



Neighborhood Trust Model

Inclusive Economic Development Lab at Yale School of Management, Spring 2022

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Agenda

- Introductions
- Background on the Inclusive Economic Development Lab
- Introduction to the Neighborhood Trust Model
- Discussion of Kensington Corridor Trust
- Discussion of Austin Cultural Trust
- Breakout Rooms

Please introduce yourself! What brings you here today?

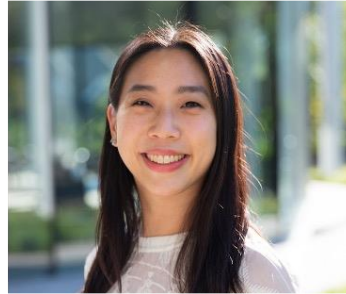
Team Introductions

Christina Bovey (she/her)



- Work before SOM: Banking & Finance
- Place I call home: London and Switzerland
- Hobbies: cooking, arts and traveling

Joanne Jan (she/her)

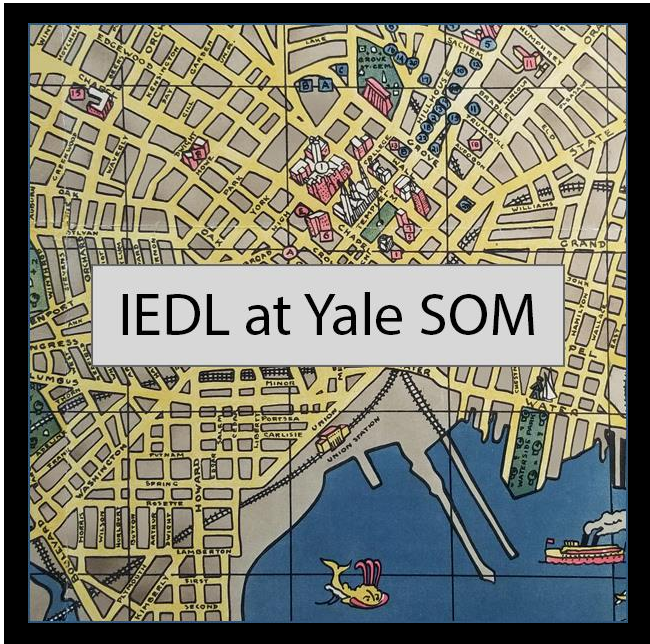


- Work before SOM: education / healthcare nonprofits
- Place I call home: Boston
- Hobbies: jogging, painting, and drinking boba

Sherry Li (she/her)



- Work before SOM: healthcare
- Place I call home: East Brunswick, NJ
- Hobbies: piano, ultimate frisbee



Inclusive Economic Development Lab

Vision statement

*The work of inclusive economic development requires **bold action**, **mobilizing narratives**, **community engagement**, and alliances across **unlikely partners**. The Inclusive Economic Development Lab brings together academics, practitioners, students and local stakeholders to explore a different topic related to Inclusive Economic Development each Spring. Through the IEDL, we aim to be a place where practitioners, public officials, academics, students, and engaged citizenry come together to learn about **cutting-edge practices** and **scholarship** on inclusive economic development. The goal is to develop **insight**, **analysis**, and **models for action**.*

Spring 2019: Finding the Opportunity in OZs
Spring 2020: Rethinking Community Engagement
Spring 2021: Supporting and Scaling Black Businesses
Spring 2022: Infrastructure and Equity

Learn more: <https://iedl.yale.edu/>

"It simply cannot be that in the wealthiest country in the world we cannot restore neighborhoods without destroying them. That's a moral obscenity."

Joe Margulies, author of *Thanks for Everything (Now Get Out)*

What part of the above quote/Olneyville story resonates with you or the work you are doing?

What similarities or differences are striking in comparison with New Haven?



New Haven Context

ARP (Federal Pandemic-era American Rescue Plan):

- Focus: \$53 million spending plan proposed towards vo-tech education in public schools, expanding down payment assistance for homebuyers, land bank to purchase properties

Cultural Equity Plan:

- Focus: Provide resources and opportunities for historically unsupported communities to make their culture thrive and for residents to enjoy the assets the city of New Haven has to offer.

**This neighborhood trust is a complement to all these initiatives underway.
It can be thought of as a way to do the work.**

What is a Neighborhood Trust?

- Legally protected way for residents to pool the money that comes into their neighborhood
- Allows residents to place land and other assets under communal ownership and control



Neighborhood Trusts are like Community Land Trusts, but also different in some interesting ways.



Differences between CLT and NT models

	Community Land Trust	Neighborhood Trust
Purpose	<ul style="list-style-type: none"> Focuses on <u>maintaining affordability</u> in areas with rising property values 	<ul style="list-style-type: none"> Can also be used to <u>maintain affordability</u> Additionally, can be used <u>capture wealth</u> in areas with rising property values
How It Works	<ul style="list-style-type: none"> Land and house are separated; CLT retains ownership of land; resident buys or rents the property at a locked-in, below-market value. If the homeowner wants to sell, they must sell at a below-market value dictated by the trust. 	<ul style="list-style-type: none"> Does not separate land and property; can be more flexible Trust acquires property, and its board decides what it is used for, who leases it, at what rate. Trust can hold multiple types of assets Broader purpose of the trust can help stabilize an entire neighborhood.
Governance	<ul style="list-style-type: none"> CLT residents, other residents, and experts and stakeholders create the board 	<ul style="list-style-type: none"> Varies based on model, could include a perpetual purpose trust in tandem with a 501c3 or a stand-alone perpetual purpose trust
Finances	<ul style="list-style-type: none"> Public and philanthropic capital including foundations, government subsidies, private donors and debt 	<ul style="list-style-type: none"> Public, private, and philanthropic capital including foundations, government subsidies, private donors and debt



How does a Neighborhood Trust work?



Legal Structure

- Legal instrument that owns assets for the benefit of individuals
- The assets include: land, buildings and businesses in the neighborhood
- The assets are overseen by a group of trustees (BoD) who manage and administer the trust pursuant a set of rules established when the trust is created and can be modified over time to meet the changing needs of the group.
- The BoD do not own the wealth, the trust owns the wealth for the group's benefit (in this case the "group" is the neighborhood).



Governance

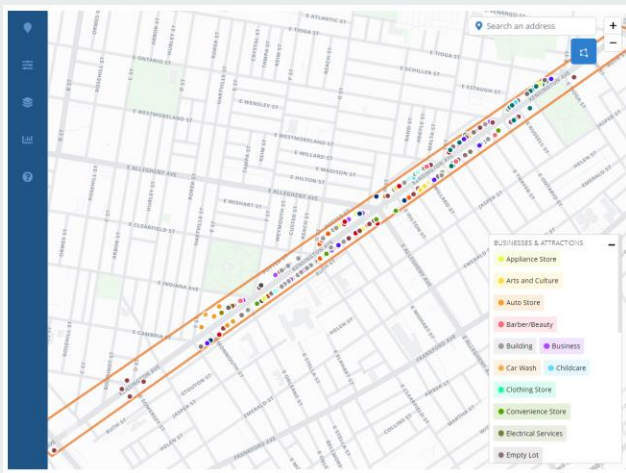
- Progressive and inclusive governance model that ensures the control of the trust stays within the community.
- The objective is to give residents "*a sense of ownership, of leadership*"
- **Current Approach:** An "*outsider expert perspective*" that helps residents but doesn't empower them
- **Trust Approach:** Leverage the power of the community and give voices to Black and Brown residents



Finances

- Speculative investments lead to increasing rent prices and displacement so the residents can't afford to stay in the neighborhood
- The financial structure of the trust maintains a portfolio of rental and retail properties, removing them from the speculative market
- Although the neighborhood increases in value, the trust maintains affordability for residents and minimizes displacement

Kensington Corridor Trust



Mission: "To help the Kensington community reclaim control over a once thriving commercial corridor by reactivating real estate, fostering local entrepreneurship and reinvesting capital in the neighborhood."

Questions for discussion:

- What more would you like to know?
- What stands out to you about the Kensington Corridor Trust?
- What about Kensington's experience feels relevant to New Haven?

Kensington Corridor Trust



	Kensington Corridor Trust
Origins	<ul style="list-style-type: none">• Institutional partnerships: Impact Services (local CDC), PIDC (Philadelphia's public-private partnership for economic development), Shift Capital (mission-oriented private developer), IF Lab (local business incubator)
Activity	<ul style="list-style-type: none">• Acquire and develop properties along one section of the Kensington Corridor (3 blocks)• Serve community as dictated by the trust
Structure	<ul style="list-style-type: none">• 2 legal entities: a) perpetual purpose trust and b) traditional 501c3 non-profit organization
Funding	<ul style="list-style-type: none">• 3-year grant from local foundation to support early planning• Patient, low interest capital (0-2%) with long runways (loans terms are between 10-15 years with 30 years amortization)
Governance	<ul style="list-style-type: none">• c3 board has transitioned to Kensington residents, small biz owners, and health center• 30% of BoD must be small business owners, 30% must be current or former residents• c3 will develop and manage properties, trust will own them and guide acquisition and deployment• Community is still developing trust and governance model; trust will review c3 annually

Austin Cultural Trust

Mission: “To support acquisition and preservation of arts, cultural, and music spaces within Austin.”

The Music Lab



Antone's Night Club



Willie Nelson's starting point



Austin Cultural Trust



	Austin Cultural Trust
Origins	<ul style="list-style-type: none">• Came into formation from community advocacy in 2018-2020, resulting in Austin City Council passing resolutions to form trust• Initiated in 2021 with formation of the Austin Economic Development Corporation (AEDC)
Activity	<ul style="list-style-type: none">• Acquire existing cultural arts and music assets to preserve affordability• Acquire or construct new creative facilities spaces• Responsive to a city-wide network of culture and art stakeholders
Structure	<ul style="list-style-type: none">• Austin Economic Development Corporation runs the ACT
Funding	<ul style="list-style-type: none">• \$16.9M committed by the City for initial investments (\$12M from voter approved tax-exempt city bond, \$2.4M hotel occupancy tax, \$2.5M city of Austin's budget)
Governance	<ul style="list-style-type: none">• AEDC Board of Directors• Cultural Trust Advisory Committee, a matrix pulling in existing city-appointed arts commission, music commission, etc. with additional appointees

Breakout Rooms

Join the breakout room of the model that interests you the most:

1. Kensington Corridor Trust
2. Austin Cultural Trust

Discussion Questions:

- What are the possibilities for New Haven?
- What would it take to build this here?

**Website on Neighborhood Trust model
with case study FAQ videos and slides
from today's webinar will be available**



Credits & Resources

*For more information about the
Neighborhood Trust model, stay tuned
for our website link - coming soon!*

A special thank you to the following people for taking the time to explain their work and allowing us to share it:

- Joe Margulies, author of [*Thanks for Everything \(Now Get Out\): Can We Restore Neighborhood without Destroying Them?*](#)
- Adriana Abizadeh, Executive Director at the [Kensington Corridor Trust](#)
- Anne Gatling-Haynes, Chief Transactions Officer at the [Austin Cultural Trust](#)



Thank you for joining us today!

Inclusive Economic Development Lab
<https://iedl.yale.edu/>

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