



# Building Generational Wealth Through Community Partnerships & Innovation

**John Chun**

Board Secretary,  
Kensington Corridor Trust (KCT)

**Nethaniah Josma**

Program Manager,  
Urban League of Essex County

**Jasmin Velez**

Development &  
Communications Manager,  
Kensington Corridor Trust

Housing as a Human Right: From Innovation to Impact

October 9, 2024



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# Unwavering Commitment to Reclaiming Control of the Business Corridor

# WHY WE ARE HERE

TO CREATE A SCALABLE AND REPLICABLE NEIGHBORHOOD TRUST MODEL

“The Neighborhood Trust vests ownership and control with the neighborhood, rather than with outsiders, and protects and maintains long-term affordability.”

- Joseph Margulies, Stanford Social Innovation Review,  
“Communities Need Neighborhood Trusts”, Spring 2019



# PROBLEM STATEMENT

A once thriving commercial corridor has been adversely affected by violent crime, a rampant opioid epidemic, a lack of economic development, an increase in predatory businesses, and an inability to attract new business or build-up value-add businesses and services.

Traditional capital sources requiring market-rate returns have been insufficient to redevelop the real estate assets and accelerate the return of new businesses and services to serve the surrounding community.

Traditional real estate investment and fund models do not allow for long-term community involvement or ownership.

The status quo excludes the community, does not build knowledge and capacity in the community, and extracts value.

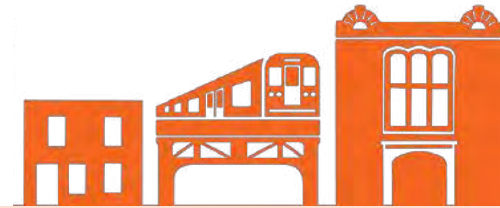
# SOLUTION

The Trust builds knowledge and capacity in the neighborhood, supports neighborhood control, and reinvests capital in the neighborhood.



# KENSINGTON CORRIDOR TRUST

## BOARD OF DIRECTORS AND TRUST STEWARDSHIP COMMITTEE



Jonathan Arrieta  
Resident



Damon Bain  
Business Owner



Darlene Burton  
Resident



John Chun  
Business Owner  
Board Secretary



Tess Donie  
Resident



Jimmy Duran  
Business Owner  
Board Treasurer



Zor "Margie" Montes  
Resident



Brenda Mosley  
Resident



Alexander Robles  
Former Resident  
Board Chair



Tayyib Smith  
Business Owner



Sarah St. Clair  
Business Owner



Darlene Burton  
Board Representative



Daisie Cardona  
Youth Leader



Ramon Cruz Jr.  
Resident



Margarita Gonzalez  
Resident



Dionicio Jimenez  
Business Owner



Maria Rivas  
Resident



Thomas Sheridan  
Business Owner



Brian Tejada  
Youth Leader

# POINTS OF IMPACT



## Power

Kensington communities have power. The KCT offers another platform to collectively voice their needs and aspirations. This democratization of power fosters a stronger sense of belonging and cohesion, ultimately leading to a more vibrant neighborhood for all. The Trust amplifies the voices of the residents and small business owners and prioritizes their needs in decision-making processes.



## Justice

We center and advance justice by advocating for equitable opportunities and resources within the neighborhood. Our work dismantles systemic barriers and invests in efforts that advance collective benefit. The Trust fosters a culture of transparency and solidarity, driving meaningful change toward a more just society.



## Ownership

The neighborhood owns and controls the collectively owned real estate and thereby controls its built environment. This approach not only cultivates a vibrant present but also lays the groundwork for a sustainable legacy, fostering a vibrant and sustainable community for generations to come.





# KENSINGTON AVENUE REAL ESTATE

Kensington Corridor:  
627 assets  
Blocks 1800-3500

Target Area:  
192 Assets  
Blocks 3200-3400



Lehigh Ave

Kensington Ave

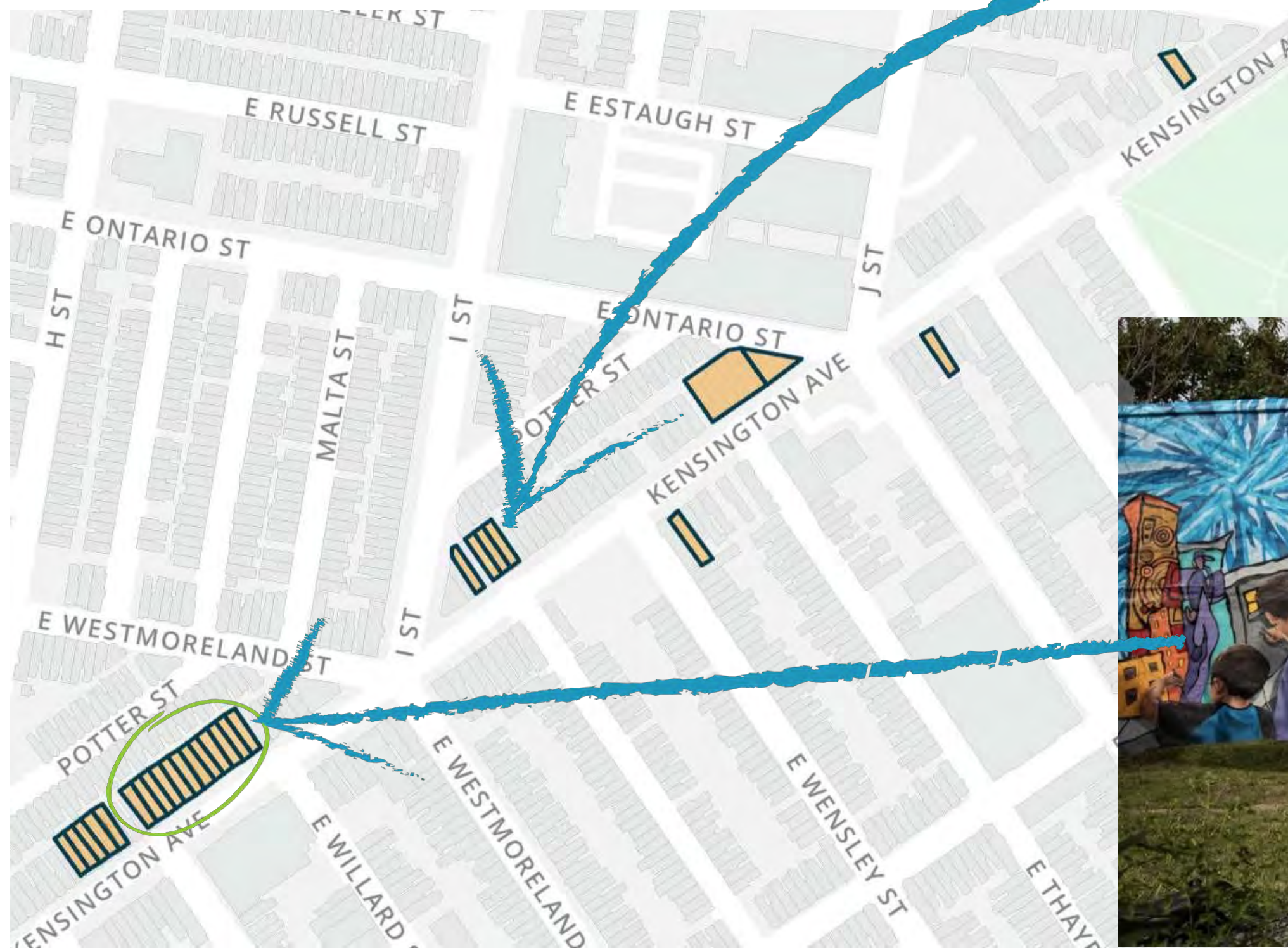
Allegheny Ave

Tioga Ave

Glenwood Ave



# STEWARDED PROPERTIES



Source: Next City, Photo by: Melissa Simpson



Source: Kensington Voice, Photo by: Solmaira Valerio

# INVESTMENT STRATEGY

Acquisitions will be focused between Lehigh Avenue and Glenwood Avenue.

The initial targeted area: 3200-3400 Kensington Avenue.

1. Centered around anchor mixed use redevelopment
2. Large stock of vacant and blighted buildings
3. Less crime and drug use than adjacent blocks
4. Near Shift HQ & Kensington Corridor Trust HQ
5. Leverage Harrowgate Park and other assets

To diversify the portfolio & create immediate cash flow,  
the acquisition approach will focus on:

- 70-80% vacant and/or blighted properties
- 20-30% stabilized, cash-flowing properties



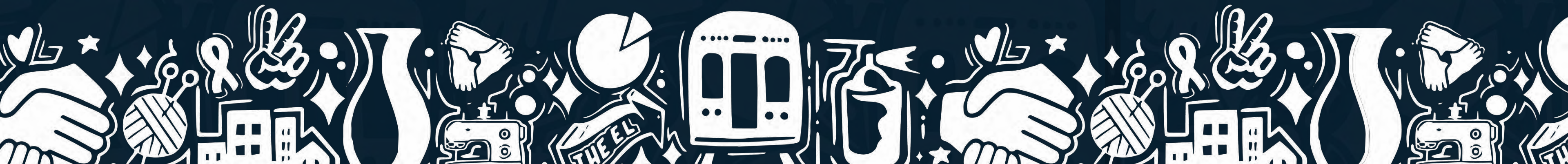


Property by property, we are  
leading a movement towards  
a future where neighborhoods  
have control.



# Kensington

CORRIDOR TRUST





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**Nethaniah Josma**  
Program Manager,  
Urban League of Essex County

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# HOME OWNERSHIP WEALTH ACCELERATOR

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Urban League of  
Essex County

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**NETHANIAH JOSMA, PROGRAM MANAGER**

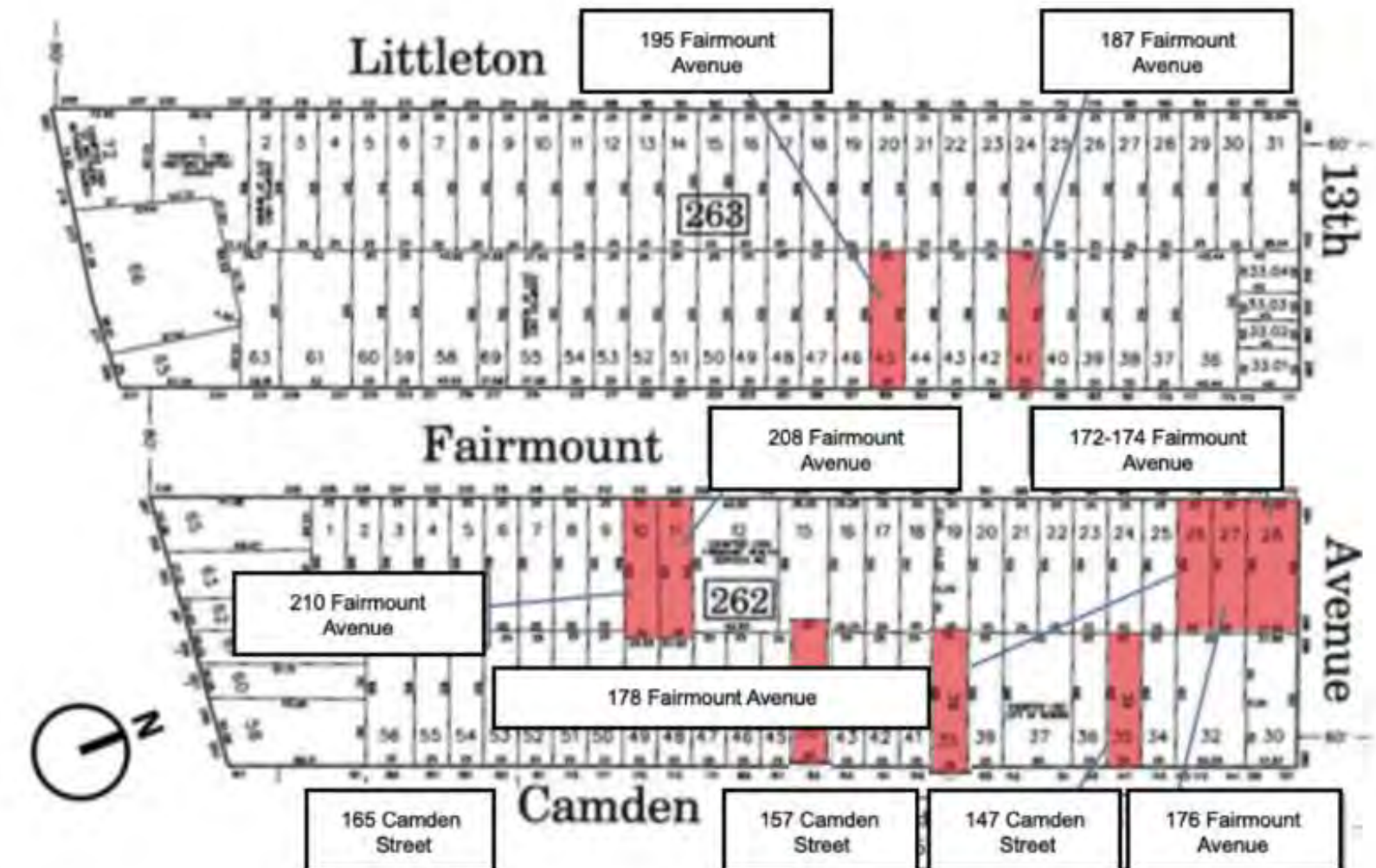






**Urban League of  
Essex County**

- The Urban League of Essex County Opportunity Corporation (ULEC OC) is a special subsidiary of the Urban League of Essex County (ULEC). The ULEC OC is a 501(c)3 non-profit and Community Housing Development Organization (CHDO).
- Founded in 2015
- Service Area: Essex County, NJ; West Ward, Newark



# Housing Affordability Crisis in NJ

- The median sale price of a New Jersey home is \$478,100, and rising exponentially
- Median monthly housing costs for people with a mortgage is second highest of all states in the country next to Hawaii.
- Despite high demand, the homeownership rate in New Jersey is decreasing and currently at 62.7%. (FRED, 2023)
  - First-time homebuyers are finding it increasingly difficult to find entry-level homes.
- The median household income in New Jersey is around \$96,000, while the median household income in Newark is around \$46,000.
  - Longtime residents of Newark are vulnerable to being priced out of the city and state year over year.



**ULEC OC  
DEVELOPMENT TEAM**

# FINANCING AND DEVELOPMENT EXPERIENCE



Construction or rehabilitation of over 100 units completes or in pipeline in the Fairmount Heights neighborhood

- Littleton Ave Model Block – Four new single-family homes sold to low-to-moderate income buyers
  - 4-units | Budget: \$520K
- Fairmount Ave: Phase I - Six new affordable two-family homes sold to low-to-moderate income buyers
  - 15-units | Budget: \$2.7M
- 479 S. 14<sup>th</sup> St - Rehabbed abandoned home and converted it into special population rental property serving individuals previously homeless or ex-offenders
  - 3-units | Budget: \$454K
- Fairmount Ave: Phase 2 (In Progress) - Eight new affordable two-family homes
  - 16-units | Budget: \$6.6M

# FAIRMOUNT HEIGHTS PROJECT: PHASE 2



## 2-Family Quality-Built New Construction Homes

- ❖ Owner Units: 3 Beds, 2.5 Baths
- ❖ Tenant Unit: 3 Beds, 2 Baths
- ❖ Durable Finishes: Metal Roofs + Fiber Cement Siding
- ❖ Hardwood Floors, Ceramic Tile Baths, and Carpeting
  - ❖ Washer/Dryer Connections
  - ❖ Central Air Conditioning
  - ❖ Off Street Parking per Unit
    - ❖ Ample Private Yard
- ❖ Certified Energy Star Appliances



Urban League of  
Essex County



| <u>Street Address</u>                      | <u>Sales Price</u> | <u>Income Range for a 4-person household<br/>up to an 8-person household</u> |
|--|--------------------|--|
| 147 Camden Street, Newark, NJ 07103        | \$175,000          | \$74,692 – \$114,913   |
| 172-174 Fairmount Avenue, Newark, NJ 07103 | \$190,000          | \$82,010 - \$114,913   |
| 176 Fairmount Ave, Newark, NJ 07103        | \$155,000          | \$66,530 - \$114,913   |
| 178 Fairmount Ave, Newark, NJ 07103        | \$142,500          | \$59,559 - \$81,727  |
| 187 Fairmount Ave, Newark, NJ 07103        | \$142,500          | \$59,559 - \$81,727  |
| 195 Fairmount Ave, Newark, NJ 07103        | \$142,500          | \$59,559 - \$81,727  |
| 208 Fairmount Ave, Newark, NJ 07103        | \$155,000          | \$66,530 - \$114,913   |
| 210 Fairmount Ave, Newark, NJ 07103        | \$142,500          | \$59,559 - \$81,727  |



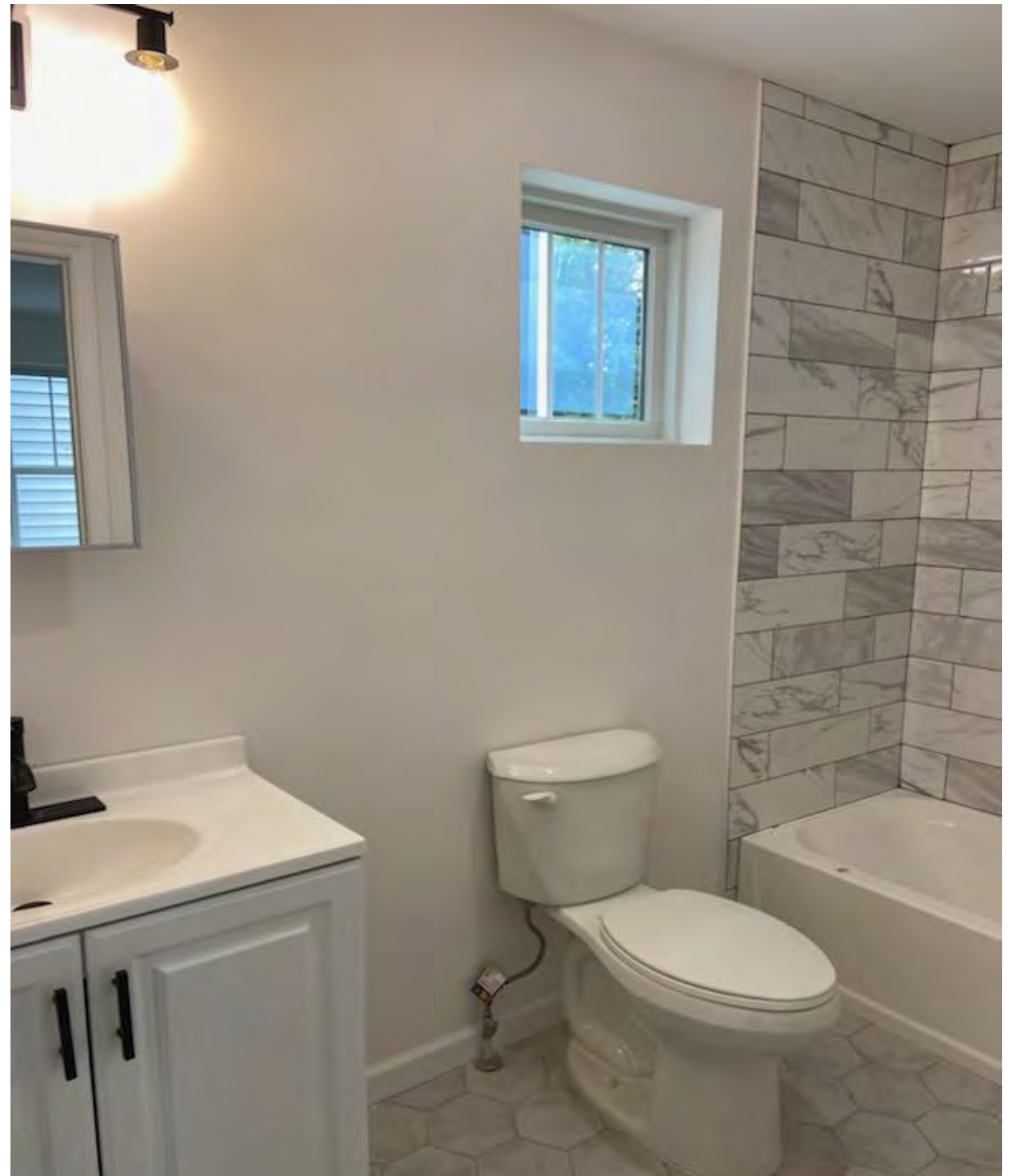
















# PROJECT FINANCING OVERVIEW

| SOURCES                  |               | USES                 |               |
|--------------------------|---------------|----------------------|---------------|
| NMTC                     | \$1.6M        | ACQUISITION          | \$53K         |
| NJ DCA AHTF              | \$2.8M        | HARD COSTS           | \$4.7M        |
| NEWARK HUD HOME          | \$750K        | SOFT COSTS           | \$462K        |
| NRTC                     | \$213K        | FINANCING FEES       | \$667K        |
| PURCHASE MONEY MORTGAGES | \$1.25M       | RESERVES AND ESCROWS | \$615K        |
|                          |               | DEVELOPER FEE        | \$103K        |
|                          |               |                      |               |
|                          |               |                      |               |
| <b>TOTAL:</b>            | <b>\$6.6M</b> | <b>TOTAL:</b>        | <b>\$6.6M</b> |

- 1. Lasting Affordability**
- 2. Special Mortgage Product**
- 3. ULEC Support Programming**
- 4. Income Generating Two-family Homes**
- 5. Building Inter-generational Wealth**





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Questions?

Thank you for attending the panel!

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# Thank you to our Speakers!

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