience as an affordable housing developer.

5. How long did it take you between the time you sought to get involved in affordable housing development until beginning your first affordable housing project? Your best estimate is fine.

_____ (please circle one unit of time) Years Months

6. Is your goal to stay involved in affordable housing, in some capacity, in the foreseeable future?

- a. Yes
- b. No
- c. Not sure

7. What kinds of projects are you interested in developing in the coming 5 years? (check all that apply)

- a. Single-family properties
- b. 2 - 5 unit properties
- c. 6 - 10 unit properties
- d. 11 - 20 unit properties
- e. 21 + unit properties
- f. Commercial properties
- g. Mixed-use properties

APPENDICES

APPENDIX B: SURVEY

8. In the next five years, is your intention to develop... (please select one answer)
- a. Affordable housing properties only
 - b. Market-rate housing properties only
 - c. A combination of affordable and market-rate housing properties
 - d. Non-housing properties only
9. Which locations are you interested in building your projects?
State(s) _____
10. **If your answer to question #9 included NJ**, please list the municipalities below.
Municipalities _____
11. How many of your **affordable** housing projects have been completed since 2000? Please provide a number next to the type of project. (If none, enter 0)
- ___ Single-family properties
 - ___ 2 - 5 unit properties
 - ___ 6 - 10 unit properties
 - ___ 11 - 20 unit properties
 - ___ 21+ unit properties
 - ___ Commercial properties
 - ___ Mixed-use properties
12. How many of your **market-rate** housing projects have been completed since 2000? Please provide a number next to the type of project. (If none, enter 0)
- ___ Single-family properties
 - ___ 2 - 5 unit properties
 - ___ 6 - 10 unit properties
 - ___ 11 - 20 unit properties
 - ___ 21+ unit properties
 - ___ Commercial properties
 - ___ Mixed-use properties
13. What kinds of projects have you developed in the past 5 years? Please check all that apply.
- a. 1 - 5 unit residential properties
 - b. 6 - 10 unit residential properties
 - c. 11 - 20 unit residential properties
 - d. 21 + unit residential properties
 - e. Commercial properties
 - f. Mixed-use properties

APPENDICES

APPENDIX B: SURVEY

14. Where were your past projects located?

State(s) _____

15. **If your answer to question #14 included NJ** please list the municipalities below.

Municipalities _____

16. What have been the main barriers, if any, you have encountered as a developer of affordable housing?

17. Indicate the degree to which the following have been barriers to your work to develop **affordable** housing, something like this (1 =not a barrier at all, 2 = a minor barrier, 3 = a major barrier)

- ___ accessing capital
- ___ lack of track record in this area
- ___ local resistance to affordable housing
- ___ permitting, zoning, or other regulatory issues
- ___ likely return on investment is too low
- ___ discrimination because of my race or other personal characteristics
- ___ access to networks
- ___ competition in the affordable housing market
- ___ knowledge of the mechanisms and processes
- ___ I am not interested in developing affordable housing

18. Have you tried to access any sources of capital for affordable housing development in the past?

- a. Yes
- b. No

19. **If you answered YES to question #18, please answer the following question:** Were you successful in your efforts to access capital for affordable housing development?

- a. Yes
- b. No

20. **If you answered YES to question #18, please answer the following question:** Which funding sources have you tried to access?

- a. Commercial bank
- b. Non-profit funder
- c. Subsidies (e.g. LIHTC)
- d. Government sponsored enterprise
- e. Home loan bank
- f. State home mortgage finance agency
- g. Other _____

APPENDICES

APPENDIX B: SURVEY

21. **If you answered YES to question #19, please answer the following question:** How much capital have you secured for affordable housing development since your first year in operation? (Your best estimate is fine)

22. Where do you learn and or make networks that have made a difference in doing affordable housing development work?

23. How many other developers of color do you regularly (e.g., at least a few times per year) interact with? (Your best estimate is fine)

_____ Developers

24. Which of the following housing professionals do you most interface with? Please check off all that apply:

- a. Contractors
- b. Developers
- c. Bankers
- d. Architects
- e. Other _____

25. Have you ever participated in any housing developer training programs?

- a. Yes
- b. No

26. **If you answered YES to question #25, please answer the following question:** What did the developer training focus on?

- a. Financing
- b. Permitting
- c. Technical assistance
- d. Other _____

27. **If you answered YES to question #25, please answer the following question:** What format was the training conducted in?

- a. Virtual recorded
- b. Virtual live
- c. In-person
- d. Hybrid; virtual and in-person
- e. Other _____

28. **If you answered YES to question #25, please answer the following question:** How many sessions did you participate in?

29. **If you answered <1 to question #28, please answer the following question:** What was the frequency of the training?

- a. Daily
- b. Weekly
- c. Monthly
- d. Quarterly
- e. Other _____

APPENDICES

APPENDIX B: SURVEY

30. **If you answered YES to question #25, please answer the following question:** What organization sponsored the training?

31. **If you answered YES to question #25, please answer the following question:** Please rate the usefulness of the training. (1 = very useful, 2 = somewhat useful, 3 = not very useful, 4 = not useful at all)

- a.1
- b.2
- c.3
- d.4

32. **If you answered <1 to question #28, please answer the following question:** How do you think the training you attended can be improved?

33. If you want to participate in a developer's future training programs, what topics would be of greatest interest to you?

34. Please provide any other comments about ways to support the work of developers of color.

The following questions will help us classify responses.

35. Do you consider yourself Hispanic or Latino/a? (please select one)

- a.No, not of Hispanic or Latino/a origin.
- b.Yes, of Hispanic or Latino/a origin.

36. What race best describes you? (check all that apply)

- a.White
- b.Black or African American
- c.Asian
- d.Native Hawaiian or Pacific Islander
- e.American Indian or Alaskan Native
- f.Other _____

37. What gender do you identify as?

- a.Female
- b.Male
- c.Transgender
- d.Non-binary/non-conforming
- e.Other _____
- f.Prefer not to respond

38. Are you interested in receiving information about training and networking among developers of color? Yes ___ No ____

39. IF YES please provide your first and last name and best way to contact you. (We will never associate your name with your responses to this survey)

First Name _____

Last Name _____

Cell Phone _____

Email _____

APPENDICES

APPENDIX C: LANDSCAPE ANALYSIS

West Coast:

Organization	Program	Funding	Program Purpose	Details
(California) Community Housing Development Corporation			CHDC provides a broad range of affordable housing opportunities and services to enable low/moderate income residents to gain better housing and financial stability. Our unique approach to community development engages residents at the grassroots level and ensures that the whole neighborhood benefits from the affordable housing and neighborhood services provided.	<ul style="list-style-type: none"> • Provide high-quality affordable housings and neighborhood services. • Build coalitions and partnerships with organizations, individuals, and institutions. • Focus is to expose residents to creating coalitions and partnerships that accomplish community goals. • Support local leadership through education and professional development training, facilitating on-going volunteer activities and community events, and participating in other community events. • Neighborhood Beautification
(California, Oregon, Washington) BRIDGE Housing			BRIDGE Housing strengthens communities and improves the lives of its residents, beginning—but not ending—with affordable housing.	<ul style="list-style-type: none"> • Known for creating award-winning affordable homes that not only reflect the character of the community but also display the same quality of design and construction as market-rate housing. • A nonprofit and seasoned developer, we are uniquely equipped to find and leverage capital, lower development costs and forge community partnerships. • Specialized real estate development team and network of relationships allows BRIDGE to offer a range of cost and quality advantages with every project.
(Arizona) Housing Solutions of Northern Arizona			Building opportunities for sustainable, affordable housing in northern Arizona. All residents will have access to safe, decent and affordable housing with an opportunity for upward mobility.	<ul style="list-style-type: none"> • Transitional housing helping homeless survivors of domestic violence. • HUD approved counseling services helping homeowners avoid foreclosure. • Residential and commercial new construction, rehabilitation, and remodeling in addition to affordable housing development. • Financial assistance and HUD approved counseling helping families access homeownership, and navigate the purchase process.

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Housing Development Consortium (Seattle, Washington)	Black Home Initiative		Build, sustain, and inspire a diverse network committed to producing, preserving, and increasing equitable access to affordable homes	<ul style="list-style-type: none"> • Generate 1,500 new Black first-time low-to-moderate income homeowners in the next five years in South Seattle, South King County and North Pierce County.
Non-Profit Housing Association of Northern California	Seize the Narrative: Changing Hearts and Minds for Housing Justice		Our policy work advances bold solutions for a more affordable, stable, thriving region and state, focusing on housing solutions for low-income people and communities of color who suffer disproportionately from the housing crisis. Our programs and events strengthen and grow the capacity of our members to produce, preserve, and protect affordable housing for equitable communities and neighborhoods.	<ul style="list-style-type: none"> • In partnership with a diverse range of organizations from all over the Bay Area and spanning multi-industry, issues, and audiences, the initiative has supported the region's affordable housing movement with new message guides and tools, new research, and the production of the <i>Seize the Narrative Playbook</i>, which offers concrete guidance on how to advance housing and racial justice, locally and regionally. • Housing Elements • Bay Area Housing Initiative
NYC Government	NYC Acquisition Fund	\$210 million	The New York City Acquisition Fund LLC offers flexible bridge loans for vacant sites or occupied buildings, predevelopment, and moderate rehabilitation to developers committed to the creation of new or preservation of existing affordable and/or supportive rental housing in the 5 boroughs of New York City.	<ul style="list-style-type: none"> • The fund now exclusively serves minority and women owned businesses and nonprofit developers to support affordable and supportive housing development • There is a minimum 51% ownership stake in the project

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Hacienda CDC (Oregon)	Residential Properties — Hacienda CDC		<p>Hacienda CDC is a Latino Community Development Corporation that strengthens families by providing affordable housing, homeownership support, economic advancement, and educational opportunities. Hacienda owns 381 affordable housing units in North and Northeast Portland and Molalla, providing safe, stable homes for over 1,500 individuals each year, over half of whom are children. Hacienda embraces a holistic approach to development with programs in Community Economic Development, Homeownership Support, and Youth and Family Support Services.</p>	<ul style="list-style-type: none"> • Las Flores Housing • Las Adelitas
<p>Capital Impact Partners, Low Income Investment Fund (LIIF), and Reinvestment Fund</p>	Growing Diverse Housing Partners	<p>\$30 million grant from Wells Fargo</p>	<p>The program will connect housing developers of color with lower-cost, flexible capital. The program will also provide training, mentorship, and resources needed to grow their business. It seeks to increase the supply of homes that are affordable in key regions across the country.</p>	<ul style="list-style-type: none"> • Cohort contains 27 real estate developers (nonprofit and for profit) • Based in CA, GA, TX, Baltimore, NYC, Philadelphia, and Washington DC areas • List of participating developers available on the website
CPC- TruFund BIPOC Developers Equity Fund	<p>Developer Funding</p>	<p>Up to \$1 Million in exchange for preferred equity</p>	<p>CPC-TruFund BIPOC Developers Equity Fund ("DEF") is a jointly funded initiative launched by Community Preservation Corporation (CPC) and Trufund Financial Services, Inc. aimed</p>	<ul style="list-style-type: none"> • Two lenders seeking emerging BIPOC developers looking to create low income housing. They offer capital upfront.
			<p>at providing BIPOC real estate developers operating and residing within NY State with up to \$1 million to aid in predevelopment/acquisition and working capital (organizational capacity) needs.</p>	

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Midwest:

Organization	Program	Funding	Program Purpose	Details
The Cook County Land Bank Authority	Buy Back the Block" Initiative	\$8 million (Cost of Development)	Empowering black developers to build equity and wealth within the predominantly black neighbors in Chicago through the acquisition of vacant lots.	<ul style="list-style-type: none"> • Lank Bank acquires abandon, tax delinquent lots to sell them at a fair market place for BIPOC developers in Chicago • In this Initiative, five Black developers purchased 11 vacant lots from Land Bank • Through collaborative effort the developers accessed \$8 million towards the construction of 11, three-flat building in West Woodlawn Pointe, Chicago
Chicago Community Loan Fund	Communities of Color Fund	\$25 million in loan fund	Offers capital to African American and Hispanic developers seeking to construct affordable housing, commercial retail or a social enterprise in South and West Chicago.	<ul style="list-style-type: none"> • Applicant is eligible for up to \$1 million in loans from CCLF. • Loans are exclusively for development in low-to-moderate income neighborhood in Chicago's South and West sides and in suburban Cook, Will, DuPage, Kane, McHenry and Lake counties.

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Greater Minnesota Housing Fund	Emerging Developer of Color Program	Awarded over \$13.9 million in flexible, low-cost loan capital and \$475,000 in pre-development grants to 23 affordable housing developments led by emerging developers of color, to produce and preserve 480 units of housing.	The overarching goal of the Emerging Developer of Color Program is to disrupt the systemic racial barriers to financing for real estate investment and development.	<ul style="list-style-type: none"> The program provides access to capital via flexible financing tools and grant support for affordable housing projects. In addition, the program offers technical assistance for developers of color to support successful acquisition and management of affordable housing.
Twin Cities LISC	Developers of Color Initiative	14-member cohort includes a majority of women, and represents a mix of Black, Latino, Asian and Pacific Islander, and African immigrant developers	The program offers significant financial and technical resources to emerging developers of color, including funding for predevelopment and project management support, and access to equity and permanent financing to help fill financial gaps.	<ul style="list-style-type: none"> Detailed Report on the Developers of Color Initiative
Low Income Investment Fund (LIIF) and the National Affordable Housing Trust (NAHT)	Black Developer Capital Initiative (BDCI)	Article about the BDCI	To support the growth of Black-led affordable housing developers.	<ul style="list-style-type: none"> The BDCI is comprised of two products: the Line of Credit offered through LIIF, which provides early-stage project financing at a favorable interest rate, and the Low Income Housing Tax Credit (LIHTC) Equity Fund offered through NAHT, which addresses
				variability in pricing and terms for LIHTC deals due to perceived risks of smaller or less resourced developers.

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Northeast:

Goldstein Hall (Attorneys at Law - NYC)	BIPOC Developer Program		To familiarize new BIPOC developers and contractors from within the industry and provide them with education in order to foster pathways into the affordable housing space.	<ul style="list-style-type: none"> BDP aims to further reduce barriers for new BIPOC developers and contractors in the affordable housing development industry by providing valuable information to reduce the barriers of entry into the affordable housing industry.
Philly RiSE	Accelerator Program for Black and Brown Real Estate Developers		To develop a training program for the often self-taught developers of color they knew were working in the city.	<ul style="list-style-type: none"> CNBC Video
Making Philadelphia Better Block By Block	Minority Developer Program (MDP)	MDP Brochure	A new initiative to address the lack of diversity in the Philadelphia real estate development and construction industry.	<ul style="list-style-type: none"> MDP is a hands-on, business assistance program for small developers and contractors in Philadelphia to promote wealth creation and business growth.
Community Preservation Corporation (CPC)	Acquiring Capital and Capacity for Economic Stability and Sustainability	\$20 million, which is fully funded by CPC	To provide flexible capital to create opportunities for people of color in real estate development and prioritize investment in communities of color.	<ul style="list-style-type: none"> ACCESS was created with the explicit goal of empowering Black and minority entrepreneurs by providing funding, education and other resources to build their capacity to compete in the
	(ACCESS) initiative			development industry, while targeting projects that bring high quality housing to communities of color.
Adenah Bayoh	Business Owner, Developer	Self- Funded	Bayoh is a private developer that seeks out partners and projects which advance underserved communities. She is based in Irvington NJ.	<ul style="list-style-type: none"> Bayoh is a Liberia native that ended up in the Newark, NJ public school system when she was younger. Today she is the owner of 7 IHOPs in North Jersey and 4 in Irvington NJ. Among other businesses based out of Irvington, she is the second largest employer of Irvington. Subsequent to her franchise and restaurant business endeavors she became a real estate developer in underserved communities. Three of her larger scale projects are located in Newark.

APPENDICES

Appendix D: Works Cited:

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