Creating Permanent Community Assets in the Face of Rapid Gentrification

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Who we are / What we do

MISSION
To promote social & economic justice by increasing economic access and expanding opportunity for low-wealth communities.

STRATEGY
In communities of growing economic inequity, City First Enterprises (CFE) incubates and stands up solutions that channel capital and services to people and places without access, to decrease inequity and support economic justice.

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The Problem: DC’s Housing Market

- “The District now has half as many low cost units as in 2002”
  - DC Fiscal Policy Institute
- “20.1% of all home sales topped the $1MM mark”
  - DC Office of Revenue Analysis
- Avg. $/sq. ft: $515

Tools in our Toolbox

- TOPA Law
- Community Partnerships
- Loan fund flexibility
- Permanent Affordability Model
Tenant Opportunity to Purchase (TOPA)

- Part of the Rental Housing Conversion and Sale Act passed in 1980
- >5 unit multifamily buildings get the “first right to purchase”
- Hard timelines (Incorporation, EMD, Acquisition/Renovation)
- Coop v. Condo conversion or assign rights

Community Partnerships
Shared Equity/Stewardship

- Modeled after Champlain Housing Trust
- 75% / 25% split
- Permanent affordability
- Balance affordability & wealth building
- Preserving subsidy

Objectives supported include:
1. Preserve the homes’ affordability over time
2. Ensure security of tenure for participating homeowners
3. Preserve the physical quality of homes
4. To promote the successful financial health of participating homeowners

How it works

- Early stage: Partnerships/Organizing/Education
- Financing: traditional CRE products, flexible capital
- Conversion
- Ongoing support / portfolio mgmt.
2015 OPPORTUNITY FINANCE NETWORK CONFERENCE

1417 N Street, NW

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2015 OPPORTUNITY FINANCE NETWORK CONFERENCE

1425 T Street, NW

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Overall Impact

- Portfolio AMI: 56.1%

Where does that leave us?

- Difficult economics
- Reactive v. Proactive approach
- Prevention v. preservation