



Webinar

Homelessness and Real Estate in 'Homeless to Housed'

Date: June 29, 2022

00:00:01 --> 00:00:05: Hello and thank you for joining us for today's webinar.

00:00:05 --> 00:00:08: I'm Christopher Toney. I am the executive director of UIS

00:00:08 --> 00:00:11: to Williger Center for Housing and I'm pleased to welcome

00:00:11 --> 00:00:15: you to today's conversation UI. Twilligear Center focuses on housing

00:00:15 --> 00:00:20: best practices and relating public policies broadly and specifically works

00:00:20 --> 00:00:23: to advance housing production, attainability and equity.

00:00:24 --> 00:00:29: Today's conversation is focused specifically on the challenge of homelessness.

00:00:29 --> 00:00:33: And while the real estate community certainly cannot solve homelessness

00:00:34 --> 00:00:38: alone, we can play critical roles, particularly in building and

00:00:38 --> 00:00:42: operating transitional and low cost housing, but in a variety

00:00:42 --> 00:00:43: of other ways as well.

00:00:44 --> 00:00:47: UI's homeless to House report, for which there's a link

00:00:47 --> 00:00:51: on your screen is a set of actual, replicable projects

00:00:51 --> 00:00:55: addressing the critical and growing challenge of homelessness and cities

00:00:55 --> 00:00:59: around the US. The Lotus Campaign sharing crossing project, led

00:00:59 --> 00:01:02: by today's panelists. Phillip Payne, is one of the projects

00:01:02 --> 00:01:06: included in the report. UI is particularly grateful for the

00:01:06 --> 00:01:10: vision, foresight, and support of Preston Butcher for the homeless

00:01:10 --> 00:01:13: to House report without his concept and guidance, I would not have undertaken.

00:01:13 --> 00:01:14:

00:01:14 --> 00:01:18: This important effort and let me stress again as Preston

00:01:18 --> 00:01:22: would that the report captures actual on the ground operating

00:01:22 --> 00:01:26: projects that are ripe for EPR replication and other locations

00:01:26 --> 00:01:27: around the country.

00:01:28 --> 00:01:31: Now I'm pleased to take a moment to introduce our

00:01:31 --> 00:01:31: panel.

00:01:32 --> 00:01:36: First, we have Lee Ferguson, who will be our moderator,
00:01:36 --> 00:01:40: Lee recently or recently retired as Director of Economic
Development,
00:01:41 --> 00:01:44: Downtown Development, District of New Orleans, LA, and as
a
00:01:44 --> 00:01:48: developer with over 35 years of experience in real estate.
00:01:48 --> 00:01:53: He's an expert on downtown revitalization, affordable
housing, mixed use
00:01:53 --> 00:01:58: development and partnerships with public and nonprofit
entities. I appreciate
00:01:58 --> 00:02:02: Lee moderating our panel today. Secondly, is Vicki Davis
Vicki
00:02:02 --> 00:02:03: as president?
00:02:03 --> 00:02:07: Of Urban Atlantic and overseas, the acquisition planning,
design, and
00:02:07 --> 00:02:11: implementation of all urban Atlantic projects and asset
management of
00:02:11 --> 00:02:15: properties of company owns and it's mid city community.
CDE
00:02:15 --> 00:02:18: investment portfolio with over 30 years of experience in real
00:02:18 --> 00:02:22: estate development. She formerly served as deputy director
of the
00:02:22 --> 00:02:27: Maryland Housing Fund and Maryland DHCD Division of
Credit Assurance.
00:02:27 --> 00:02:31: Her experience also includes portfolio management for MNC
Financial S
00:02:31 --> 00:02:33: Charles Realty and multifamily.
00:02:33 --> 00:02:37: Development for Trammell Crow residential. Mickey is also a
highly
00:02:37 --> 00:02:41: valued to Wilkerson International Advisory Board member.
Thanks so much
00:02:41 --> 00:02:45: Vicki for participating today and finally, as Phillip Payne,
Phillip
00:02:45 --> 00:02:48: is the chairman of the Lotus Campaign in Charlotte, NC
00:02:48 --> 00:02:53: nonprofit that's increasing housing access for those
experiencing homelessness, he
00:02:53 --> 00:02:57: has over 30 years of experience in development, acquisition,
rehabilitation
00:02:57 --> 00:03:01: and management of middle market and workforce multifamily
housing. Prior
00:03:01 --> 00:03:03: to joining Lotus, Phil has served.
00:03:03 --> 00:03:06: Wrong number of high level roles as principal of Ginko
00:03:06 --> 00:03:11: Residential, which provides property management services
for multifamily properties throughout
00:03:11 --> 00:03:14: the southern US and is actively involved in the acquisition
00:03:15 --> 00:03:19: and substantial rehabilitation of middle market multifamily

properties. Bill has been a strong contributor to utilize Advisory Services program where he's dodged flying objects among other things, and received inspiration for his work with the Lotus Campaign, which is featured. As I mentioned previously in the homeless House report. Please do read the full impressive BIOS of all of our panelists on our website, but without further ado, it's my pleasure now to give the floor to Lee Ferguson Lee. Christopher, appreciate that and appreciate Vicki and Phillip. Appreciate you guys participating as well today and everyone that's listening in and we encourage questions. Put them in the chat. Get them to Christopher and give us an opportunity to be responding to those because one of the key things about this from the very initial discussions through the production of the report and going forward is that this is the beginning of a discussion about how ULI members and the real estate community at large can become a part of the solution. And hopefully can make a significant impact on on dealing with homelessness based on those things that you allowed that UL members know and do so well. And that's development execution, and you know, and new ideas. As Christopher mentioned, there are eight specific case studies in this report, and there are numerous additional ones in the index that were referred to to kind of set the stage a little bit for what we're the challenge that we're talking about. You know the scale of homeless as of about 2020. Which is the last detailed data. There are about 580,000 people in the United States experiencing homelessness at that point in time. Count about six in ten of those folks were staying in sheltered locations while nearly four in ten were on the street or otherwise unsheltered. 2020 was the first time since data collection began that more individuals experiencing homelessness were unsheltered than were sheltered. Nearly 172,000 people and families with children are

00:05:22 --> 00:05:25: experiencing homelessness,
 00:05:25 --> 00:05:28: which is something that that really I found quite shocking
 00:05:28 --> 00:05:33: to me as as many of you are already aware,
 00:05:33 --> 00:05:36: African Americans remain considerably under
 00:05:36 --> 00:05:40: overrepresented among the homeless population,
 00:05:40 --> 00:05:40: and there's a lot more data that goes with that
 00:05:41 --> 00:05:44: that you know, that that's that supports that across the
 00:05:44 --> 00:05:51: country.
 00:05:51 --> 00:05:56: But back to the question, why should we? The real
 00:05:56 --> 00:06:01: estate, business, community care, homelessness profoundly
 00:06:01 --> 00:06:05: and increasingly affects everyone's
 00:06:05 --> 00:06:09: government business industry. Real estate business,
 00:06:09 --> 00:06:13: specifically social services and
 00:06:13 --> 00:06:16: public safety all suffer when homelessness is not addressed.
 00:06:16 --> 00:06:19: The
 00:06:19 --> 00:06:21: public sector, for example, spends an average of about
 00:06:21 --> 00:06:26: \$36,000
 00:06:26 --> 00:06:30: per year.
 00:06:30 --> 00:06:35: For every person who is homelessness, who is homeless?
 00:06:35 --> 00:06:39: And quite frankly, where does that money come from? The
 00:06:39 --> 00:06:43: money has to come from the general economy and basically
 00:06:43 --> 00:06:46: that means from all of us, and particularly those of
 00:06:46 --> 00:06:50: us in the real estate business.
 00:06:50 --> 00:06:52: Furthermore, from our perspective, the lack of low cost
 00:06:52 --> 00:06:56: housing
 00:06:56 --> 00:07:00: is a large and growing driver of homelessness and housing
 00:07:00 --> 00:07:04: under underproduction underlies the homeless challenge as
 00:07:04 --> 00:07:07: well that we
 00:07:07 --> 00:07:09: are facing today. Recent estimates have suggested that
 00:07:09 --> 00:07:13: housing is
 00:07:13 --> 00:07:17: under supplied by as much as 7,000,000 units or more
 00:07:17 --> 00:07:21: in the US and the Toyota Center has a lot
 00:07:21 --> 00:07:25: a lot more data to support this information by producing
 00:07:25 --> 00:07:29: housing by producing more housing.
 00:07:29 --> 00:07:33: Our cities, residents and workers need the real estate sector
 00:07:33 --> 00:07:37: can both provide homes for those currently unhoused and
 00:07:37 --> 00:07:41: prevent
 00:07:41 --> 00:07:45: more households from becoming homeless in the 1st place.
 00:07:45 --> 00:07:49: And
 00:07:49 --> 00:07:53: I think this is something that that Vicki, and and
 00:07:53 --> 00:07:57: Phillip will both address as we go forward.
 00:07:57 --> 00:08:01: And again, back to what is UL Azlo. the US
 00:08:01 --> 00:08:05: membership has vast expertise and experience in residential
 00:08:05 --> 00:08:09: real estate

00:07:18 --> 00:07:23: development, finance and operations. This knowledge combined with the mission

00:07:23 --> 00:07:27: with the UN I mission to build thriving, sustainable communities

00:07:27 --> 00:07:32: and its recent commitment to prioritize addressing housing needs globally,

00:07:32 --> 00:07:35: make you allow the right organization to play a leading

00:07:36 --> 00:07:39: role in addressing the homelessness crisis we face when we

00:07:39 --> 00:07:40: were working.

00:07:41 --> 00:07:44: Through this research, we did determine that there are a

00:07:44 --> 00:07:48: lot of other challenges to the homelessness issue that are

00:07:48 --> 00:07:51: outside the scope of what UI members do best. Social

00:07:52 --> 00:07:56: Service and supportive services are absolutely critical in serving the

00:07:56 --> 00:08:00: population that are being impacted by homelessness, and we recognize

00:08:00 --> 00:08:04: that those are things at which other people are better

00:08:04 --> 00:08:07: than real estate developers usually, and so for that reason,

00:08:08 --> 00:08:11: it's absolutely imperative that there be partnerships.

00:08:11 --> 00:08:15: In each of our communities across the board, providing both

00:08:15 --> 00:08:18: the supportive services as well as the housing and the

00:08:18 --> 00:08:22: housing services in order to sufficiently and successfully address this

00:08:22 --> 00:08:26: challenge again, we in the real estate industry can play

00:08:26 --> 00:08:31: leading roles by building and operating transitional housing. Affordable housing

00:08:31 --> 00:08:35: developing more housing models and promoting more cost effective solutions.

00:08:35 --> 00:08:39: And I would even suggest perhaps looking at different design

00:08:39 --> 00:08:41: perspectives of housing to make.

00:08:41 --> 00:08:43: Housing more efficient and affordable.

00:08:44 --> 00:08:48: Obviously there are things that talk about cross, you know,

00:08:48 --> 00:08:52: cross cross sector partnerships like public policy, zoning density, you

00:08:52 --> 00:08:55: name it. There are a number of other issues that

00:08:55 --> 00:08:58: are in this in this conversation as well. Our panelists

00:08:58 --> 00:09:02: today will discuss their efforts that are creating real impact

00:09:02 --> 00:09:05: in the cities where they live and work, and we

00:09:05 --> 00:09:08: hope they will inspire you to redouble efforts to address

00:09:08 --> 00:09:12: homelessness in your communities as well. With that, let me

00:09:12 --> 00:09:13: stop and let's go on and.

00:09:14 --> 00:09:17: Get get Phil and Vicky involved here. Phil, the homeless

00:09:17 --> 00:09:21: challenges being faced around the country are already substantial and

00:09:21 --> 00:09:25: growing, but housing development seems like a long term solution

00:09:25 --> 00:09:28: at best. What can cities do to get people back

00:09:28 --> 00:09:29: into housing immediately?

00:09:34 --> 00:09:34: You need to unmute.

00:09:37 --> 00:09:39: Thank you, Lee as usual.

00:09:41 --> 00:09:43: Just stolen a bunch of my Thunder before I got

00:09:44 --> 00:09:47: going with with your great introduction. So look, I, I

00:09:47 --> 00:09:51: think this idea, that of immediate housing needs, actually starts

00:09:51 --> 00:09:53: with the concept that the.

00:09:53 --> 00:09:56: Those who are experiencing homeless are a very diverse group.

00:09:57 --> 00:09:59: And while HUD has a definition of.

00:10:00 --> 00:10:04: Who is homeless? That is really chronically homeless and the

00:10:04 --> 00:10:07: estimates are that for, you know we have this point

00:10:07 --> 00:10:10: in time count and estimates right now range. I mean,

00:10:10 --> 00:10:13: the only thing everybody can agree with that count is

00:10:13 --> 00:10:14: woefully inadequate.

00:10:15 --> 00:10:19: Everybody agrees it's at least three times that many people

00:10:19 --> 00:10:23: experiencing homeless, and many people estimate as many as seven

00:10:23 --> 00:10:26: times that number, and it's really a definitional thing.

00:10:27 --> 00:10:32: You know homelessness goes anywhere from the chronically homeless person

00:10:32 --> 00:10:35: who's been on the street for 10 years or more

00:10:35 --> 00:10:39: to somebody who's actually in imminent danger of becoming homeless.

00:10:41 --> 00:10:43: And so when we talk about how the house.

00:10:44 --> 00:10:47: The homeless immediately we we have to consider that entire

00:10:47 --> 00:10:48: range.

00:10:48 --> 00:10:51: And so the the the very first group that we

00:10:51 --> 00:10:53: can deal with with those who are in immediate danger.

00:10:53 --> 00:10:55: And that is by putting in.

00:10:56 --> 00:11:01: Some emergency crisis assistance kind of programs. A lot of

00:11:01 --> 00:11:05: these people are, you know, some event has taken place

00:11:05 --> 00:11:11: and homelessness. Today is an economically driven thing. There's injury,

00:11:11 --> 00:11:15: lack of work, being fired unexpectedly or laid off. There

00:11:15 --> 00:11:19: are a lot of things where families are making it

00:11:19 --> 00:11:24: barely, and then because of some temporary economic crisis there

00:11:24 --> 00:11:27: they find themselves without a home.

00:11:27 --> 00:11:29: And so being able to step up and help them

00:11:30 --> 00:11:33: through that temporary. Would be a great way to reduce

00:11:33 --> 00:11:37: homelessness when we have to stop the inflow of where

00:11:37 --> 00:11:39: we're going to deal with this.

00:11:40 --> 00:11:43: Another way is really to look at the properties we

00:11:43 --> 00:11:45: already have in place.

00:11:47 --> 00:11:50: And that takes in a couple different formats. One is

00:11:50 --> 00:11:50: we're seeing.

00:11:52 --> 00:11:56: Large number of middle and lower income properties in the

00:11:56 --> 00:11:58: middle of at this time being.

00:11:59 --> 00:12:02: Taken off market primarily by being bought by people who

00:12:02 --> 00:12:06: want to bulldoze them and turn them into much nicer

00:12:06 --> 00:12:08: properties. Much more expensive properties.

00:12:09 --> 00:12:14: And so having cities, particularly cities come up with ways

00:12:14 --> 00:12:16: to incentivize people to.

00:12:18 --> 00:12:19: Now she says good.

00:12:19 --> 00:12:22: Closer now we're trying to get to where we sit.

00:12:25 --> 00:12:28: Have cities have a way to incentivize people to keep

00:12:29 --> 00:12:32: those properties in the in the middle and lower income

00:12:32 --> 00:12:35: property brackets is a good way. The third is to

00:12:36 --> 00:12:39: go look at properties that are already in place and

00:12:39 --> 00:12:43: come up with ways to to incentivize owners to include

00:12:43 --> 00:12:46: some of their units as being available for people who

00:12:46 --> 00:12:51: are who have experienced homelessness. And this generally involves making

00:12:51 --> 00:12:54: getting over a group of myths about.

00:12:54 --> 00:12:57: How the homeless are going to destroy their properties and

00:12:57 --> 00:13:01: affect other residents and stuff? But coming up with a

00:13:01 --> 00:13:04: system of guarantees and and incentives to to say, OK,

00:13:04 --> 00:13:06: let's open some units back up.

00:13:09 --> 00:13:12: So there are plenty of units out there. I know

00:13:12 --> 00:13:15: everybody's going to say to me. Would you put a

00:13:15 --> 00:13:17: person in a in a unit in a luxury apartment?

00:13:17 --> 00:13:20: Then that means there's one less unit for somebody else.

00:13:21 --> 00:13:23: But what we have to see is what's being built

00:13:23 --> 00:13:26: with those high end units. And there are plenty of

00:13:26 --> 00:13:29: those coming on market. There are plenty of people to

00:13:29 --> 00:13:32: fill them, but by taking just a small percentage of

00:13:32 --> 00:13:35: those and apply them to the to the homeless population

00:13:35 --> 00:13:38: would really make dent. And what's going on?

00:13:38 --> 00:13:41: And of course, you've got it. We have to create

00:13:41 --> 00:13:44: new. Unfortunately, and I think Vicki's going to talk to
00:13:44 --> 00:13:48: this later. It's virtually impossible to build new units that
00:13:48 --> 00:13:51: are affordable to the to the income levels that we're
00:13:51 --> 00:13:52: talking about.
00:13:53 --> 00:13:57: But again, you know housing is a commodity, and when
00:13:57 --> 00:14:01: you have a shortage like we have now, the people
00:14:01 --> 00:14:04: with money soak up all the all the supply and
00:14:04 --> 00:14:08: the people with the lowest of economic standing are left
00:14:08 --> 00:14:12: high and dry and so having new units, even if
00:14:12 --> 00:14:14: those are higher end units.
00:14:15 --> 00:14:19: We'll soak up some of that high end level demand
00:14:19 --> 00:14:23: and open up units that are farther down the economic
00:14:23 --> 00:14:24: tail so.
00:14:25 --> 00:14:28: You know, for the average homeless person, that's what
00:14:28 --> 00:14:31: we're
00:14:31 --> 00:14:35: trying to deal with. We still do have that HUD
00:14:35 --> 00:14:37: group. That's called the chronically homeless, you know, in
00:14:37 --> 00:14:41: regular
00:14:41 --> 00:14:44: housing is not a valuable. I mean, it's not a
00:14:44 --> 00:14:47: available option for them. We need to really stress building
00:14:47 --> 00:14:50: more permanent supportive care, which takes for a group of
00:14:50 --> 00:14:53: people who are never really going to be able to
00:14:53 --> 00:14:56: live on their own or or get reestablished in the
00:14:56 --> 00:15:00: community. So that's what seems to me. We need to
00:15:00 --> 00:15:02: be doing immediately is focusing on what's there.
00:15:02 --> 00:15:04: And then encouraging production of units, particularly of
00:15:04 --> 00:15:06: permanent supportive
00:15:06 --> 00:15:08: and then units of all kind.
00:15:10 --> 00:15:11: It's his turn to be on mute.
00:15:13 --> 00:15:16: The follow up to that you know, what are some
00:15:16 --> 00:15:19: of the things you know? What are some of the
00:15:19 --> 00:15:22: kinds of issues that come up that are likely to
00:15:22 --> 00:15:26: affect people? Even more so in the current economic
00:15:26 --> 00:15:30: situation?
00:15:30 --> 00:15:34: I mean, people are talking about inflation. We're coming out
00:15:34 --> 00:15:38: of this long term pandemic situation ends of, you know,
00:15:38 --> 00:15:41: ends of the rental eviction moratoriums you know what kind
00:15:41 --> 00:15:44: of things do you think cities ought to be looking
00:15:44 --> 00:15:46: at as immediate issues that they could?
00:15:46 --> 00:15:49: Effectively deal with to soften some of those impacts on
00:15:49 --> 00:15:50: people that are going to be economically impacted. That's
00:15:50 --> 00:15:51: going
00:15:51 --> 00:15:54: to affect their housing.

00:15:53 --> 00:15:57: Well, as somebody just putting that in the question box,
 00:15:57 --> 00:16:00: I mean it is absolutely true that it is cheaper
 00:16:00 --> 00:16:03: to subsidize having people in existing units than it is
 00:16:04 --> 00:16:06: to try and have government built new units.
 00:16:09 --> 00:16:13: It's easier to incentivize builders of new units in such
 00:16:13 --> 00:16:18: ways that they can provide some percentage of their property
 00:16:18 --> 00:16:20: as lower income units.
 00:16:22 --> 00:16:25: Mandates have a way of not really working very well
 00:16:25 --> 00:16:30: and actually backfire on the problem. You know, inclusionary
 zoning
 00:16:30 --> 00:16:34: is a favorite topic that goes around, but unless you're
 00:16:34 --> 00:16:38: a landlocked city, inclusionary zoning does not really help the
 00:16:38 --> 00:16:42: production of more units at this leads to people building
 00:16:42 --> 00:16:45: other places where they don't have that, so I I
 00:16:45 --> 00:16:50: think it's again, it's crisis intervention, it's subsidy and then
 00:16:50 --> 00:16:52: looking at ways to preserve the.
 00:16:52 --> 00:16:56: Affordable housing units they already have, and again that
 comes
 00:16:56 --> 00:16:59: in somewhat in the system of subsidies and somewhat in
 00:16:59 --> 00:17:00: the system of just.
 00:17:01 --> 00:17:02: Maybe some kind of?
 00:17:04 --> 00:17:07: Preferential perks on things like.
 00:17:08 --> 00:17:09: United.
 00:17:09 --> 00:17:14: Building code for modifications review. Maybe some
 modifications to the
 00:17:14 --> 00:17:17: rehab code. I mean our goal here, by the way,
 00:17:17 --> 00:17:21: is we're going into this later is to produce clean,
 00:17:21 --> 00:17:24: safe, warm and dry housing. I mean the the standards
 00:17:24 --> 00:17:25: of a home having.
 00:17:26 --> 00:17:30: Changed since our Cavemen ancestors were trying to pick
 out
 00:17:30 --> 00:17:33: a cave. I mean had to be clean. Had to
 00:17:33 --> 00:17:36: be safe. Had to be warm and had to be
 00:17:36 --> 00:17:39: dry and and we need to be careful that we're
 00:17:39 --> 00:17:44: not putting in place. Requirements that take these beyond
 need
 00:17:44 --> 00:17:47: and into. Wouldn't it be nice range?
 00:17:48 --> 00:17:51: Wouldn't it be nice? Is great, but you know, for
 00:17:52 --> 00:17:55: those of us like me who grew up in Levittown
 00:17:55 --> 00:17:58: of the South in a 800 square foot house with
 00:17:58 --> 00:18:02: no air conditioning in the Deep South and one central
 00:18:02 --> 00:18:04: floor furnace, you know?
 00:18:06 --> 00:18:09: It was, it was great. It was good enough. So

00:18:09 --> 00:18:12: I think we just need to be careful that we're
00:18:13 --> 00:18:17: not overbuilding that we're not putting too many regulations
on
00:18:17 --> 00:18:20: what we're trying to build and realize that it's a
00:18:20 --> 00:18:23: need and what we really need is more of not
00:18:23 --> 00:18:24: nicer.
00:18:26 --> 00:18:29: I mean, I'm talking about perfectly adequate housing. I'm not
00:18:29 --> 00:18:30: talking about, you know.
00:18:31 --> 00:18:35: Inadequate housing, I'm just talking about a definition of
adequate
00:18:35 --> 00:18:37: that may not be in vogue right now.
00:18:38 --> 00:18:41: Well, and Phillip, I think that's something that will probably
00:18:41 --> 00:18:43: come back to a little bit later because that's a
00:18:43 --> 00:18:46: topic you and I've talked about a great deal. And
00:18:46 --> 00:18:48: and hopefully we'll have time to get back and maybe
00:18:48 --> 00:18:51: get into some of the nitty gritty of that in
00:18:51 --> 00:18:53: a little bit. Vicki talked to us a little bit.
00:18:53 --> 00:18:56: One of the things housing costs is I'm looking at
00:18:56 --> 00:18:59: my notes are driving homelessness as never before and as
00:18:59 --> 00:19:02: somebody who builds and operates housing for a wide
variety
00:19:02 --> 00:19:02: of clients.
00:19:02 --> 00:19:06: At various different levels of income, and you know you're
00:19:06 --> 00:19:09: in. You're in one market. I've been operating more recently
00:19:09 --> 00:19:12: in the New Orleans market. You know, Phillip is all
00:19:12 --> 00:19:15: over the southeast. We've got a lot of experience from
00:19:15 --> 00:19:19: our research in California models, but as somebody that's
operated
00:19:19 --> 00:19:22: a number of different places, what are you currently seeing
00:19:22 --> 00:19:25: in terms of housing need in the markets where Urban
00:19:25 --> 00:19:28: Atlantic operates? And what can cities and housing
developers and
00:19:29 --> 00:19:30: operators do to prevent?
00:19:31 --> 00:19:35: You know, growing homelessness particularly for lower
income members of
00:19:35 --> 00:19:36: of the workforce.
00:19:38 --> 00:19:40: It's a great pleasure to be with all of you
00:19:40 --> 00:19:40: today.
00:19:43 --> 00:19:47: This morning we had a groundbreaking on a building that's
00:19:47 --> 00:19:50: at a a multimodal transit station. It has train. It
00:19:50 --> 00:19:54: has marked train. It has a commuter line at grade
00:19:54 --> 00:19:57: and it has the metro system. It has buses.
00:19:58 --> 00:20:01: And it has very big parking garages. The best multimodal

00:20:01 --> 00:20:04: location in Maryland, and was full of parking lots. And
00:20:04 --> 00:20:05: we're redeveloping it.
00:20:06 --> 00:20:10: Today was a very special day for me because Amazon.
00:20:11 --> 00:20:15: Took what would have been a 100% luxury apartment
building
00:20:15 --> 00:20:17: at a transit station.
00:20:18 --> 00:20:21: And gave us money to buy the rents down to
00:20:21 --> 00:20:22: workforce housing rents.
00:20:23 --> 00:20:26: In perpetuity, 99 years.
00:20:27 --> 00:20:30: And that means for 99 years that building will only
00:20:30 --> 00:20:33: serve people below 80% of median, and it's a segment
00:20:33 --> 00:20:36: of the population. So why do I talk about that
00:20:36 --> 00:20:39: one? One because it happened today, but two because it's
00:20:39 --> 00:20:43: corporate America stepping to the table. And so you started
00:20:43 --> 00:20:46: out by talking about the real estate industry. And look,
00:20:46 --> 00:20:49: I I've been developing real estate for a really long
00:20:49 --> 00:20:53: time, and I think this industry is populated by some
00:20:53 --> 00:20:55: of the smartest and best people I've ever met.
00:20:56 --> 00:21:01: We are collectively aggressive problem solvers.
00:21:01 --> 00:21:05: We are caretakers of our communities and we are builders
00:21:05 --> 00:21:09: of Community and Community. Includes everybody so the
housing that
00:21:09 --> 00:21:13: we build ranges from public housing to market rate at
00:21:13 --> 00:21:16: a very high end. It includes rental and it includes
00:21:16 --> 00:21:17: home ownership.
00:21:19 --> 00:21:21: We house a fair number of people who were formerly
00:21:21 --> 00:21:22: homeless.
00:21:23 --> 00:21:26: In our public housing, we also have a redevelopment called
00:21:26 --> 00:21:30: Walter Reed, which was a former Army Medical center that
00:21:30 --> 00:21:33: has a homeless housing operator, not US, but they're in
00:21:33 --> 00:21:37: one of our buildings together with our seniors housing and
00:21:37 --> 00:21:39: some affordable assisted living.
00:21:40 --> 00:21:42: So here's what I have learned.
00:21:45 --> 00:21:47: Homeless housing
00:21:48 --> 00:21:53: is for people who are quite stressed. They're economically
stressed.
00:21:53 --> 00:21:58: They probably are somewhat socially stressed. They might
have a
00:21:58 --> 00:22:02: stressed family or a sick member and and they need
00:22:02 --> 00:22:06: support, and I think it's very important to do the
00:22:06 --> 00:22:10: most difficult kind of real estate development, which is to
00:22:10 --> 00:22:16: combine support services that are effective together with
housing right?

00:22:16 --> 00:22:18: And I love Phillip's program at.

00:22:18 --> 00:22:22: Lotus program, because what he does is he marries services

00:22:23 --> 00:22:27: with an essence, an insurance program for the developer. With

00:22:27 --> 00:22:32: them, the availability of housing. And that's very, very important.

00:22:33 --> 00:22:36: In DC and I've I've been trying to wonder if

00:22:36 --> 00:22:39: it's a landmark city or not. I'm not sure that

00:22:39 --> 00:22:41: I totally know, but.

00:22:42 --> 00:22:44: But it has inclusionary zoning.

00:22:45 --> 00:22:48: And it also has a thing called rapid rehousing which

00:22:48 --> 00:22:51: says that the city will give a local subsidy.

00:22:51 --> 00:22:53: To our homeless population.

00:22:54 --> 00:22:57: And every developer every building owner is required to take

00:22:57 --> 00:23:00: them, and some people find themselves on the front page

00:23:00 --> 00:23:03: of the Washington Post for not doing that. I personally

00:23:03 --> 00:23:06: I don't want to find myself on the front of

00:23:06 --> 00:23:08: the Washington Post and so and so we do rapid

00:23:09 --> 00:23:12: rehousing and it comes with its challenges and I would

00:23:12 --> 00:23:15: tell you that COVID has been particularly challenging because the

00:23:15 --> 00:23:18: services piece has been a lot missing and so we've

00:23:18 --> 00:23:21: got the housing and we've got the subsidy. But we

00:23:21 --> 00:23:24: don't have necessarily the services, and so that's an issue.

00:23:25 --> 00:23:27: I'd also say one other thing and that is.

00:23:28 --> 00:23:32: Mainly northeastern States and maybe some West Coast states.

00:23:33 --> 00:23:34: Who have?

00:23:35 --> 00:23:39: Close their eviction courts during COVID.

00:23:39 --> 00:23:42: We're going to see a hell of a wave of

00:23:42 --> 00:23:45: homelessness, a hell of a wave, guys. It's going to

00:23:45 --> 00:23:48: be somewhere in the 10% of households range because that's

00:23:48 --> 00:23:51: the number of people who have figured out they didn't

00:23:51 --> 00:23:54: need to pay their rent. The Southeast has not closed

00:23:54 --> 00:23:58: their courts and has much stricter housing laws, but we're

00:23:58 --> 00:24:00: an eviction. Takes me six months to do. And in

00:24:00 --> 00:24:03: the markets I serve, it's it is going to be

00:24:03 --> 00:24:06: terrible in the next couple of years because we have

00:24:06 --> 00:24:09: a lot of people who didn't pay and there's going

00:24:09 --> 00:24:11: to be a whole new definition of homelessness.

00:24:12 --> 00:24:15: Because landlords are not likely to take people who don't

00:24:15 --> 00:24:18: pay their rent as a general concept and so and,

00:24:18 --> 00:24:22: and, I think Phillip's program really really addresses that and
00:24:22 --> 00:24:24: it's one of the reasons why I'm such a big
00:24:25 --> 00:24:28: fan. But this is a very serious thing that's coming
00:24:28 --> 00:24:30: our way, and I think it's going to be.
00:24:32 --> 00:24:34: I think it's going to certainly be a challenge and
00:24:34 --> 00:24:36: and I can't think of anybody better to take it
00:24:36 --> 00:24:39: on than the real estate community together with our local
00:24:39 --> 00:24:43: officials. Together with the federal government and together
with the
00:24:43 --> 00:24:46: service providers, because that is going to be the challenge
00:24:46 --> 00:24:48: that's out there from my perspective.
00:24:50 --> 00:24:55: Vicky, you've you've mentioned this. You're serving multiple
populations and
00:24:55 --> 00:24:58: in many of your projects, if not all in terms
00:24:58 --> 00:25:01: of people who have experienced homelessness and are and
are
00:25:01 --> 00:25:04: coming out of homelessness, what can you give us? Kind
00:25:04 --> 00:25:07: of a sense. What's the success rate like? And I
00:25:07 --> 00:25:10: know I'm. I'm asking you a question that you may
00:25:10 --> 00:25:13: not be readily equipped to give us hard numbers on,
00:25:13 --> 00:25:17: but I mean, is this something that occasionally works when
00:25:17 --> 00:25:20: someone has been homeless? I mean, truly homeless or?
00:25:20 --> 00:25:24: Kind of homeless people when they're coming back into
having
00:25:24 --> 00:25:29: reasonable housing. What's what's the likely success rate? I
mean,
00:25:29 --> 00:25:31: is it? Is it one in 10 or successful or
00:25:31 --> 00:25:34: 99% successful? I mean, talk to us a little bit
00:25:35 --> 00:25:35: about that.
00:25:36 --> 00:25:38: I would have said that.
00:25:41 --> 00:25:45: When you look at public housing and when you look
00:25:45 --> 00:25:48: at people, this people who are making you know less
00:25:48 --> 00:25:52: than \$20,000 a year, many times around \$10,000 a year.
00:25:53 --> 00:25:54: It's a lot of seniors.
00:25:54 --> 00:25:55: It's also social.
00:25:55 --> 00:25:59: Security, I mean it's people who are on very, very
00:25:59 --> 00:26:04: limited budgets. There are two very well researched pieces.
One
00:26:04 --> 00:26:05: is that.
00:26:06 --> 00:26:10: People who are. It's this Maslow's hierarchy of needs, right?
00:26:10 --> 00:26:13: You start with that warm, safe place to live.
00:26:14 --> 00:26:19: The success rate, particularly for families, but also for
individuals
00:26:19 --> 00:26:23: who are housed, is significantly higher than for people who

00:26:23 --> 00:26:25: are not housed as a society.

00:26:26 --> 00:26:29: If we are taking care of our brethren, then, then

00:26:29 --> 00:26:33: it's really. It's a very high priority to house people.

00:26:33 --> 00:26:37: The next thing that's been studied because we've done a

00:26:37 --> 00:26:40: lot of hope 6 develop the next thing that's been

00:26:40 --> 00:26:43: studied is does it make a difference to be in

00:26:43 --> 00:26:47: a mixed income community as opposed to in a segregated

00:26:47 --> 00:26:50: low income community and and some people would call that

00:26:50 --> 00:26:54: a ghetto? They're not all ghettos but but segregated low

00:26:54 --> 00:26:56: income, and I can tell you.

00:26:56 --> 00:26:59: That there is research that says this.

00:27:00 --> 00:27:00: Children.

00:27:02 --> 00:27:06: Who grow up in mixed income communities. Mixed income

00:27:06 --> 00:27:12: schools, mixed income buildings. Mixed income communities are less likely to

00:27:12 --> 00:27:16: have early pregnancy, less likely to go to jail, more

00:27:16 --> 00:27:20: likely to get an education, and more likely to have

00:27:20 --> 00:27:21: a job by a wide margin.

00:27:23 --> 00:27:26: Than people who live in low income communities, no matter

00:27:26 --> 00:27:28: how good, and so I I was listening to the

00:27:28 --> 00:27:32: quality of housing thing and and there's a very serious

00:27:32 --> 00:27:35: consideration. If you can build one in a very low

00:27:35 --> 00:27:38: income neighborhood and it only cost you 300,000 to build

00:27:38 --> 00:27:40: it. But you can build one in the best place

00:27:41 --> 00:27:43: in town and it costs you 600, how do you

00:27:43 --> 00:27:44: make that decision?

00:27:45 --> 00:27:48: Right, and just so we're all on the same page

00:27:48 --> 00:27:51: I I grew up in a townhouse in a very

00:27:51 --> 00:27:54: lovely area. It was 12 feet wide, was a very

00:27:54 --> 00:27:57: small house, but in a really nice area, right and

00:27:57 --> 00:28:00: and so that that shaped me and and I guess

00:28:00 --> 00:28:01: what I would say is.

00:28:03 --> 00:28:04: Quality matters.

00:28:05 --> 00:28:08: It does matter to people and.

00:28:09 --> 00:28:12: And the mixed income matters to people and and so

00:28:12 --> 00:28:16: when we build affordable housing, we try to build it

00:28:16 --> 00:28:19: to the same standards or as close to it as

00:28:19 --> 00:28:23: possible. As our market rate housing we do that our

00:28:23 --> 00:28:27: jurisdictions, I think it varies depending on where you are

00:28:27 --> 00:28:31: in the country, but our jurisdictions require it and and

00:28:31 --> 00:28:34: we're fully on board for that. So and I would

00:28:34 --> 00:28:38: also say it's a very big difference depending on where
00:28:38 --> 00:28:39: you are in the country.
00:28:39 --> 00:28:43: As to what the level of support is for affordable
00:28:43 --> 00:28:49: housing homelessness workforce housing, we're we're
mostly in the Mid
00:28:49 --> 00:28:49: Atlantic.
00:28:51 --> 00:28:54: And I would say we have states that have very,
00:28:54 --> 00:28:57: very generous programs and I think bar none. The leader
00:28:58 --> 00:29:01: of that is the District of Columbia, and every year
00:29:01 --> 00:29:02: they dedicate.
00:29:03 --> 00:29:09: \$500 million in taxpayer funds to build affordable housing.
00:29:11 --> 00:29:14: I work for a state government. We didn't provide that
00:29:14 --> 00:29:17: much. I mean, it's it's pretty phenomenal, so I may
00:29:17 --> 00:29:20: have a slightly distorted view because of the markets that
00:29:21 --> 00:29:21: I'm active in.
00:29:23 --> 00:29:26: Vicky and and Phillip let me throw something out to
00:29:26 --> 00:29:28: both of you and this is perhaps a little bit
00:29:28 --> 00:29:31: off topic. But Vicki mentioned the, you know the Amazon
00:29:31 --> 00:29:34: commitment that's been made to some of the projects there
00:29:34 --> 00:29:36: in the DC area and I know that there were
00:29:36 --> 00:29:39: a lot of cities around the country trying to figure
00:29:39 --> 00:29:41: out how to get, you know, the new Amazon, you
00:29:41 --> 00:29:43: know, HQ two and and we all. We all have
00:29:43 --> 00:29:46: friends who were, you know, hot on that trail looking
00:29:46 --> 00:29:48: to do it and it occurs to me and and
00:29:48 --> 00:29:50: having worked in the DC market many years ago and
00:29:50 --> 00:29:52: being a little bit familiar with it.
00:29:53 --> 00:29:57: It occurs to me that the folks in that community
00:29:57 --> 00:29:59: came together and it wasn't.
00:30:00 --> 00:30:03: And I'm trying to figure out how to say this,
00:30:03 --> 00:30:07: but but housing all up and down the spectrum, and
00:30:07 --> 00:30:11: particularly workforce housing, seemed to be the great big
ace
00:30:11 --> 00:30:15: of spades Trump card that the Washington area played to
00:30:15 --> 00:30:18: win that bid. So it was really, you know, a
00:30:18 --> 00:30:22: corporate benefit to Amazon and a corporate benefit to the
00:30:22 --> 00:30:26: developers who attracted that headquarters. I mean, you
know.
00:30:27 --> 00:30:29: To be a little bit cynical about it, you know
00:30:29 --> 00:30:32: these weren't people. Just trying to do good, you know.
00:30:34 --> 00:30:37: I'm sure that there was some enlightened self interest in
00:30:37 --> 00:30:38: providing.
00:30:38 --> 00:30:41: Heavy financial support to workforce housing.

00:30:42 --> 00:30:44: It was good business and I think that's one of

00:30:44 --> 00:30:46: the things you know you kind of alluded to it.

00:30:47 --> 00:30:48: I think that's one of the things that.

00:30:49 --> 00:30:53: That hopefully this conversation as it grows and includes more

00:30:53 --> 00:30:53: people.

00:30:54 --> 00:30:56: Everybody can kind of get an idea. Not only can

00:30:56 --> 00:30:58: you do well by doing good, I mean all that

00:30:58 --> 00:31:01: all those buzzwords with can you and Phillip both speak

00:31:01 --> 00:31:02: to that for a minute.

00:31:02 --> 00:31:04: Can I say something about it?

00:31:08 --> 00:31:14: Amazon certainly is building their corporate resume and their SG

00:31:14 --> 00:31:15: goals.

00:31:17 --> 00:31:19: But here's I'll just tell you the magic sauce.

00:31:21 --> 00:31:24: When you build luxury market rate housing.

00:31:26 --> 00:31:31: You'll get 65% debt, you get 35% equity. You're probably

00:31:31 --> 00:31:35: put in 10% of that, or 5% of that yourselves,

00:31:35 --> 00:31:38: and you pay the equity and the IRR somewhere in

00:31:38 --> 00:31:42: the mid teens to 20 and you pay them a

00:31:42 --> 00:31:46: preferred rate of about 9%. You pay the debt, whatever,

00:31:46 --> 00:31:50: if you pay them in the marketplace and and then

00:31:50 --> 00:31:54: you'll sell it like after you stabilize it, you sell

00:31:54 --> 00:31:57: it to some insurance company.

00:31:57 --> 00:31:59: That's going to own it forever. That's that's the model

00:31:59 --> 00:32:00: that most people do.

00:32:01 --> 00:32:04: However, what we did with Amazon and I'm just going

00:32:04 --> 00:32:05: to tell you the secret.

00:32:07 --> 00:32:09: We did the 65% debt.

00:32:09 --> 00:32:10: Same as ever.

00:32:11 --> 00:32:16: And we talked to Amazon's money and we did Mez

00:32:16 --> 00:32:21: debt all the way up to 10% of equity invested

00:32:21 --> 00:32:24: by the developer. So me.

00:32:25 --> 00:32:30: And their money is invested at a 3% rate.

00:32:31 --> 00:32:34: It's I'm going to pay it back. It's in my

00:32:34 --> 00:32:37: thing, but it allowed me to take my rents from

00:32:37 --> 00:32:37: here.

00:32:39 --> 00:32:43: And bring them to here, not to here, but to

00:32:43 --> 00:32:46: here, right? And for 99 years.

00:32:47 --> 00:32:50: And so, and they'll be paid back. And you know

00:32:50 --> 00:32:54: what? There isn't anybody in corporate America who can't do

00:32:54 --> 00:32:55: that deal.

00:32:56 --> 00:32:56: Nobody.

00:32:57 --> 00:33:00: Think about every Fortune 500 company, every last one of

00:33:00 --> 00:33:01: them can do that deal.

00:33:02 --> 00:33:07: It's totally replicable. There's nothing special or secret or magic

00:33:07 --> 00:33:10: or anything about it, right? That's a workforce housing deal.

00:33:10 --> 00:33:14: And then you say, OK, if we're creating the stone

00:33:14 --> 00:33:16: soup, how do I get that down for people who

00:33:16 --> 00:33:19: are who who need a lot of help? And I

00:33:19 --> 00:33:23: think that our our local governments and our federal government

00:33:23 --> 00:33:26: has ways to buy that down for them through subsidy

00:33:26 --> 00:33:30: programs. That's that's just one model. And and and the

00:33:30 --> 00:33:33: really great thing is, by having this webinar.

00:33:33 --> 00:33:35: And by you Ali doing this, I bet you there

00:33:35 --> 00:33:37: are a ton of other people with other models who

00:33:37 --> 00:33:39: can contribute to this.

00:33:41 --> 00:33:44: Phillip, tell me why? Why would Amazon or any other

00:33:44 --> 00:33:48: corporate entity make that deal that Dickey's just talked about?

00:33:48 --> 00:33:50: I mean, I think I have a a sense of

00:33:50 --> 00:33:52: the answer, but how do you see it as a

00:33:52 --> 00:33:55: developer and as someone who's operated in this world for

00:33:55 --> 00:33:56: a long time?

00:33:58 --> 00:33:58: Of their.

00:33:58 --> 00:34:01: Employees, so we're older than I am, but why would

00:34:01 --> 00:34:02: somebody do that?

00:34:02 --> 00:34:03: I'm older than everybody.

00:34:07 --> 00:34:10: It's because because it's to their benefit to have places

00:34:10 --> 00:34:11: where their employees can live.

00:34:12 --> 00:34:17: I mean look this is a problem that homelessness affects

00:34:17 --> 00:34:19: every single aspect.

00:34:19 --> 00:34:21: Of every single person in the community.

00:34:22 --> 00:34:27: Ranging from where do your employees live to?

00:34:30 --> 00:34:34: Impact on the community from where business development

00:34:34 --> 00:34:38: a new company comes to town and looks around and homelessness is

00:34:38 --> 00:34:41: a major issue. And you know what they're going to

00:34:41 --> 00:34:45: go find some place where it's been more effectively addressed.

00:34:45 --> 00:34:49: It's just an indicator of the health of your community,

00:34:49 --> 00:34:52: and so, but it is absolutely Vicky's, right? You you

00:34:52 --> 00:34:55: can do good and do well at the same time.

00:34:55 --> 00:34:59: It is absolutely true that it's one of those myths.

00:35:00 --> 00:35:03: And you know, we live by a circle at Lotus,

00:35:03 --> 00:35:03: but.

00:35:05 --> 00:35:08: You know, before we get too far Vicky my quality

00:35:08 --> 00:35:11: issue. OK, as a person who's done workforce housing for

00:35:11 --> 00:35:14: 30 years, every one of the units that I'm working

00:35:14 --> 00:35:15: with.

00:35:15 --> 00:35:18: For people who've been homeless is to the standards of

00:35:18 --> 00:35:19: workforce housing.

00:35:20 --> 00:35:22: What I mean by that as I don't have?

00:35:23 --> 00:35:26: 10 or 12 foot ceilings and I don't have big

00:35:26 --> 00:35:30: curves and arches. These are pretty much boxes, but they're

00:35:30 --> 00:35:35: clean, warm, plenty adequate for thousands upon thousands

00:35:35 --> 00:35:39: of working

00:35:39 --> 00:35:39: class people. And and I'm not trying to make them,

00:35:39 --> 00:35:39: you know.

00:35:40 --> 00:35:45: Outrageously nice, I just well very well maintained, very safe,

00:35:45 --> 00:35:50: very standard units. But you know somebody asking and

00:35:50 --> 00:35:53: Christopher's

00:35:53 --> 00:35:55: asked me to address this is can we build our

00:35:58 --> 00:36:01: way out of homelessness?

00:36:01 --> 00:36:04: No, OK, first of all, we're probably 7 and a

00:36:04 --> 00:36:07: half million or so units short. I don't see that

00:36:09 --> 00:36:11: happening anytime soon, but the truth is housing is.

00:36:12 --> 00:36:16: Housing is part of being homeless.

00:36:16 --> 00:36:18: Housing in and of itself is not a solution to

00:36:19 --> 00:36:24: homelessness. There's a whole.

00:36:24 --> 00:36:26: Number of psychological and and educational issues that

00:36:27 --> 00:36:30: surround it.

00:36:30 --> 00:36:33: You know, I talk about.

00:36:33 --> 00:36:36: We have a young soldier who comes back from a

00:36:36 --> 00:36:40: war zone and he has PTSD and you bring him

00:36:40 --> 00:36:44: home and you say we are home now so you

00:36:44 --> 00:36:48: don't have to have that anymore. OK, just bringing him

00:36:48 --> 00:36:52: home doesn't do it. There's a whole bevy of services

00:36:52 --> 00:36:53: and that have to be provided, and without those services,

00:36:53 --> 00:36:58: we're always going to have people who are homeless OK,

00:36:58 --> 00:37:03: and so you know.

00:37:03 --> 00:37:08: From my point of view, it's as important that we

00:37:08 --> 00:37:08: beef up mental healthcare that we beef up support services,

00:37:08 --> 00:37:08: crisis services, and financial literacy programs. Job training

00:37:08 --> 00:37:08: all these

00:37:08 --> 00:37:12: things that aren't really housing, but just putting a person
00:37:12 --> 00:37:14: in the house doesn't solve.
00:37:17 --> 00:37:21: And as to to to to Vicki's model. I mean
00:37:21 --> 00:37:26: what we've done it Lotus is we buy a property.
00:37:26 --> 00:37:30: We use that same 65% debt. We do the same
00:37:30 --> 00:37:35: 5 to 10% general partner and I find an investor
00:37:35 --> 00:37:38: who says they'll take the money.
00:37:40 --> 00:37:41: You know market rate.
00:37:42 --> 00:37:45: We can argue whether it's 12 or 15 or 20,
00:37:46 --> 00:37:48: but you know we we start off with a 6%
00:37:49 --> 00:37:52: current and a 12% IRR with 20% of the units
00:37:52 --> 00:37:57: being reserved for people who've been homeless and priced
at
00:37:57 --> 00:37:57: 60% of AMI.
00:38:00 --> 00:38:03: So my model for governments which I'm talking to about
00:38:04 --> 00:38:06: is basically Vicki's Amazon model.
00:38:07 --> 00:38:10: Which says, but it goes to the developer and says.
00:38:11 --> 00:38:14: If you make X percent of your units and we
00:38:14 --> 00:38:18: can figure that number out affordable, we will give you.
00:38:19 --> 00:38:22: A mess piece or a loan or whatever you want.
00:38:22 --> 00:38:24: It might be a 0 interest loan.
00:38:25 --> 00:38:28: To cover that differential cost of producing those units.
00:38:29 --> 00:38:32: So it's a very small amount of money. You get
00:38:32 --> 00:38:35: the units with the developer carrying most of the cost.
00:38:35 --> 00:38:39: It's not like they're not getting any rent, they're getting
00:38:39 --> 00:38:41: rent to cover their expenses at the least.
00:38:43 --> 00:38:46: And and you don't put restrictions on it. You basically
00:38:46 --> 00:38:49: say there is a minimum hole. It might be 10
00:38:49 --> 00:38:53: years or something because debt commercial debt is 510
years
00:38:53 --> 00:38:55: 7 to 10 years and at the end of that
00:38:55 --> 00:38:58: they can sell it and they either pay it back
00:38:58 --> 00:39:02: with zero interest or you might have a forgiveness program.
00:39:02 --> 00:39:06: But you can actually get these mixed income communities
that
00:39:06 --> 00:39:09: Vicky's talking about and also casually agree with that a
00:39:09 --> 00:39:12: certain number of units in new projects.
00:39:12 --> 00:39:14: Are being dedicated to this group.
00:39:15 --> 00:39:18: By reducing the cost of the money, the capital cost
00:39:18 --> 00:39:19: to produce those units.
00:39:21 --> 00:39:24: Developers will do that stuff all day long. OK, because
00:39:24 --> 00:39:27: they're not going to. They're not going to suffer when
00:39:27 --> 00:39:31: they're sell because they don't have these long term 30

00:39:31 --> 00:39:34: year affordability covenants, but they do have some, but then
 00:39:34 --> 00:39:37: the city gets its money back, which it gets to
 00:39:37 --> 00:39:40: reuse for the next project. So and so that's be
 00:39:40 --> 00:39:40: quiet.
 00:39:42 --> 00:39:44: That sounds good and and Phillip and Vicki appreciate y'all,
 00:39:45 --> 00:39:47: you know, kind of honing in on that and say
 00:39:47 --> 00:39:49: you know why? Why should the people with the money
 00:39:49 --> 00:39:51: be willing to play? And I think that you both
 00:39:51 --> 00:39:54: done a good job of outlining why it's in their
 00:39:54 --> 00:39:56: best interest. At this point. I want to turn it
 00:39:56 --> 00:39:58: over to Christopher because it looks like we may have
 00:39:58 --> 00:40:01: some questions from the audience, and so let's let's jump
 00:40:01 --> 00:40:04: over to those and and I'm enjoying the way this
 00:40:04 --> 00:40:06: conversation is moving forward. So Christopher, take it away.
 00:40:09 --> 00:40:13: Thanks Lee, and one of the questions that was raised
 00:40:13 --> 00:40:16: in maybe maybe Phil. You can address this and and
 00:40:16 --> 00:40:19: Vicki many perspectives on this too, but I don't feel
 00:40:19 --> 00:40:22: you both looked at your landlord program as well as.
 00:40:24 --> 00:40:28: We're looking at creating some housing for formerly
 00:40:28 --> 00:40:32: homeless and
 00:40:32 --> 00:40:36: others. What are the typical kind of zoning permitting and
 00:40:36 --> 00:40:39: regulatory controls that are that cities have in place that
 00:40:39 --> 00:40:41: may be a barrier to this? Or are there ways
 00:40:42 --> 00:40:42: that they can incentivize?
 00:40:43 --> 00:40:46: Yeah.
 00:40:46 --> 00:40:48: Some of the kind of projects that you're trying to
 00:40:49 --> 00:40:49: do at Lotus actually actually getting on the ground.
 00:40:51 --> 00:40:54: Well.
 00:40:54 --> 00:40:55: There's always the D word. Everything starts with the D
 00:40:57 --> 00:40:58: word right density.
 00:41:00 --> 00:41:03: The word that.
 00:41:04 --> 00:41:07: Everybody gets all upset when you mentioned, but no.
 00:41:07 --> 00:41:10: We have to look at the land, the cost of
 00:41:10 --> 00:41:14: land has gotten so huge in most places that it
 00:41:14 --> 00:41:17: has such an impediment to producing lower income housing
 00:41:17 --> 00:41:19: that
 00:41:19 --> 00:41:22: we have to come up with. A way to increase
 00:41:22 --> 00:41:26: the densities to allow that.
 00:41:26 --> 00:41:26: To take place, if Chris a lot of this comes
 00:41:28 --> 00:41:31: down to political will or political courage, you want to
 I'm just saying we have to address this and we

00:41:31 --> 00:41:33: know that it's going to be unpopular for a while,
00:41:33 --> 00:41:33: but.
00:41:34 --> 00:41:37: Yeah, I think what people find is they complain about
00:41:37 --> 00:41:40: it at first before it's there, and when it's there
00:41:40 --> 00:41:42: they realize it wasn't that big a deal in the
00:41:42 --> 00:41:43: first place.
00:41:44 --> 00:41:47: And so it. But it does take courage. Our politicians
00:41:47 --> 00:41:50: part to know that you know he's going to face
00:41:50 --> 00:41:53: him. He he too is going to have some things
00:41:53 --> 00:41:55: thrown at him which I can give him advice on
00:41:56 --> 00:41:57: how to duck quickly but.
00:42:01 --> 00:42:06: There's that there are Genesis incentive program. They're
speeding up,
00:42:06 --> 00:42:11: they're speeding up the permit process the the review
process
00:42:11 --> 00:42:14: may be waiving those fees on these kind of units.
00:42:16 --> 00:42:17: You know, if.
00:42:18 --> 00:42:21: In cities ask, I'll tell them for low income housing
00:42:21 --> 00:42:24: and moderate income housing, they need sort of rezoning
task
00:42:24 --> 00:42:26: force kind of group where you save these kind of
00:42:26 --> 00:42:29: units, you go into a preferred process of getting through
00:42:29 --> 00:42:30: quicker, quicker.
00:42:32 --> 00:42:35: I don't think cities understand the value of the cost
00:42:35 --> 00:42:39: of time. It takes going through this process. Another one
00:42:39 --> 00:42:42: is they need to be sort of pre approved. I
00:42:42 --> 00:42:45: mean I know in North Carolina you go through this
00:42:45 --> 00:42:49: whole process. You've been through the city, you've worked
out,
00:42:49 --> 00:42:53: your drawings, you've gone through your engineers. And
then since
00:42:53 --> 00:42:56: nothing can get vote without some kind of variance at
00:42:56 --> 00:42:59: this point you go to council to get your vote
00:42:59 --> 00:43:01: on the variance. And they say no or.
00:43:02 --> 00:43:05: There's a great question, so the question is, how many
00:43:05 --> 00:43:07: people are willing to put in the money and the
00:43:07 --> 00:43:08: time on a project.
00:43:09 --> 00:43:10: That
00:43:11 --> 00:43:13: may have less returns than others.
00:43:14 --> 00:43:17: And then take the risk of getting into Council and
00:43:17 --> 00:43:19: told no, there has to be a better way to
00:43:19 --> 00:43:20: do that.
00:43:21 --> 00:43:24: So that you don't have that risk layered on top

00:43:24 --> 00:43:28: of everything else. So that's my two cents. Vicky's probably
00:43:28 --> 00:43:29: got a lot more than me.
00:43:30 --> 00:43:36: I I actually love what Phillip said and and to
00:43:36 --> 00:43:40: me it's a toolbox of tools you got.
00:43:41 --> 00:43:45: Section 8 you got local rent subsidy. You've got public
00:43:45 --> 00:43:48: housing. You got low income housing tax credits. You got
00:43:48 --> 00:43:52: housing production trust funds. You have the private sector.
You
00:43:52 --> 00:43:55: have payment in lieu of taxes. It's a very interesting
00:43:55 --> 00:43:58: one that we haven't talked about yet.
00:44:00 --> 00:44:02: You have.
00:44:04 --> 00:44:09: Just a lot of different incentives. You have inclusionary
zoning.
00:44:10 --> 00:44:15: And and so I think. Here's the balance to me.
00:44:16 --> 00:44:18: For a local jurisdiction.
00:44:19 --> 00:44:21: It's doing it right.
00:44:21 --> 00:44:26: And not being disruptive to a community but being additive,
00:44:26 --> 00:44:30: I'm building 93 low income units in a community where
00:44:31 --> 00:44:36: the average house is \$2,000,000 and each family's average
income
00:44:36 --> 00:44:39: is over \$300,000, and at first they told me how
00:44:40 --> 00:44:43: ugly my building was and and then we asked him
00:44:43 --> 00:44:47: what they'd like us to change and we changed every
00:44:47 --> 00:44:51: one of those things. Every one of them and then.
00:44:51 --> 00:44:54: But they were in favor and for me I had
00:44:54 --> 00:44:58: a little bit lower hanging fruit because it's a seniors
00:44:58 --> 00:45:01: community, but it's in Northwest DC and I, you know,
00:45:02 --> 00:45:05: people were like, oh, you're going to get killed and
00:45:05 --> 00:45:08: and so I think a lot of it starts with
00:45:08 --> 00:45:13: listening to communities and helping shape community
perceptions has to
00:45:13 --> 00:45:17: do with operating well in your communities and
understanding what
00:45:17 --> 00:45:21: you're doing. And then I think there's also a balance
00:45:21 --> 00:45:21: and.
00:45:21 --> 00:45:25: And Phil hit that one again, like the 20% rule.
00:45:25 --> 00:45:29: That's a good rule, right? But that can't be all
00:45:29 --> 00:45:34: homeless because the stress levels are too high, right?
They're
00:45:34 --> 00:45:38: just too high to absorb that much in one location.
00:45:38 --> 00:45:40: 20% affordable all day long.
00:45:42 --> 00:45:46: The homeless is a more is a more nuanced thing
00:45:46 --> 00:45:50: because it relies so much on services and it's and

00:45:50 --> 00:45:50: you know.

00:45:51 --> 00:45:56: People are free to take services or not to take

00:45:56 --> 00:45:59: them and and I have seen.

00:46:01 --> 00:46:05: The downside I I'm very close to my property so

00:46:05 --> 00:46:08: I get alerts of everything that goes on and and

00:46:08 --> 00:46:12: I, I've seen some doozies on. But that's just not

00:46:12 --> 00:46:17: limited to homeless people. Mind you, everybody has bigger issues

00:46:17 --> 00:46:22: across income spectrums. But the more stressed the household is,

00:46:23 --> 00:46:26: the more likely that is, and, and so it's always

00:46:26 --> 00:46:31: a small percentage. So operations matter, right? The structure.

00:46:31 --> 00:46:36: Matters, the services matter. The location matters, it it's. It

00:46:36 --> 00:46:40: is complex, but it absolutely can be done and it

00:46:40 --> 00:46:43: should be done for all of us. I wanted to

00:46:43 --> 00:46:46: go back and add one point to why Amazon does

00:46:46 --> 00:46:47: this.

00:46:50 --> 00:46:53: And it's for reputation with their employees.

00:46:54 --> 00:46:57: And their customers in this market because you know what

00:46:58 --> 00:47:01: we all vote with our pocketbook, and we don't shop

00:47:01 --> 00:47:05: at places we don't like their philosophy. Like for me.

00:47:05 --> 00:47:08: When somebody had a great big oil spill no more

00:47:08 --> 00:47:10: than didn't shop with them.

00:47:10 --> 00:47:11: For for.

00:47:11 --> 00:47:12: Decades.

00:47:14 --> 00:47:17: You know the people are that way and the next

00:47:17 --> 00:47:22: generation is very much that way. ESG matters, Inclusion matters,

00:47:22 --> 00:47:25: equity matters, and and if you're going to run a

00:47:25 --> 00:47:30: successful large scale business, it surely matters. I don't expect

00:47:30 --> 00:47:34: a house one single Amazon employee, not one because my

00:47:34 --> 00:47:38: location isn't anywhere close to Amazon. And I I don't

00:47:38 --> 00:47:40: mean to keep picking on them, but.

00:47:41 --> 00:47:44: But really, this is a community. I think everybody should

00:47:44 --> 00:47:49: be investing. Real estate developers can make this happen. Service

00:47:49 --> 00:47:53: providers can make this happen, but everybody can contribute. Local

00:47:53 --> 00:47:57: governments, federal government, business sector, all of us. We are

00:47:57 --> 00:48:01: one community and ultimately I think one of the really

00:48:01 --> 00:48:04: great things about this generation coming up is that they

00:48:04 --> 00:48:08: understand us much better as community than generations that are

00:48:08 --> 00:48:10: in the past. I think. And and.

00:48:11 --> 00:48:13: And so I think it's a way forward.

00:48:14 --> 00:48:18: So Vicky's now made me have a.

00:48:19 --> 00:48:23: Overwhelming remorse at not answering the Amazon question better as

00:48:23 --> 00:48:26: a person who goes around and tells companies all the

00:48:26 --> 00:48:29: time, particularly development companies.

00:48:31 --> 00:48:33: This is so much an issue of reputation.

00:48:34 --> 00:48:36: That you need to do it if for no other

00:48:36 --> 00:48:37: reason.

00:48:37 --> 00:48:40: And when you go and you apply for permits to

00:48:40 --> 00:48:43: build a project, you're going to be asked about the

00:48:43 --> 00:48:46: issue of homelessness, and you can say I'm doing this

00:48:46 --> 00:48:47: this and this.

00:48:48 --> 00:48:51: When you're going for your variances, I'm doing this this

00:48:51 --> 00:48:53: and this. When you're going to your investors and your

00:48:53 --> 00:48:55: lenders, I'm doing this this year.

00:48:56 --> 00:48:58: It it is a big deal and we're we're actually

00:48:59 --> 00:49:02: now at Lotus starting to see people come to us

00:49:02 --> 00:49:05: and talk to us about helping support us to grow

00:49:05 --> 00:49:06: across the country.

00:49:07 --> 00:49:11: Purely because it's part of their ESG initiative and they

00:49:11 --> 00:49:14: want to be able to check that they're doing it,

00:49:14 --> 00:49:17: and you know you can say, well, that's self serving.

00:49:17 --> 00:49:20: I don't care. I care about housing the homeless OK.

00:49:20 --> 00:49:23: And why exactly I get the money is not nearly

00:49:23 --> 00:49:25: as important as I get the money, but it is

00:49:25 --> 00:49:29: a reputational and a business motivation and I shouldn't have

00:49:29 --> 00:49:32: been so glib as to say just the house, their

00:49:32 --> 00:49:34: employees, but I apologize for that.

00:49:35 --> 00:49:38: What I I actually agree with you, if a business

00:49:38 --> 00:49:41: does something really good for their community, give them the

00:49:41 --> 00:49:44: Gold Star, put it on there and let everybody see

00:49:44 --> 00:49:46: it. That's what they used to do to us in

00:49:46 --> 00:49:48: kindergarten when you did well, it gave us Gold Star

00:49:48 --> 00:49:49: right on the 4th.

00:49:51 --> 00:49:54: But that's exactly and, and there's never too many of

00:49:54 --> 00:49:58: those for people to contribute, because the minute, and that's

00:49:58 --> 00:50:01: one of the great things about UI. That's the great

00:50:01 --> 00:50:05: thing about Christopher's group at UI Trullinger, because

they recognize

00:50:05 --> 00:50:08: those efforts and the more gold stars they award, the

00:50:08 --> 00:50:11: more this is going to be permeating through the country

00:50:11 --> 00:50:13: and serving people who really need it.

00:50:15 --> 00:50:15: Well.

00:50:15 --> 00:50:18: Thanks for that Vicki and Phil, one of the one

00:50:18 --> 00:50:21: of the questions that's been raised and I think you're

00:50:21 --> 00:50:25: in a good position to answer this considering you're working

00:50:25 --> 00:50:28: in Charlotte and in Pensacola is what about red States

00:50:28 --> 00:50:32: and what about red areas? What about working in places

00:50:32 --> 00:50:34: that may not be as conducive, at least in the

00:50:35 --> 00:50:38: and and maybe what most people would think as Washington

00:50:38 --> 00:50:41: DC might be to these efforts? How do you speak

00:50:41 --> 00:50:44: to those interests in the same way that you're speaking

00:50:44 --> 00:50:46: to the corporate?

00:50:46 --> 00:50:49: Years of Amazon and and and others are there ways

00:50:49 --> 00:50:52: that you speak effectively in those kinds of environments?

00:50:54 --> 00:50:56: Yeah, and and one of them is. You got to

00:50:56 --> 00:50:58: get away from the word should.

00:50:59 --> 00:50:59: OK.

00:51:00 --> 00:51:02: There's a moral argument for helping.

00:51:03 --> 00:51:06: People who've been homeless, and then there's a business

00:51:06 --> 00:51:08: argument

00:51:08 --> 00:51:09: and I will tell you, moral arguments as a rule,

00:51:10 --> 00:51:12: do not work.

00:51:12 --> 00:51:15: I mean, I'm a nice guy, but I don't like

00:51:15 --> 00:51:18: being told what I should or shouldn't do OK, and

00:51:18 --> 00:51:21: if everybody did what they should do and didn't do

00:51:21 --> 00:51:22: what they shouldn't do, the world would be a much

00:51:23 --> 00:51:26: different place.

00:51:27 --> 00:51:31: So you just have to stop talking about what should

00:51:31 --> 00:51:35: and you have to start talking about the true economics

00:51:35 --> 00:51:40: of what's going on, and those red state cities that

00:51:40 --> 00:51:44: have just like everybody because everybody has a homeless

00:51:44 --> 00:51:49: this

00:51:49 --> 00:51:50: issue. Today it is in their economic interest to address

00:51:51 --> 00:51:55: homelessness. OK, that cost burden, which by the way lease

00:51:55 --> 00:51:59: says \$36,000.

00:52:02 --> 00:52:05: To \$40,000. You know that that's an interesting number. It's

00:52:05 --> 00:52:08: because it's somebody's calculation of what the hard cost

00:52:08 --> 00:52:11: are,

00:52:11 --> 00:52:14: but it doesn't come close to addressing the the soft

00:52:14 --> 00:52:17: cost. But you know the cost that are hard to

00:52:05 --> 00:52:09: quantify. What I call the intangibles, the infected, the effect
00:52:09 --> 00:52:12: on your impact on the value of your Community, your
00:52:12 --> 00:52:16: ability to create jobs and bring businesses. The quality of
00:52:16 --> 00:52:20: life in your community, the stress on your school system
00:52:20 --> 00:52:21: and healthcare system.
00:52:22 --> 00:52:25: We know that they go to the average person who's
00:52:25 --> 00:52:27: on the street goes to the emergency room 5 *
00:52:28 --> 00:52:31: a year or seven times a year, whatever that number
00:52:31 --> 00:52:34: is. But there's also this intangible cost of the stress
00:52:34 --> 00:52:37: it places on people and on the community, and the
00:52:37 --> 00:52:41: time that when they're there that other people can't get
00:52:41 --> 00:52:44: services and it's hard to quantify. So you have to
00:52:44 --> 00:52:47: start making a business argument, and you know, because
as
00:52:48 --> 00:52:50: a group we we as a country have this really
00:52:50 --> 00:52:52: hard time with thinking that.
00:52:52 --> 00:52:56: Those people who are homeless aren't there for some
reason
00:52:56 --> 00:52:59: of their own doing, and for that reason they're not
00:52:59 --> 00:53:02: really worthy of help. And the truth is, the vast
00:53:02 --> 00:53:04: majority of people are homeless.
00:53:05 --> 00:53:09: Are there because of some extraordinary what I would call
00:53:09 --> 00:53:11: a incidence of bad luck OK?
00:53:13 --> 00:53:16: They've been born with a disability. Whether it's a learning
00:53:16 --> 00:53:20: disability or physical disability, they were doing fine and they
00:53:20 --> 00:53:23: had an accident at work and now they're unemployed and
00:53:23 --> 00:53:27: the next thing I know, they're families living in a
00:53:27 --> 00:53:30: car and there's this whole continuum of reasons.
00:53:30 --> 00:53:33: But you know this idea that the homeless want to
00:53:33 --> 00:53:38: be homeless. I've now talked with innumerable homeless
people. I've
00:53:38 --> 00:53:40: never met one who wanted to be homeless.
00:53:41 --> 00:53:43: I've never heard of a kid in the 1st grade
00:53:43 --> 00:53:45: when asked. What do you want to be when you
00:53:45 --> 00:53:47: grow up? Said I want to be homeless.
00:53:48 --> 00:53:51: It just happens to people and it can happen to
00:53:51 --> 00:53:54: anybody. I don't. I know you don't believe that. I
00:53:54 --> 00:53:57: know we all like to keep comfort. They would never
00:53:57 --> 00:54:00: happen to me. Oh yeah, it can. It can happen
00:54:00 --> 00:54:02: to anybody and we just need to get off of
00:54:02 --> 00:54:06: this moral judgment and start dealing with it for what
00:54:06 --> 00:54:09: it is. It's a crisis that impacts our economically and
00:54:09 --> 00:54:12: we need to deal with it. And there are and

00:54:12 --> 00:54:15: vicki's right. If there is an organization in the company

00:54:15 --> 00:54:18: country who can do more about this than any GUI.

00:54:19 --> 00:54:22: We have a long history of being thought leaders. We

00:54:22 --> 00:54:25: have a long history of being innovators. We have a

00:54:25 --> 00:54:28: long history of not not accepting no for an answer.

00:54:29 --> 00:54:31: OK, you can't tell me that you all I as

00:54:31 --> 00:54:34: a group can say that we can't solve homelessness.

00:54:35 --> 00:54:38: Because that if any group can make a material difference,

00:54:38 --> 00:54:42: it's you align its members, but it's going to take

00:54:42 --> 00:54:45: a wide open approach. Trying new things, not being afraid

00:54:45 --> 00:54:49: to fail. That's particularly true for cities, you know.

00:54:50 --> 00:54:53: What if you're trying to approach and it doesn't work?

00:54:53 --> 00:54:57: OK, that's fine. I realized that city governments and stuff

00:54:57 --> 00:54:57: are set up were.

00:54:58 --> 00:55:02: Taking risk and failing is not rewarded generally, but we

00:55:02 --> 00:55:06: have to get over that. What we're doing. We do

00:55:06 --> 00:55:07: know one thing, it's not.

00:55:08 --> 00:55:10: Taking care of the issue.

00:55:11 --> 00:55:15: We're spending billions of dollars and it just keeps getting

00:55:15 --> 00:55:15: worse.

00:55:16 --> 00:55:19: We need to find new ways and for me that's

00:55:19 --> 00:55:21: bringing the private sector into play.

00:55:22 --> 00:55:25: The people with the most experience in housing the most

00:55:25 --> 00:55:28: money, the most access to capital and right now we're

00:55:28 --> 00:55:31: not taking full advantage of them and that needs to

00:55:31 --> 00:55:32: change.

00:55:33 --> 00:55:36: What's wrong with that? We're about to come up on

00:55:36 --> 00:55:36: the hour.

00:55:38 --> 00:55:41: What can ULI Members the people listening today and and

00:55:41 --> 00:55:44: the friends of those that you know, the friends of

00:55:44 --> 00:55:48: those folks who aren't listening? What's our next step?

00:55:48 --> 00:55:51: Because

00:55:51 --> 00:55:54: when we talked about this early on with Preston a

00:55:54 --> 00:55:57: couple of years ago, it seems like now this was

00:55:57 --> 00:56:00: intended to be at the beginning of a conversation to

00:56:00 --> 00:56:03: try to make a difference. So what what's the next

00:56:07 --> 00:56:10: step in this conversation? How can we all move forward?

00:56:11 --> 00:56:13: Yeah Vicky, we've heard some of Philip's ideas about that.

00:56:13 --> 00:56:16: Do you want to? You want to share? Kind of

00:56:18 --> 00:56:19: where where you see our audience? Our audiences roles.

00:56:22 --> 00:56:25: Well.

00:56:22 --> 00:56:25: I think this starts with setting goals.

00:56:27 --> 00:56:28: And.

00:56:28 --> 00:56:31: I think you are a lie. That's just an idea.

00:56:31 --> 00:56:33: Since you put me on the spot.

00:56:35 --> 00:56:38: But I think you a lot is great at analyzing

00:56:38 --> 00:56:41: need right and you know how much it is and

00:56:41 --> 00:56:44: and we are organized in this country as a bunch

00:56:44 --> 00:56:48: of states, right? And each state keeps its statistics and

00:56:48 --> 00:56:52: and then I guess you have jurisdictions inside of that.

00:56:52 --> 00:56:56: But there isn't one jurisdiction that doesn't address homelessness. I

00:56:56 --> 00:56:59: think you could use the power of the pen that

00:56:59 --> 00:57:03: you have and the pen. Not literally, but you know

00:57:03 --> 00:57:06: webinars, etcetera. I think you should size the problem.

00:57:07 --> 00:57:11: And I think you should exactly enumerate what it is,

00:57:11 --> 00:57:14: and then I think that there is a way for

00:57:14 --> 00:57:18: the localities and the states to come together around a

00:57:19 --> 00:57:22: plan. I can tell you what that is in DC

00:57:22 --> 00:57:25: like because it's been beaten into me and so.

00:57:27 --> 00:57:32: So I know that we're supposed to have no more

00:57:32 --> 00:57:34: homeless veterans.

00:57:35 --> 00:57:37: Not a thing. And by the way we have homeless

00:57:37 --> 00:57:41: veterans housing at Walter Reed, which is a very good

00:57:41 --> 00:57:43: place for it and it gets to a point where

00:57:44 --> 00:57:47: it's difficult to fill units because we don't have anymore

00:57:47 --> 00:57:50: because and I have it in other buildings that we

00:57:50 --> 00:57:52: own. So the goal was set.

00:57:53 --> 00:57:56: It's been achieved right? So it's it's a very interesting

00:57:57 --> 00:58:00: thing that that's one subgroup. It's very close to everybody's

00:58:00 --> 00:58:04: heart because they are veterans now cannot be done for

00:58:04 --> 00:58:07: affordable housing. We have a thing and I I don't

00:58:07 --> 00:58:10: think this will surprise anybody in the country.

00:58:14 --> 00:58:17: We have vestiges of segregation in our city, and we

00:58:18 --> 00:58:22: have lower income areas and higher income areas, and it's

00:58:22 --> 00:58:26: easier to produce affordable housing in lower income areas than

00:58:26 --> 00:58:30: it is in higher income areas. Our mayor came up

00:58:30 --> 00:58:33: with a plan and said no more of this. We

00:58:33 --> 00:58:37: are going to produce housing in every ward of the

00:58:37 --> 00:58:40: city. That's how I got mine next to the \$300,000

00:58:40 --> 00:58:41: income.

00:58:41 --> 00:58:42: People.

00:58:43 --> 00:58:45: I'm the only one in that ward.

00:58:46 --> 00:58:49: But she made it happen because it was set as
00:58:49 --> 00:58:50: a goal.
00:58:52 --> 00:58:55: So setting the goal is the first part and I
00:58:55 --> 00:58:59: think I don't know if you realize a good goal
00:58:59 --> 00:59:03: setter. But Christopher I bet you could get consensus around
00:59:04 --> 00:59:08: goals and I bet you if you started measuring people
00:59:08 --> 00:59:11: against each other and awarding some gold stars.
00:59:13 --> 00:59:16: To encourage good behavior and problem solving that it's a
00:59:16 --> 00:59:19: way to go forward. And maybe you don't like my
00:59:19 --> 00:59:22: idea but but it's one way of doing it.
00:59:23 --> 00:59:26: Fantastic feedback and and and much appreciated Vicki and
Lee.
00:59:26 --> 00:59:28: I don't want to. I don't want to fail to
00:59:28 --> 00:59:31: give you the chance to give some feedback as well
00:59:31 --> 00:59:34: from your experience, but the New Orleans I didn't
Chattanooga
00:59:34 --> 00:59:37: where where do you see the real opportunities for this
00:59:37 --> 00:59:37: audience today?
00:59:38 --> 00:59:41: Well, I think it's interesting and one of the things
00:59:42 --> 00:59:45: that Vicki was talking about was the children. You know
00:59:45 --> 00:59:48: the children having a better chance if they grow up
00:59:48 --> 00:59:52: in a mixed community. In my experience here in Chattanooga
00:59:52 --> 00:59:54: a number of years ago, back in the 90s, there
00:59:54 --> 00:59:59: was a very downtrodden community Disinvested
neighborhood. Whichever buzzword you
00:59:59 --> 01:00:03: want to use and the community at large, which included
01:00:03 --> 01:00:07: the city, the nonprofit, the philanthropies, the banks,
everybody kind
01:00:07 --> 01:00:09: of got together and said, you know.
01:00:09 --> 01:00:12: We need to do something and so there was there
01:00:12 --> 01:00:15: was housing that was done. There was affordable housing.
There
01:00:15 --> 01:00:19: was the whole litany of things, public improvements, new
public
01:00:19 --> 01:00:22: schools that were really like charter schools and I had
01:00:22 --> 01:00:25: to opt in the charter schools. These new schools, Brenda
01:00:26 --> 01:00:29: schools, brand new curriculum, brand new buildings and they
were
01:00:29 --> 01:00:33: first available to the neighborhood population which
happened to be
01:00:33 --> 01:00:37: very low income predominantly African American. Secondly
they were available
01:00:38 --> 01:00:40: to people who worked in the neighborhood.
01:00:40 --> 01:00:43: Which were the people that worked in the high-rise office

01:00:43 --> 01:00:46: buildings downtown? And thirdly, if there were any seats still
01:00:46 --> 01:00:49: available, they could be made available to anyone at large
01:00:49 --> 01:00:52: that wanted to drive their children to the schools. They
01:00:52 --> 01:00:54: never opened that school to the third tranche.
01:00:55 --> 01:00:58: It's because we were involved in it with the housing
01:00:58 --> 01:01:02: program I was working on here. I had the opportunity
01:01:02 --> 01:01:04: and oh and one of the requirements was a parent
01:01:04 --> 01:01:08: or other adult family member and there could be exceptions
01:01:08 --> 01:01:11: made to this. If there weren't you those available but
01:01:11 --> 01:01:14: a parent or another adult family member had to spend
01:01:14 --> 01:01:17: a certain number of hours in the school working with
01:01:18 --> 01:01:21: the teachers and the students every quarter. So I got
01:01:21 --> 01:01:24: to spend some time teaching some second grade boys how
01:01:24 --> 01:01:25: to use a a digital.
01:01:26 --> 01:01:29: Camera this is many years ago and the child in
01:01:29 --> 01:01:32: the class with my granddaughter who is now in medical
01:01:32 --> 01:01:35: school in Philadelphia and so there was this mingling of
01:01:36 --> 01:01:40: people of different backgrounds and experiences and I'm I'm
here
01:01:40 --> 01:01:42: to tell you that community is now one of the
01:01:42 --> 01:01:46: most sought after neighborhoods in town and a lot of
01:01:46 --> 01:01:49: the kids that would have otherwise ended up doing drugs
01:01:49 --> 01:01:52: and selling drugs, you know. And and we joke about
01:01:52 --> 01:01:55: it. What's the difference between a drug dealer?
01:01:55 --> 01:01:58: On the corner, in a bad neighborhood and a commodities
01:01:58 --> 01:01:59: broker in the Chicago Board of Trade.
01:02:00 --> 01:02:04: Nothing other than the guy that's doing it in Chicago
01:02:04 --> 01:02:07: is not doing anything illegal. OK, so it it's the
01:02:07 --> 01:02:09: same skill set, so I think to me you know
01:02:09 --> 01:02:12: that's where we need to go. With this. We meet.
01:02:12 --> 01:02:16: We need to make it something where everybody's working
together
01:02:16 --> 01:02:19: for the benefit of their community at large. And all
01:02:19 --> 01:02:21: of the Members in their community.
01:02:23 --> 01:02:26: Thank you, I love that. Can I also say this?
01:02:26 --> 01:02:30: I have a charter school at Walter Reed that's a
01:02:30 --> 01:02:34: high school. 40% of the students are minority and live
01:02:34 --> 01:02:38: below the poverty line. 70% of the students are minority.
01:02:38 --> 01:02:44: It's an International Baccalaureate charter school. It's French
immersion. Spanish
01:02:44 --> 01:02:49: immersion and Chinese immersion like that's a real new one
01:02:49 --> 01:02:52: for DC. And yeah, I get the French and the
01:02:52 --> 01:02:53: Spanish.

01:02:53 --> 01:02:56: But the other one are more popular than anything most
01:02:56 --> 01:02:59: popular school in the city. And it brings people together.
01:02:59 --> 01:03:02: And it brings people up and boy, oh boy is
01:03:02 --> 01:03:05: it a community asset. So it it isn't all just
01:03:05 --> 01:03:08: about housing. So I think it's a very good point.
01:03:08 --> 01:03:11: It's about community which is, I think where Lee was
01:03:11 --> 01:03:12: going with that.
01:03:13 --> 01:03:13: Absolutely.
01:03:13 --> 01:03:15: No, any any final comments?
01:03:18 --> 01:03:18: Nope.
01:03:21 --> 01:03:22: Wow.
01:03:23 --> 01:03:26: My final comment is just to say thank you. Thank
01:03:26 --> 01:03:29: you to our audience for your engagement. Thank you to
01:03:29 --> 01:03:32: Vicki and to Lee and to Phil for your participation
01:03:32 --> 01:03:36: on the webinar. Please everyone who's here today. Please
do
01:03:36 --> 01:03:38: go and take a look at our homeless to House
01:03:39 --> 01:03:42: report. If you have great examples of other projects that
01:03:42 --> 01:03:45: are on the ground that need to be featured, we're
01:03:45 --> 01:03:48: going to be having additional case studies added to this
01:03:48 --> 01:03:51: report over the overtime. So do let us hear from
01:03:51 --> 01:03:54: you, but thanks so much for joining us.
01:03:54 --> 01:03:56: OK, and I hope everyone has a great afternoon.
01:03:57 --> 01:03:58: Thank you very much.
01:03:58 --> 01:04:00: Thank you, thank you.
01:04:00 --> 01:04:00: Goodbye.

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