

Archive: Text Uploaded to Application to JPMC for Planning Grant

DESCRIPTION OF THE LEAD PARTNER:

The mission of HACDC is to provide decent housing, educational and business enterprise opportunities through programs that create and sustain economic advancement in Haitian American communities. The vision for HACDC is that these initiatives result in asset building in south Florida's Haitian American communities.

Since it was incorporated in 1987 the key program focus has been to provide affordable housing services to members of the Little Haiti community and by extension members of the Haitian-American community of Miami-Dade County. While HACDC has developed over 140 affordable rental units, its key focus has been to promote 1st time homeownership for low- and moderate-income members of the community. The Homeownership Program (HOP) is built on a foundation of educating and counseling clients on the overall homeownership process in a linguistically and culturally appropriate manner. To date, over 2800 individuals graduated from HACDC's Homebuyer Education (HBE) classes. Of these HBE graduates, 467 have become homeowners and they have maintained a 0% default rate on financing secured through HACDC.

The economic impact of HOP in Little Haiti can be summarized by an examination of the 85 homes purchased in Little Haiti alone. These homes, all built and sold between 1992 and 2016 were purchased with financing assembled with HACDC's assistance and the cumulative sales price of these homes was \$8,982,783. Based on data pulled from the Zillow website these properties are now worth \$22,577,634. This demonstrates how HOP, but one program of HACDC, promotes economic opportunity for low-income individuals.

HACDC has always recognized that the provision of affordable housing needs to be part of a comprehensive approach to promote sustainable and economically equitable community development.

PARTNERS FOR PLANNING GRANT:

1) Haitian neighborhood Center/Sant La: 501c3 Community neighborhood resource center for Haitian-American community, 2) Partners for Self-Employment (PSE): 501c3 CDFI focused on small business training and lending. 3) South Florida Community Land Trust (SFCLT): 501c3 affordable housing developer. 4) Capital Good Fund (CGF): 501c3 CDFI focused on providing small personal loans in immigrant communities to facilitate access to affordable lending.

GEOGRAPHIC FOCUS:

The geographic focus for the Planning Grant will be the Little Haiti community of Miami, Florida. For the purposes of defining the community geographically HACDC and Partners will use the boundaries established by Miami-Dade County for its Little Haiti Targeted Urban Area (TUA) which is 36th Street to the south, I-95 to the west, 82nd/86th Street to the north and Biscayne Boulevard to the east. Based on a 2015 community needs assessment of Little Haiti completed by the Metropolitan Center at Florida International University (commissioned by HACDC) Little Haiti has a population of 34,334 residents in an approximately 3 square mile area.

HISTORY OF PARTNERS:

The executive directors of HACDC and Sant-La have worked together in Little Haiti for over 22 years as leaders within the community. Partnerships and collective efforts between their two organizations have ranged from financial literacy programs to commercial corridor revitalization planning, as well as advocacy on a broad scale for equitable community development, one predicated on the promotion of cultural, racial, social and economic justice. In addition to HACDC and Sant-La, SFCLT has been an active partner in the Little Haiti Affordable Housing Coalition (LHAHC). HACDC and SFCLT also have an affordable housing project in Little Haiti that is in pre-development. PSE has recently become involved with the LHAHC as it has intensified negotiating a community benefits agreement with two separate high-end real estate development groups seeking re-zoning from the city of Miami for development of high-density commercial and residential projects in Little Haiti. A component of these benefits relates to set-aside opportunities for small local business, the creation of business incubators and investment in a loan fund for small business development. CGF recently began operations in Miami and their offices are in the community office center owned and operated by HACDC. The partners are extremely excited to work with CGF in implementing a capital development plan that allows replication, with modifications, of a home weatherization and repair loan product they currently in their operations in the northeast (based in RI).

NEED/PROBLEM:

The grant will allow the Partners to develop a capital development plan to address issues created by changing demographics in Little Haiti and the sustained economic disadvantages faced by an impoverished population. Key findings from the 2015 Community Needs Assessment conducted by FIU Metropolitan Center for HACDC are as follows:

On Changing Demographics: As of 2013 Little Haiti's Black or African American population [primarily Haitian-American] comprised the largest share at 73.3% of the population. However, from 2000 to 2013 there was a significant shift in the growth of other racial and ethnic groups including "White alone" with a 49.6 percent increase and "some other race" with a 69.1% increase, and the "Hispanic or Latino" population increased by 43%.

On Unemployment and Poverty: In 2013 Little Haiti's unemployment rate was 23.1% up from 17.2% in 2000. Little Haiti has a poverty rate of 46.2% which is substantially higher than the City of Miami as a whole with a 30% rate. As of 2013 in Little Haiti 17 of 26 census tracts have annual household incomes of less than \$25,000 and an astounding 3,300 of 10,781 households have annual household income of less than \$10,000.

In terms of Housing Supply and Demand: Analysis for renter units in Little Haiti shows significant gaps in the supply of affordable renter units at the median income level and extreme affordability gaps at the lower income categories (<30%, 50% and 80% AMI). A recent search on zillow.com showed average rents for a 1 bedroom studio apartment in Little Haiti currently being \$875 a month meaning that close to 1/3 of Little Haiti residents (with annual household income of <\$10,000) can no longer afford to live in Little Haiti without rent-sharing and in severely overcrowded conditions.

GOALS AND OUTCOMES:

The overall goal of the planning grant is to conduct a comprehensive community needs assessment and planning study to evaluate mechanism to develop and deploy a series of community loan and grant funds that will lead to the following outcomes:

- **Facilitate and lead in the creation of a loan and equity fund for the development of new affordable housing** (acquisition, pre-development, construction and buyer financing for homeownership).
- **Facilitate and lead in the creation of a loan fund to finance the Preservation and Expansion of Existing Affordable Housing (PEEAH)**. This will include a loan program for existing property owners (homeowners or landlords) whereby access to funding/financing to make improvements to property, weatherize, add units, or simply upgrade property is available.
- **Growth of Partners for Self-Employment existing loan fund for small business development.**
- **Funding for Tech and Business Incubators:** create business opportunities and economic opportunities in the larger tri-county region, but also to leverage the regional and global opportunities afforded by being in southeast Florida as a key hemispheric trade, communication and finance center, but also an internationally recognized tourist destination for its arts, culture and climate.
- **Community Development Credit Union (Fed/State Charter):** Locally designed, developed and operated/governed. No bank or credit union operates “in” Little Haiti.
- **Growth of existing loan programs of the Capital Good Fund (Partner), specifically their small personal loans and to develop a home repair loan for Little Haiti property owners.**

Outputs will be new affordable housing units, preserved affordable housing units, expanded and new businesses, and new employment opportunities, but above all ownership by the community of the plan to realizes these successes and of the entity that places these capital investments.

VISION FOR HOW PLAN WILL BE DEVELOPED

- **Data (present and projected) for Baseline Metrics for Success Measurement:** An initial effort of the Partners will be to engage a qualified 3rd party (probably a department or center at one of the local universities) to structure a community survey and study on current access to capital by small businesses, property owners and non-profit affordable housing developers. The collection of this baseline data will then be used to establish success measures for the Partners in the design and implementation of its comprehensive capital development campaign for Little Haiti.
- **Resident Engagement Plan:** As community organizations HACDC and Sant-la have relationship networks in Little Haiti that have been established over 25 years. Both organizations are well-positioned to secure the involvement of other partner organizations and community residents in the development of the Plan.
- **Engagement with Policymakers and Government:** All of the Partners will leverage relationship they have with policy makers within local government whether staff or elected officials. The Partners will seek dedicated representatives from local government to be active participants in all elements of the planning.
- **Target Populations:** All planning activities will be designed so that all Little Haiti stakeholders and residents will be involved in planning as a means to promote integration and opportunity for all. The Partners are in regular communication with key investors who have recently purchase property in Little Haiti and who are looking at attracting a new client base for their ventures, i.e. a wealthier consumer base for commercial developments and tenants in proposed market-rate rental housing developments.
- **Development of Capital Strategies:** Goals and Outcomes for new capital investment programs were outlined above, but strategies to capitalize these programs including a plan to work with the CDFI partners to apply for new funding for existing loan programs from the Treasury and large financial institutions, but also to tap into community benefit funding committed by for-profit developers seeking approval of up-zoned projects. As an example of the potential for capitalization the two large developments planned in

Little Haiti are expected to generate upwards of \$20M in community benefits payments for the promotion of affordable housing in Little Haiti. Additionally the City of Miami secured approval of a bond program that will generate \$100M for affordable housing and economic development. A larger portion of these funds will be directed to Little Haiti.

- ***Sustainable Local Ownership of Plan:*** As a part of the overall planning process the Partners will ensure that as a result of engaging a diverse group of local stakeholders in all elements of planning that a component of the design will be to cultivate additional owners for the project beyond the Partners themselves. The end result will be the development of an independent organization with governance structure that will ensure succession and sustainability planning.
- ***Plan to Mitigate Present and Future Market Changes:*** An immediate planning effort to mitigate a change in the Little Haiti resulting from new and dense development (5,800 new housing units in planning within the two large-scale redevelopment projects is the work that the Partners are doing at present to seek the inclusion of affordable housing units in these projects and the commitment of funds to create off-site affordable housing. The introduction of the land trust model is another strategy being introduced and into the market. The above mentioned planning council is another element of long-term mitigation planning for the effort.
- ***Evaluation Plan and Metrics for Measuring Success:*** The Partners will use data collected by the selected consultants who early in the planning stage of the complete a study on current access to capital by small businesses, property owners and non-profit affordable housing developers. The collection of this baseline data will then be used to establish success measures for the Partners in the design, implementation and ongoing evaluation of its comprehensive capital development campaign for Little Haiti.
- ***Governance Structure for Plan and Partners:*** Each Partner will have an equal voice in any and all decision making for the partnership and all planning activities. PSE will have the lead role in guiding the development of small business development programs. CGF will have a lead role in the development of a loan fund for property owners for home and small rental property improvements. Sant-La will have a critical role in leading the community outreach and overall planning process, and along with HACDC and SFCLT will have a key role in the creation and implementation of a comprehensive affordable housing plan and the assembly of capital funds for the implementation of this component of the Plan. Finally HACDC will have responsibility to JP Morgan Chase for grant management and reporting, but that these responsibilities will be shared by all Partners.

IMPLEMENTATION PLAN: One of the immediate elements of the Plan will be to work with other community partners and the City of Miami Commission to negotiate comprehensive and impactful community benefit agreements that will potentially capitalize much of the Plan. These community benefit agreements with the owners of two large-scale developments coming to Little Haiti require these benefits for approval from the city for allowance and agreement to get up-zoning. Immediate outreach and community meetings to get feedback on outlined strategies will happen concurrently.

OTHER FUNDERS IN THE COMMUNITY: Collectively the Partners have a wide-array of philanthropic supporters who will be interested in support the planning. Local government is also envisioned to be supportive of this effort.

FREQUENCY OF MEETINGS AND DISCUSSIONS TO DEVELOP PLANS: Much of the same conversations being presented here have been taking place for the past year. A set schedule for meetings will be determined, but it is envisioned that the Partners will bring other organizations and stakeholders, and identify and contract with a third-party entity to help facilitate and conduct the overall planning process.

PROCESS FOR DEVELOPMENT, TIMELINE AND BENCHMARKS: With the planning effort underway, and with identification and retention of a consulting planning entity early in the grant period, it is expected that an outline of the plan could be developed within the first 3 months, and then over the course of the next 7 months the plan would be finalized.

OBSTACLES AND PLANS TO OVERCOME:

In any community, there will always be those who will be critical of the efforts of others who have developed a positive plan for change. In some instance it is simply that they feel they were not a part of the process to develop plans and thereby not an owner of the plan. This obstacle will be addressed early in the community outreach effort by doing extensive stakeholder identification exercises to ensure that a broad array of stakeholders are involved.

Significant misinformation in the community about initiatives such as this is always an obstacle and concern. If community members have incorrect information on the process and desired outcome then seeds of concern, doubt and criticism can grow to create major barriers and obstacles. As such an initial task of the Partners will be to design, develop and launch a public awareness campaign at the on-set of the planning.

Finally, a matrix will be created to analyze who in the community will be supporters, what power of influence do they have and then determine their role in moving the process forward. Conversely this matrix will also list who might be in opposition to the effort and why and how they might be convinced to support it.

EXISTING PLANS: Meetings of the Little Haiti Affordable Housing Coalition will continue in an effort to secure community support for the strategies that have been developed to meet that challenge.

BUDGET:

<u>Income:</u>	
Community Benefit Investment	\$300,000
In-kind Partner Staffing (Sr. staff)	150,000
PRO Grant	100,000
<u>TOTAL</u>	<u>\$550,000</u>
<u>Expenses:</u>	
Program and Project Staff/Contractors	\$100,000
Planning Consultants	200,000
Sr. Staff/Partner	150,000
Marketing and Outreach	100,000
<u>TOTAL</u>	<u>\$550,000</u>