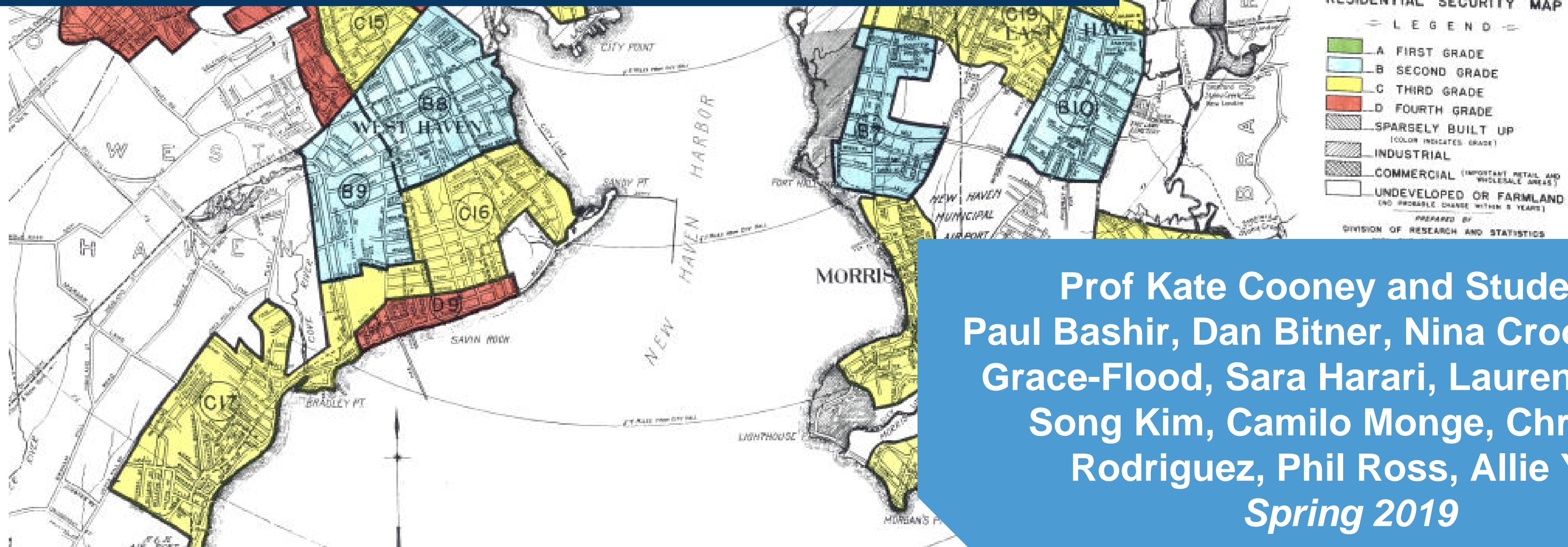


SOM Inclusive Economic Development Lab: Opportunity Zones in New Haven



Prof Kate Cooney and Students:
Paul Bashir, Dan Bitner, Nina Croock, Liam
Grace-Flood, Sara Harari, Lauren Harper,
Song Kim, Camilo Monge, Christian
Rodriguez, Phil Ross, Allie Yee
Spring 2019

Opportunity Zones New Haven

PRESENTATION OVERVIEW



1. Overview of Inclusive Economic Development Lab at Yale SOM
2. Developed Zone level prospectus
 - Dixwell
 - Newhallville
 - Hill South
 - Fair haven
3. What is “inclusive economic development”?
 - Presentation of 4 models + creative financing
4. How do we operationalize it?
 - Potential application of models

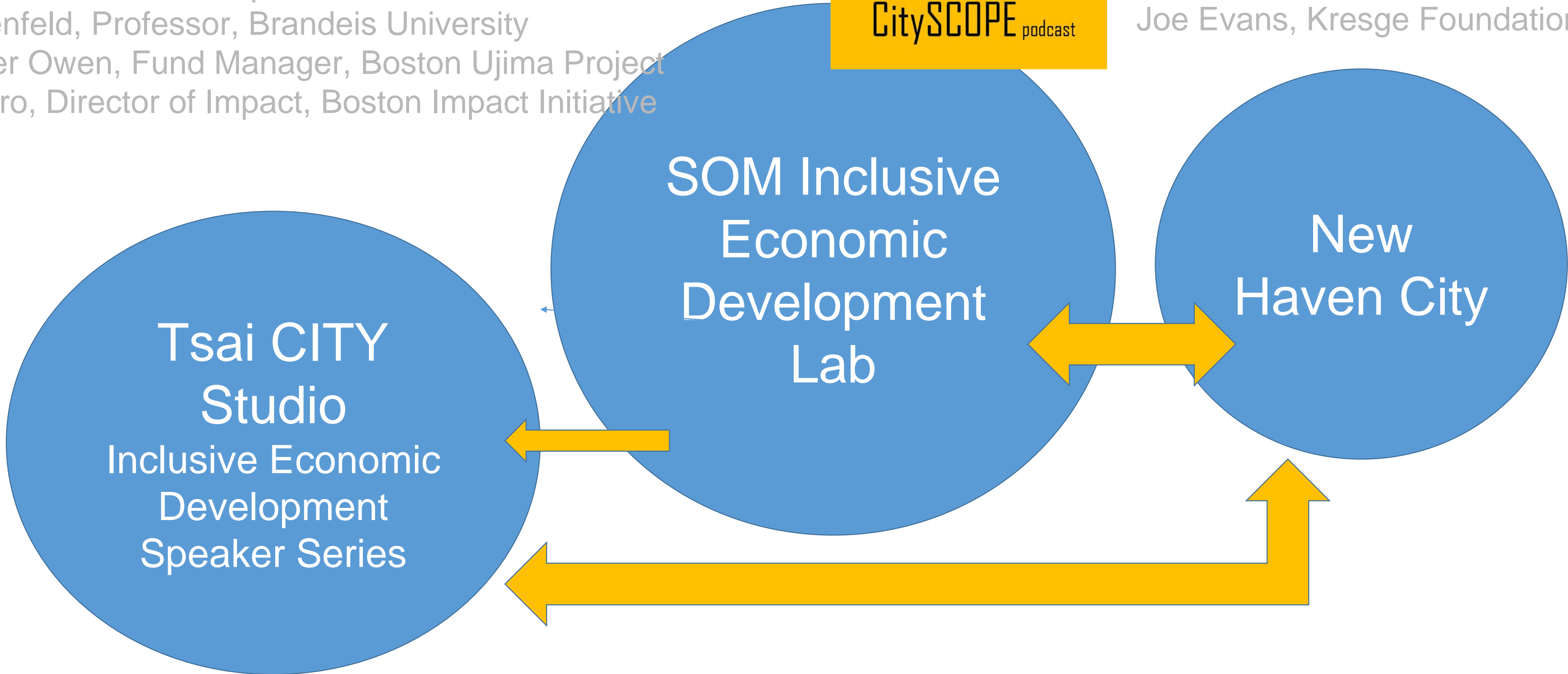


Dara Kovel, President, Beacon Communities
Karen Dubois Walton, President, ELM City Communities
Nancy Halpern Ibrahim, Executive Director, Esperanza Housing and Mercado la Paloma
Julius Kimbrough, Jr., Executive Director, Crescent City Community Land Trust
Greg Reaves, Mosaic Development Partners
Joel Gershenfeld, Professor, Brandeis University
Lukas Turner Owen, Fund Manager, Boston Ujima Project
Aliana Pineiro, Director of Impact, Boston Impact Initiative

Podcast on IEDL learnings (August 2019 pub date)!



Brandon Weiss, Visiting Professor, YLS CED
James Johnson-Piatt, Urbane Development
Eric Letsinger, Qualified Ventures
Jerry Davis, Professor, Ross Business School, UM
Doug Rae, SOM Professor
Joe Evans, Kresge Foundation





New Haven Legal Assistance Association
Democratic Socialists of America (DSA)
DSA/Hamden Legislative Council
All Our Kin
Neighborhood Housing Services of New Haven
Community Foundation for Greater New Haven
CT-Organize Now!
Black Lives Matter New Haven
New Haven Rising
A Tipping Point
Greater New Haven Green Fund
Civic Impact Lab
Fetch.AI



Mayoral candidate
Yale Divinity School
Yale F&ES
Yale College
Yale Law School
Yale School of Medicine
Yale School of Management
,Yale School of Management, Architecture
Yale Political Science
Yale Sociology & AfAm
Cheshire Democratic Women's Club
Planned Parenthood
Department of Health
Promoting Enduring Peace
Project Access of New Haven
Capital for Change (C4C)
Slow Factory
New Haven Urban Design League



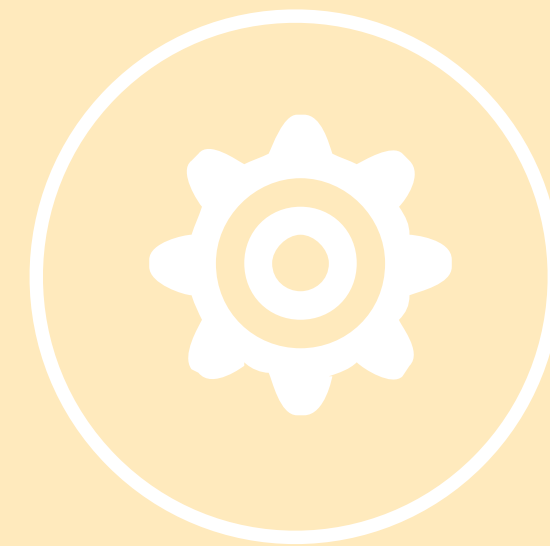
The Big
Picture



OZ Neighborhood
Prospectuses



Community
Engagement

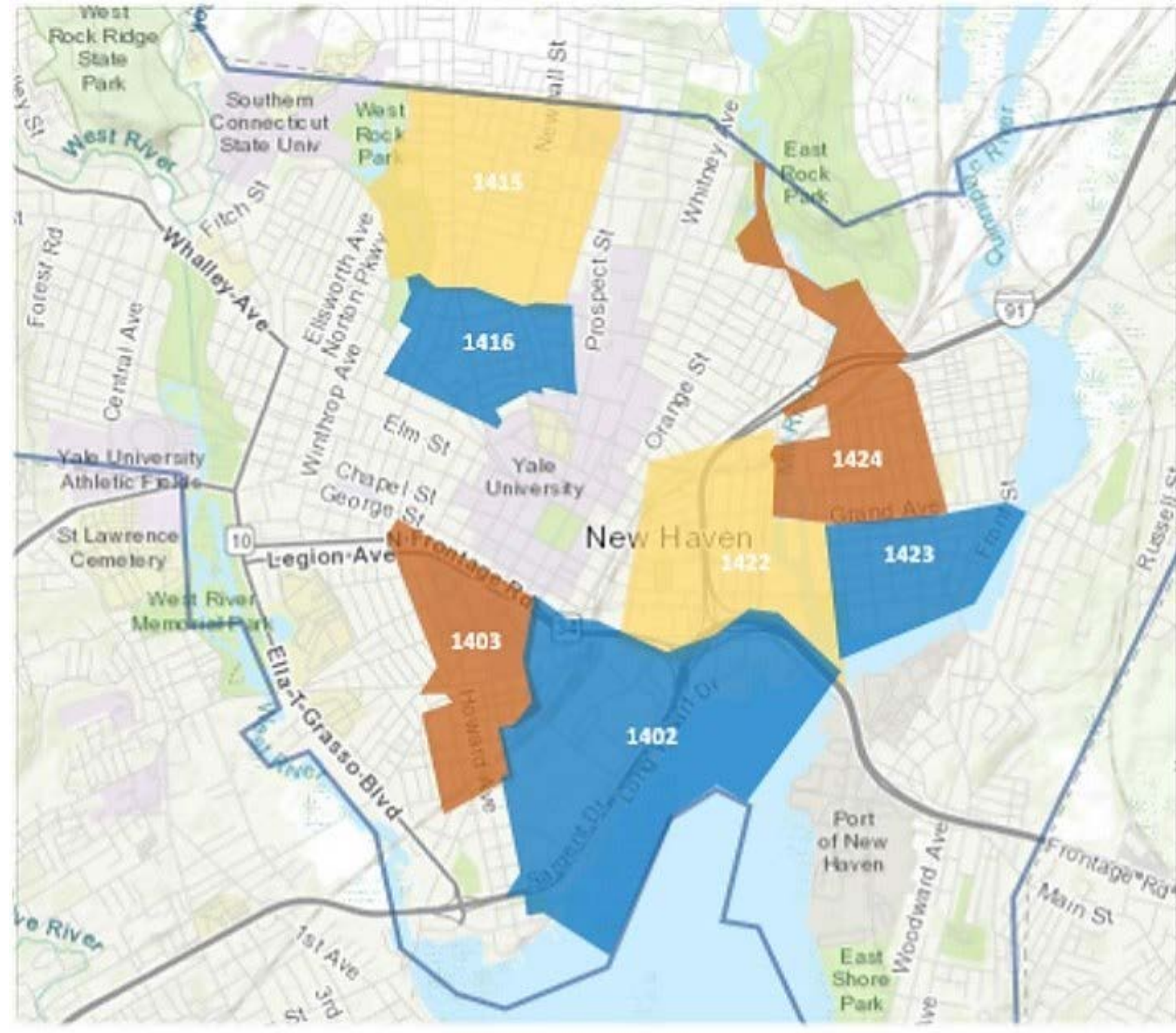


Inclusive
Economic
Development
Models



Key
Recommendations

Opportunity Zones New Haven



7 O-ZONE TRACTS

19 New Haven-Milford Metro Tracts

37% of all Metro tracts

862,127 Metro population

130, 884 City of New Haven population

27,942 O-Zone population

3% of Metro population

21% of City of New Haven population

Opportunity Zones New Haven

SOCIO-ECONOMIC OVERVIEW

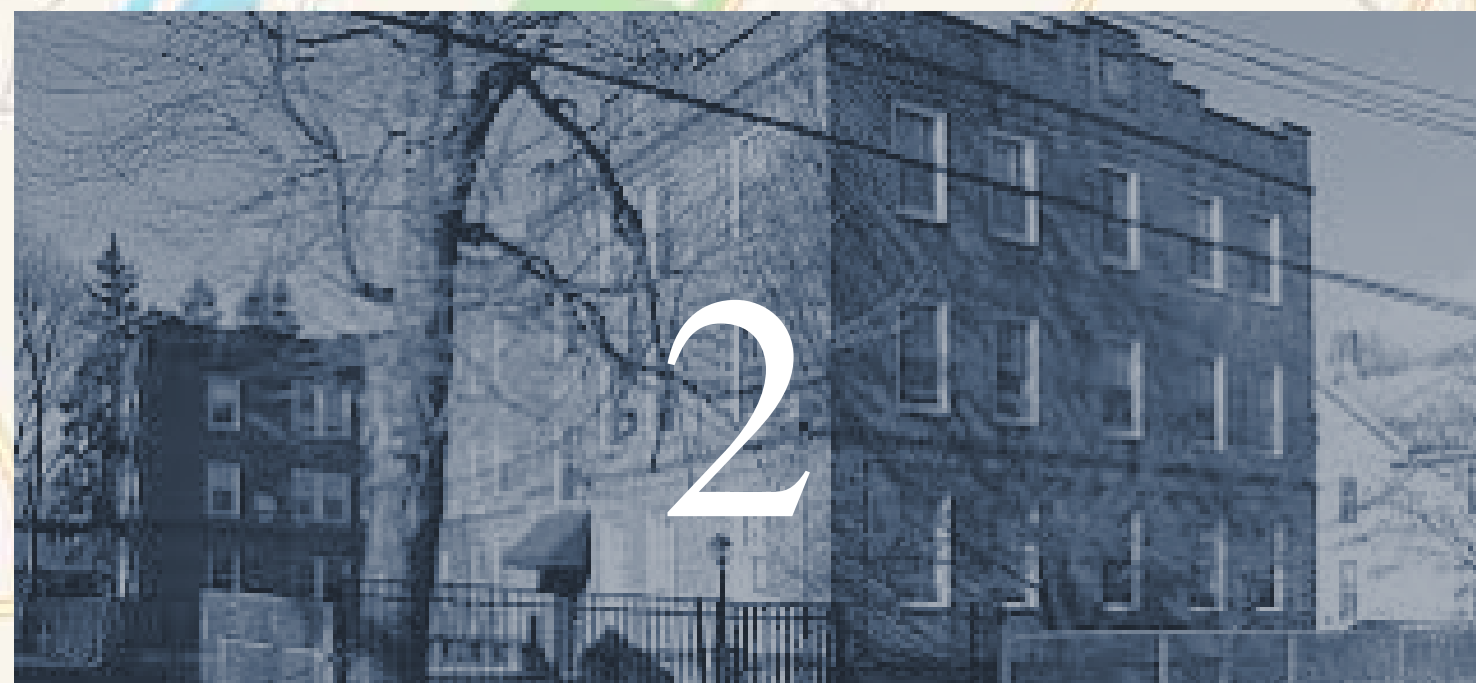
	Black	Hispanic	Foreign Born	Poverty	Median Household Income	% BA+	% Some College, or associates degree	% No HS Degree	% Under 18	% Over 65	Unemployment
Metro	13%	17.2%	12%	12%	\$64,872	34.6%	25%	10.1%	20.8%	16.2%	7.7%
City	33%	30.4%	16.4%	25.6%	\$39,191	33.9%	19%	15.4%	22.1%	10.5%	10.4%
O-Zones	44.6%	39.8%	13.8%	26%	\$32,834	17.8%	21%	21.5%	27%	9.8%	17.5%
State (CT)	10.5%	15.4%	14.2%	10.06%	\$73,781	38.4%	24%	9.7%	22.9%	16%	7.23%
US	12.7%	17.6%	13.4%	14.58%	\$57,652	30.9%	29%	12.6%	21.2%	14.9%	6.55%

All numbers taken from the 2017 5 year average of the American Community Survey and weighted by population.



1

DIXWELL



2

NEWHALLVILLE



3

HILL SOUTH



4

FAIR HAVEN



DIXWELL

Important Census Statistics



Total Population: **5,006**



Total Occupied Housing Units
1,816 (87% of 2,088 total units)

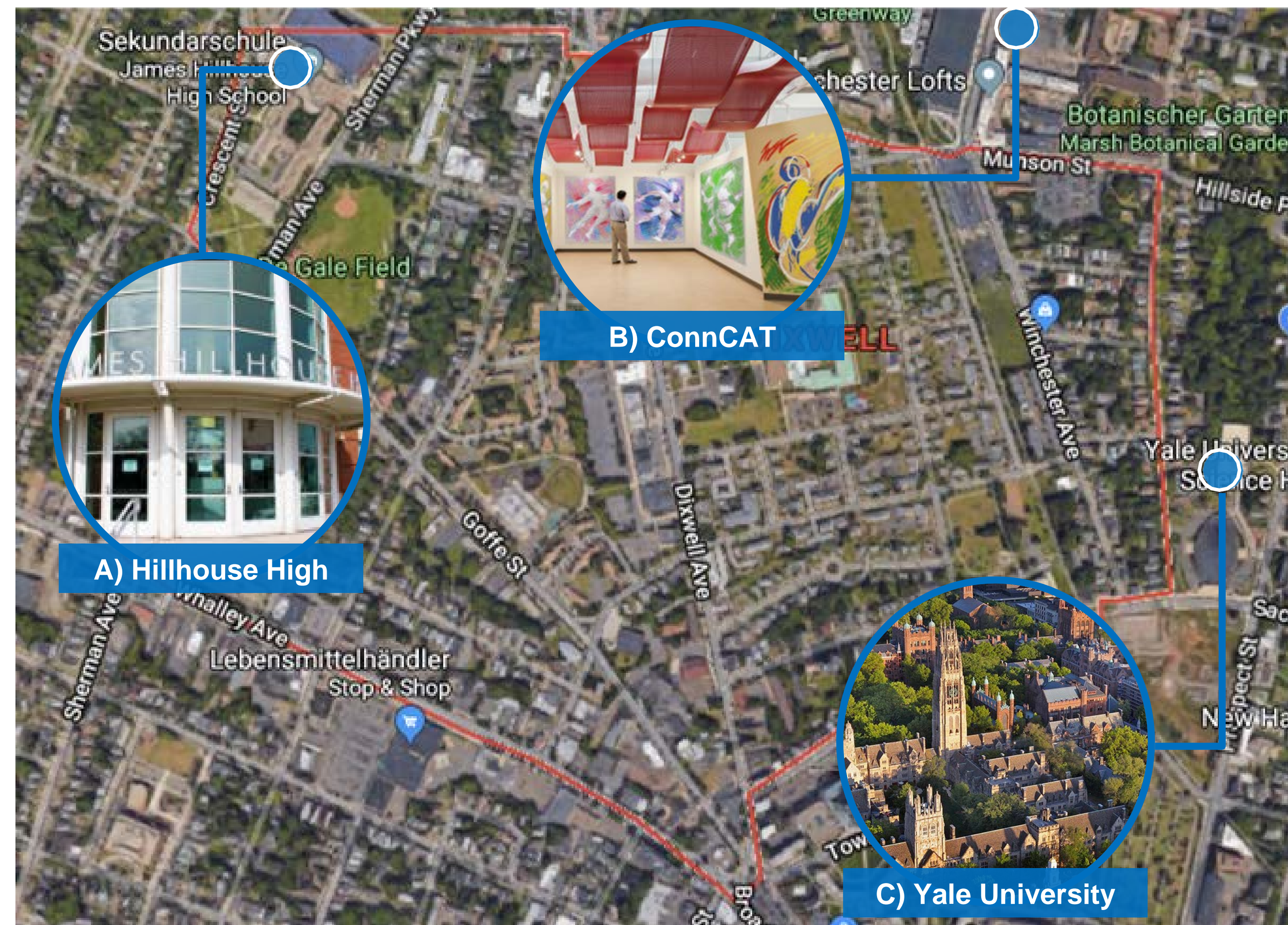


Total Housing Units Owner Occupied
272 (15% of 1,816 occupied units)



\$182,500 Median Value of Owner-Occupied Housing Units

Dixwell



Storied neighborhood with jazz history, Post-industrial neighborhood catalyzing arts based reinvention

- > **A) Hillhouse High** - Public High School in the northeastern part of Dixwell with more than 900 enrolled students.
- > **B) ConnCAT** - Non-profit post-secondary career training institution serving the Dixwell neighborhood by preparing residents for educational and career advancement.
- > **C) Yale University** - Close proximity to Yale and its 11,000+ student population has a strong influence on the Dixwell neighborhood.

Square Miles	0.4
Population	5,006
# of Households	1,826
Bachelor's Degree or Higher	18.2%
Median Income	\$17,745
Median Home Value	\$182,500

Dixwell



Potential Projects

The Momentum

- **A) NXTHVN** - Innovative art space "cultivating a sustainable creative community" and combining a fellowship program with a high school apprenticeship, a co-working space, a black box theater, and other interesting components.
- **B) Winchester Lofts** - Large mixed-use redevelopment of commercial and market-rate residential units under development.
- **C) Q House** - A New Haven Government project of re-establishing the Dixwell community center including a full-size gymnasium, a senior center, a teen center, a museum, a health care center and a public library branch.

Opportunities

Current opportunities in Dixwell involve:

- OZ development project by ConnCAT
- Development possibilities due to rezoning
- Diversification of the neighborhood due to projects such as NXTHVN, Winchester Lofts, or the Q House

IEDL Outreach

Immersion and Observations:

- > People highly concerned about gentrification and affordable housing

NH City Presentation on Zoning 5/04

- > Talk about zoning impact on DIX and commercial corridor
- > Discussion focused strongly on operational aspects of zoning; residents had high-level concerns

Community Visit: NXTHVN

- > Meeting with Jason Price from NXTHVN
ConnCAT Driveby

Engagement Moving Forward

- > Attend rescheduled CMT meeting

Takeaways

1. Address community concerns about gentrification caused by Yale property acquisitions and re-zoning efforts.
2. Any development needs to take into account the impact it may have on the already inadequate quantity of affordable housing.
3. Rezoning should facilitate commercial and affordable residential development.



NEWHALLVILLE

Important Census Statistics



Total Population: **6,074**



Total Occupied Housing Units
2,660



Total Housing Units Owner Occupied
790 (30%)



\$141,000 Median Value of Owner-Occupied Housing Units

Newhallville



A residential neighborhood, with big dreams, primed for innovation and revitalization

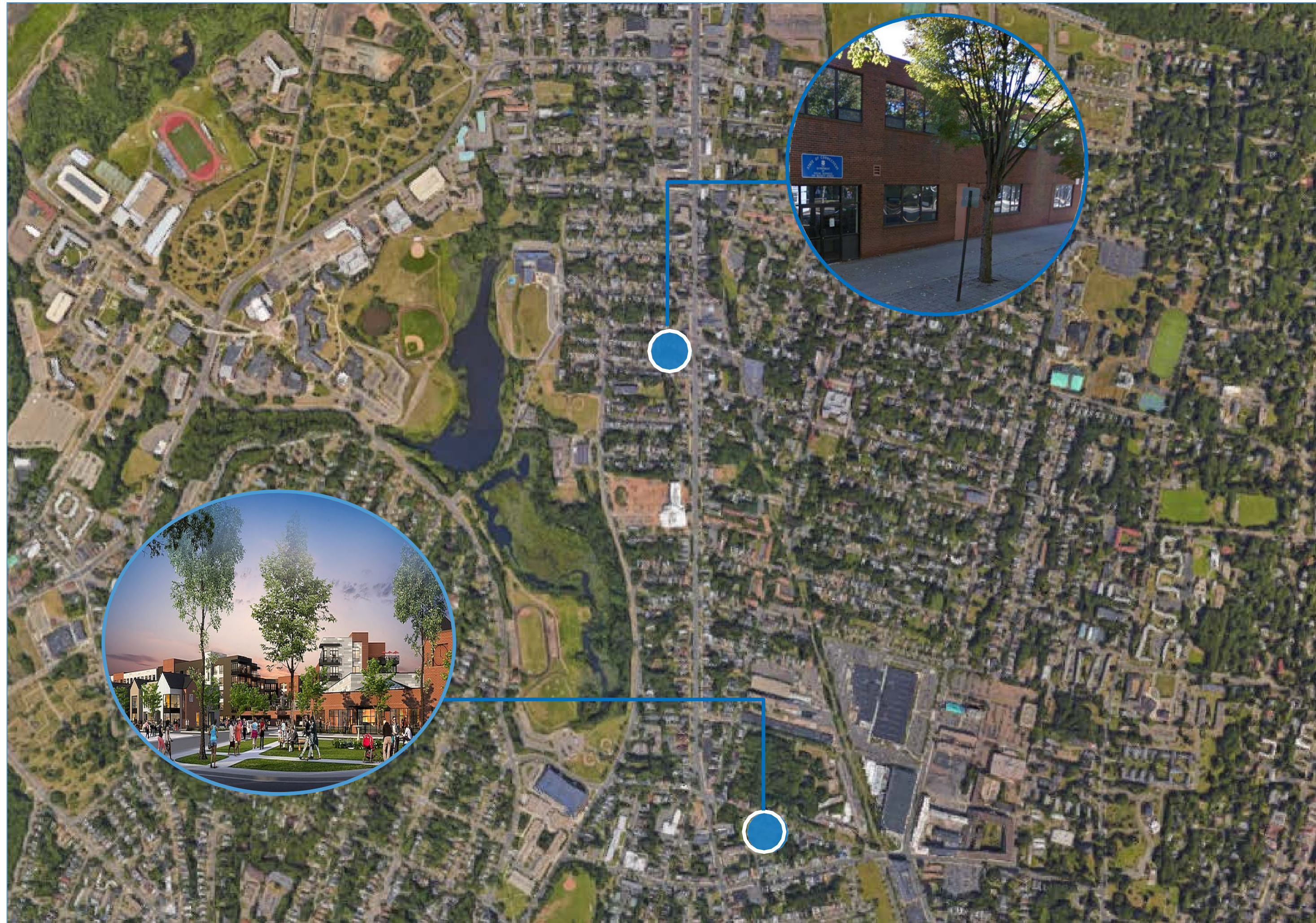
- > The Newhallville neighborhood in New Haven's north is primarily residential, but would but offers ample opportunity for investors to take equity stakes in additional affordable housing
- > Each of the four corners of the zone is home to either a college, high school, or innovation center showcasing favorable conditions for public private partnerships
- > Greenspace is prevalent throughout the community which could be developed or monetized through other means like designated rainwater runoff areas

Square Miles	0.6
Population	6,074
# of Households	2,660
Bachelor's Degree or Higher	15.6%
Median Income	\$26,635
Median Home Value	\$141,000

Census Tract: 1415

Assets and Anchors

Newhallville



Potential Projects

Census Tract: 1415

The Momentum

- A) Property at 201 Munson Street is already under development to add nearly 400 additional apartments in the opportunity zone. They are currently discussing how many units will be reserved as “affordable”.
- B) The City of New Haven has recently purchased vacant commercial property in Newhallville to begin a resident-run commercial laundry business
- With dozens of lots available, new small business could thrive improving the quality of life for residents from groceries to restaurants to retail

Opportunities

Commercial and residential development throughout Newhallville. The residents are looking for opportunities to help invest in their future, cementing their culture and strong sense of community

NEWHALLVILLE local stakeholder engagement

How IEDL engaged local communities to inform our work

Outreach

Immersion and Observations:

- > The Community holds a high number of religious institutions which could be leveraged for collective community action or engagement
- > There are gaps in foundational quality of life institutions which offer opportunities for new small businesses

CMT 4/23

- > Following the incident between police and Newhallville residents, it was clear the community is engaged and wants to interact with the New Haven government at a higher level

Engagement Moving Forward

- > Scheduled meeting with CMT leadership to discuss possible initiatives or Newhallville needs

Takeaways

1. The community wants to have an ownership stake in upcoming projects cementing their culture and cohesion as a family.
2. Lot size may limit major development but offers an opportunity to target medium-sized donors to open small business contingent upon a structured exit
3. There is a lack of awareness of city initiatives that Newhallville could leverage

Key Census Statistics*



Total Population

1,114

2,608



Total Occupied Housing Units

592 (80%)

647 (75%)



Total Housing Units Owner Occupied

6 (1%)

182 (28%)



\$121,700 Median Value of Owner-Occupied Housing Units

THE HILL

*Stats for Census Tracts 1402 and 1403, respectively.

Hill South

Key New Haven Neighborhood with a Vibrant History, Harbor and Waterfront

- > **Union Station** is the major railroad hub in New Haven and served **700k+ passengers** in 2018. The site is listed in the National Register of Historic Places
- > **Yale New Haven Hospital** is a top tier nationally recognized hospital with **1M+** patient visits per year. The hospital is New Haven’s biggest employer
- > Multiple historic district areas in the Hill including Redfield & West Streets Historic District and Howard Avenue Historic District, and Oyster Point Historic District

Square Miles	1.1
Population	3,722
# Households	1,239
Bachelor's Degree or higher	11%
Median Income	\$27,677
Median Home Value	\$121,700



Assets and Anchors

Hill South

Momentum

- > **A. Shell and Bones Oyster Bar and Restaurant** in City Point Historic District (opened 2015)
- > **B. Canal Dock Boathouse**-40+ million dollar Federal Highway Funded Project opened 2018
- > **C. “Hill to Downtown Corridor”**
Construction began in 2018 after one year of planning across hundreds of stakeholders. The first phase will be 110 residential units and +2000 Sq ft of retail space
- > **D. “New Long Wharf”**-Award winning architects Perkins Eastman is helping drive the planning and development.

Opportunities

Commercial and residential development throughout the Hill leveraging in place infrastructure, key high traffic venues, proximity to Downtown New Haven and the historic New Haven Waterfront



Long Wharf Food Terminal

A Unique Investment Opportunity

- **22 acres**, adjacent to I95, Union Station, Waterfront & anchor retail tenants Ikea & Jordan's Furniture
- Current 12-owner coop maintains the space, which is grandfathered in to **USDA food processing** standards
- Anchor retail tenants **Brazi's Steakhouse** and **Long Wharf Theater**
- Owners interested in **soliciting offers** for redevelopment of the area as a live-work-play environment



Hill South: Local Stakeholder Engagement

How IEDL engaged local communities to inform our work

Outreach

CMT 4/17/19

- Police reported back large numbers of incidents, residents concerned about lack of officers, safety of students coming in for cleanup day
- Residents engaged with large institutions in neighborhood - student volunteers from SCU, Yale New Haven health primary health care facility

Community Engagement Meeting 4/23/19

- Residents were interested to learn more about OZs and impacts on housing and jobs
- Residents shared stories about the history of industry in the neighborhood, and about residents' vision for bringing in jobs

Car Tour 5/02/19

- City of New Haven staff shared redevelopment plans for Long Wharf Area
Team toured Long Wharf Food Terminal and met with business owner

Census Tracts: 1402/1403

Takeaways

1. Encourage development of commercial (leveraging underutilized railroads in The Hill), residential (including affordable housing and senior citizen housing), and retail space in the areas around Union Station and Long Wharf
2. Strengthen the existing neighborhood with adequate police presence
3. Create new job opportunities for residents and potentially trade apprenticeship opportunities for local high school students. Engage youth to become invested in community.
4. Interest in learning more about crowdfunding and local resident investment into The Hill initiatives by deadlines

FAIR HAVEN

Important Census Statistics*



Total Population (2017)

11,648



Total Occupied Housing Units

4,382



Total Housing Units Owner Occupied

788 (18%)



Median Value of Owner-Occupied Housing Units

\$145,335

Fair Haven

An entrepreneurial, diverse community, featuring waterfront access and a young population, with easy access to I-93 & I-95, Yale University and East Rock neighborhood.

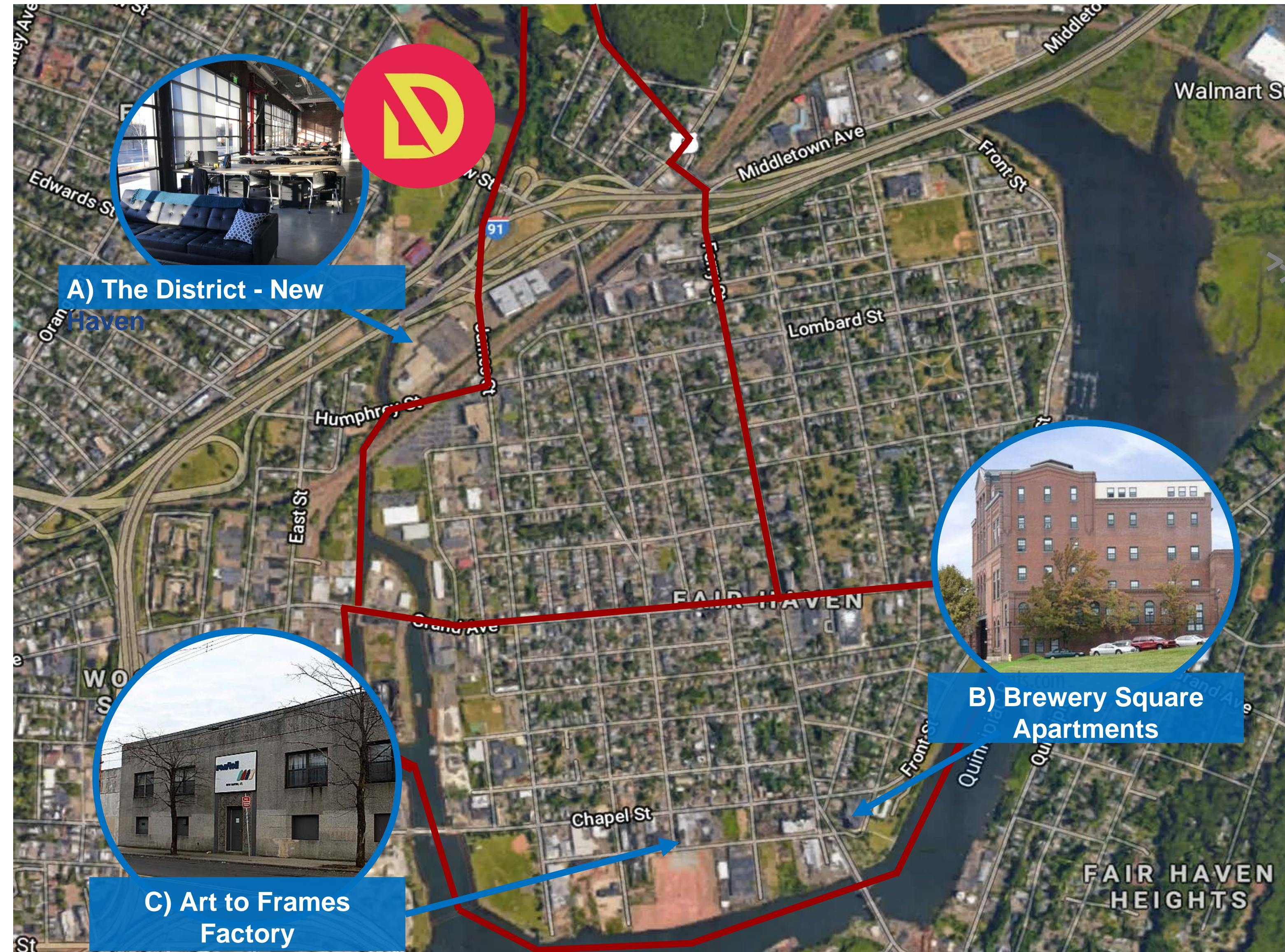
- > **A: Fair Haven School:** Renewed focus on bilingual education for large hispanic population with community library next door
- > **B: Grand Ave. Corridor:** Major thoroughfare with grocery store, post office and dining options that cuts through Fair Haven
- > **C: Criscuolo Park:** Named a top park in need of renovation in 2017 in New Haven
- > **D: Quinnipiac River Front:** Available green space along the water, with views

Square Miles	0.9
Population	11,648
# Households	3,835
Bachelor's Degree or higher	10%
Median Income	\$33,605
Median Home Value	\$142,000



Assets and Anchors

Fair Haven



The Momentum

- **A: The District:** Nine acre Innovation and Technology hub opened in 2018.
- B: Brewery Square Apts:** 104-units apartment complex that was formerly a brewery built in 1896
- rehabbed in 1980s and currently receiving new city investment.
- **C: Art to Frames Factory:** Recently purchased in 2019 by Brooklyn-based frame company, expected to add 50-150 jobs

Opportunities

- Home ownership opportunities
- Youth-oriented services
- Investment in food-oriented or design businesses

Potential Projects

FAIR HAVEN: Local Stakeholder Engagement

How IEDL engaged local communities to inform our work

Outreach

Immersion and Observations:

- Residents have a deep knowledge of region's history
- Small businesses and corner stores, few chains

CMT 04/04/19

- Active community discussion
- Well attended, lively meeting with age and racial diversity
- Seems like a must attend for local community organizations and politicians

Car Tour 04/19/19

- Seeking to activate spaces and make them revenue-generating
- Largely residential space but certain streets or areas of commercial activity

Takeaways

1. Strong entrepreneurial and community organizing spirit
2. Seeking a vibrant community in terms of social, economic, and cultural life.
3. Housing is not a main concern but interest in seeing it as part of mixed-use buildings.
4. Community already has generated a set of principles to guide new development (focused around the Strong school project).



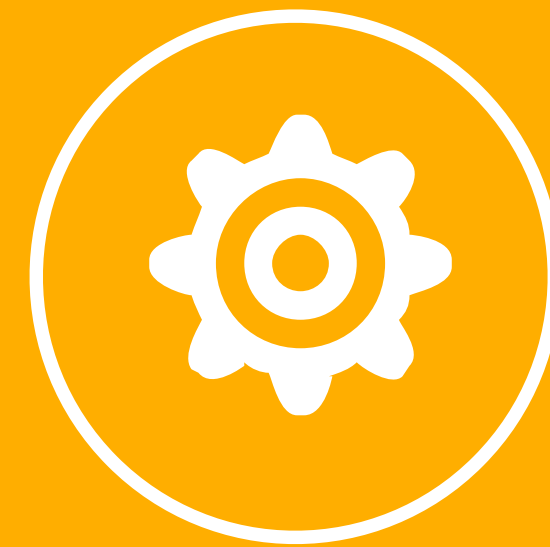
The Big
Picture



OZ Neighborhood
Prospectuses



Community
Engagement



Inclusive
Economic
Development
Models



Key
Recommendations

Food Halls

Key Elements of Successful Food Halls

- **Diverse, healthy offerings, strategically selected based on community input**
- **Priced to match local appetite**
- **Shared public space for community gatherings**

Benefits of Food Halls

Community Benefits:

- Place of intersection: nexus of cultural sharing
- Safe community space
- Anchor against displacement

Public Health Benefits:

- Increased access to good, healthy food

Economic Benefits:

- Incubator for small businesses
- Stepping stone to long-term economic mobility

Food Halls: Mercado La Paloma (South LA)

By the Numbers:

Occupancy:

8 restaurants, 5 shops, and NGO offices

Size:

34,000 sf

Daily Customers:

600/d on weekdays, 510/day on Sunday

Customer Diversity:

54% Hispanic, 16% White, 8% Asian, 8% Black

Location:

Close to University of Southern California & DMV

Ownership:

Owned and operated by Esperanza



Food Halls in New Haven: Dixwell

Why is this model for inclusive economic development a fit for DIXWELL?

- 1) Dixwell is a food desert
- 2) Ride the wave of other development
 - (a) NXTHVN
 - (b) Munson
- 3) As well as existing institutions
 - (a) Hillhouse High
 - (b) Yale
 - (c) ConnCat
 - (d) Q House
- 4) Leverage diversity and confront segregation

Is it compatible with OZ financing?

Possible as either a:

- 1) Stand alone development
- 2) Mixed use

Given higher income residents around the neighborhood, could be a profitable business for which an equity stake would be desirable.

Makerspaces

Makerspaces are community spaces with tools and resources to support people's ability to make *anything*.

That can facilitate:

- Education and skills training for the new economy
- Incubation of new products and businesses
- Community & individual self-sufficiency
 - Alternative economies
 - Empowerment re: the Ikea effect
- Cohesion and social infrastructure

Makerspaces: an extremely flexible platform:

- Tool libraries
- Education & apprenticeship spaces
- Open science labs
- Community art studios
- Craft space
- Engineering facility
- Membership model
- Public access
- Pay-as-you-go

Maker Spaces & Fab Labs: Hill South

Why is this a good fit for Hill South?

STEM and Trade Job Training Opportunities

- National Association of Colleges and Employers winter 2019 survey showed that STEM majors commanded the highest salaries among recent college graduates
- A Fab Lab in Hill South will encourage local youth extracurricular involvement in the STEM and technical fields, serving as a pipeline for college or the trades

Build Youth Community Engagement

- Hill South has an active local resident engagement group but lacks youth involvement, a Fab Lab offers the opportunity to bring youth together under a neighborhood institution to help build social fabric and engagement with the community

Bring Awareness & Connection to Hill South's Industrial Past

Compatibility with OZ Financing

- Requires initial equity investments to get off the ground, possibility of being deeded as community-owned under CLT management
- Potential for steady revenue generated from membership fees, classes, and private rentals
- Partner with local community groups and neighborhood institutions to create mixed use buildings

Affordable Housing / CLTs

What does Inclusive Affordable Housing in New Haven do?

Provides safe, suitable housing that truly integrates those who live there with the community

Allows residents to hold an equity stake in their community and embrace commercial development without fearing displacement

How is it operationalized?

- *Inclusionary zoning: providing some affordable units in their developments*
- *Blending: Making new public housing developments indistinguishable from the rest of the neighborhood*
- *Increasing Efficiency: Making units 2 bedrooms instead of 1 etc...*
- *Community Land Trusts: aim for permanent affordable housing by selling homes below market price while maintaining ownership of the land*



Community Land Trusts: Newhallville

Premise: Act as the springboard for Greater New Haven
Newhallville cannot support a CLT by themselves

1.Focus On rezoning existing silver lots to remove blight, monetize green space, and allow for additional housing

a.Green rehab could also include opening community gardens, or establishing runoff zones

b.**Consider** the CLT model which raises an equity stake which can be bought out over time by residents, and that CLTs only exist as long as property is available

2.Opportunities exist for CLTs to become an advocate for broader community wellbeing: energy efficiency (reducing costs of living), senior care, networking for small businesses.

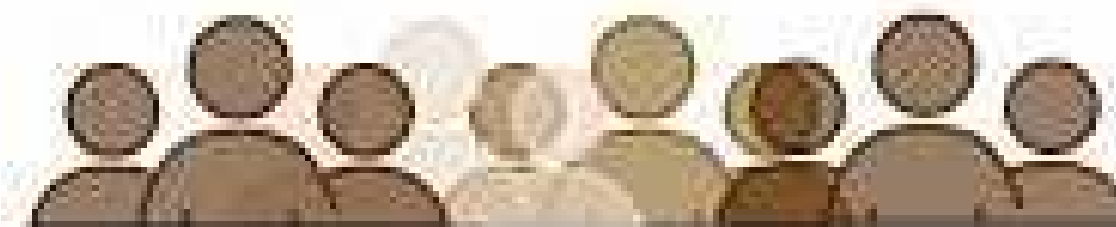


Business Expansion: Boston Ujima Project

Community Organizing



Impact Investing



Commercial Expansion: Fair Haven

Why is this a fit for Fair Haven?

- Fair Haven CMT as a natural & credible launch partner
- Potential for programming with The District
- Limited available commercial spaces, better to support existing businesses

Compatibility with OZ Financing

- Equity investments with structured exits as an ideal deal lifecycle
- Boston Ujima model that mixes institutional & community capital
- Paired with add'l revenue via work contracts with anchor institutions

Community Organizing



Impact Investors

Voting

Fair Haven Residents

Non-Voting

**Foundations
Community allies
Outside OZ Investors**

CREATIVE FINANCING: HOW DO YOU GET IT DONE?

What does inclusive economic development mean?

Generating financial returns for people and organisations in the local community

Alignment of investor and community interests

- *Inclusive businesses*
- *Wealth generators*
- *Social impact and equity*

How is it operationalized?

- Covenants to advance social goals
- Blended capital stacks
- Ownership structures for the community
 - Equity gift
- Trusted advisors
- Market players and investors are used to determined risk-reward structures
- Risk tolerant (philanthropic) capital can help “crowd-in” other investments
- HNWI with an interest in New Haven (e.g. alumni)
- Community crowdfunding
- Structuring intermediaries
 - Impact investing community
 - Fund managers & Financial institutions

CREATIVE FINANCING: Driving Impact

Impact Covenants

- *Quality Jobs: living wage; CORI friendly hiring; wage equality*
- *Environmentally responsible practices*
- *Local purchasing*
- *Elected worker board seat*
- *race and gender diversity*

Community-Oriented Finance

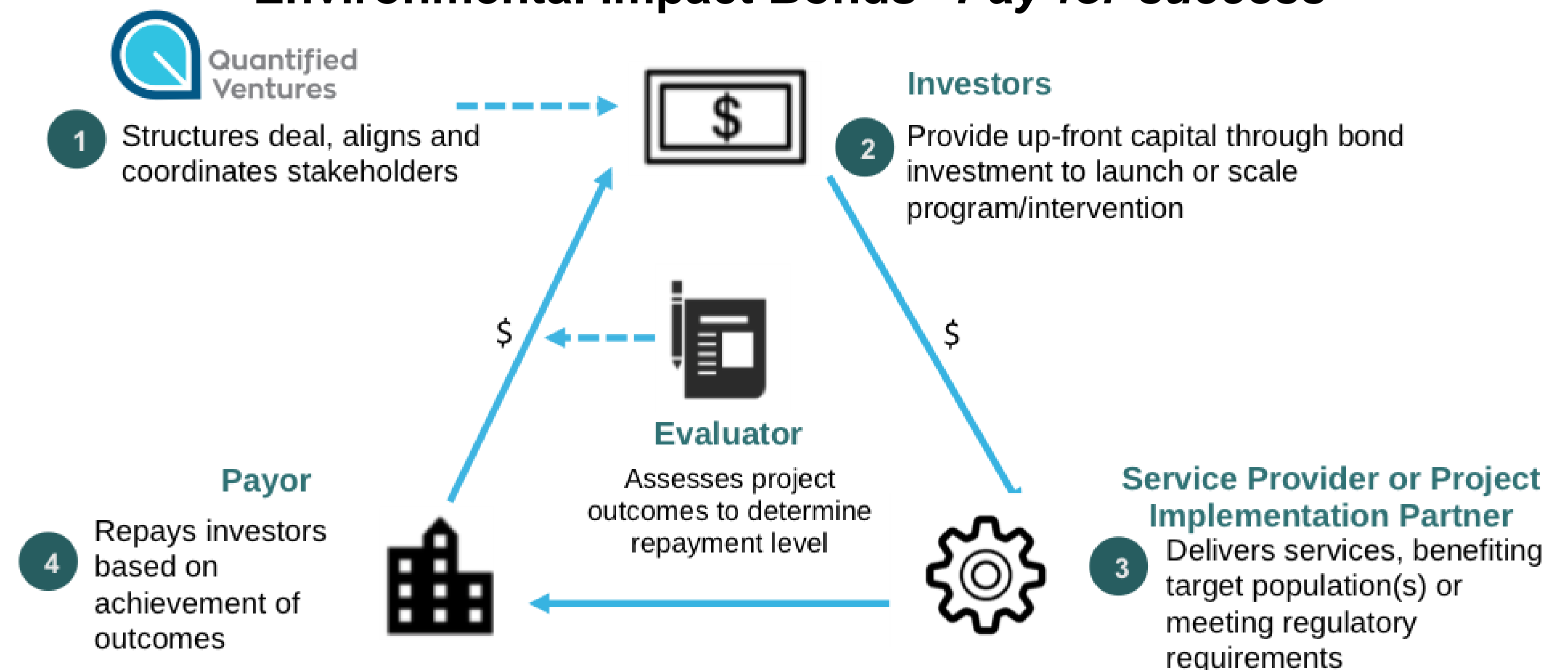
- *“Self-liquidating” equity*
- *Repayments linked to profits*

Blended Finance

“to mix in concessionary capital that will reduce the difference between the perceived risk and the real risk of a deal, thereby incentivizing additional private investment”

- *Impact Investment*
- *Impact Bonds*
- *Community Crowdfunding*
- *OZ Funding*
- *Layered revenue streams*

Environmental Impact Bonds “Pay-for-success”



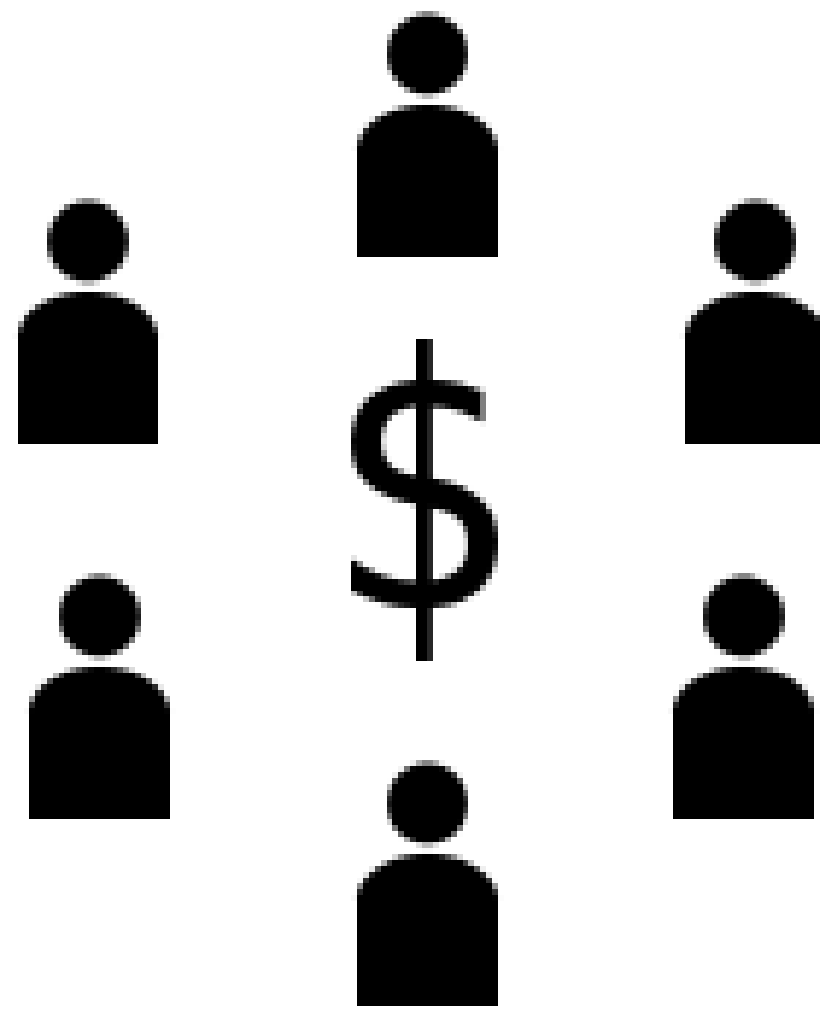
CREATIVE FINANCING: Ownership opportunities

Equity can be distributed amongst different stakeholders

Community management teams



Community crowdfunding



Impact investors



CREATIVE FINANCING: Newhallville

Why these models could work for NHV?

- *NHV requires upfront investments with exit opportunities that can attract responsible investors to the neighborhood*
- *Creative finance can attract different types of investors per opportunity*
 - *Size / industry / exit threshold*

How would it be applied to an OZ?

- *Bundling social and financial returns*
 - *Covenants must be clear*
- *Blended capital stacks*

Opportunities

- *Talks with different levels of stakeholders for feedback may reveal more alternatives*
 - *Foundations/federal tax credits/investors/state/city*
- *Food and groceries availability is scarce (i.e. NHV is a “food desert”)*
- *Urban household services (e.g. laundry) are scarce*
- *Unused lots*
- *Community-based organizations as catalyzers for support*



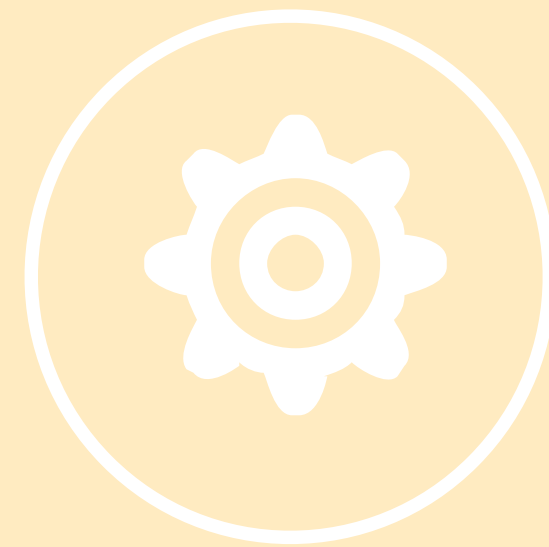
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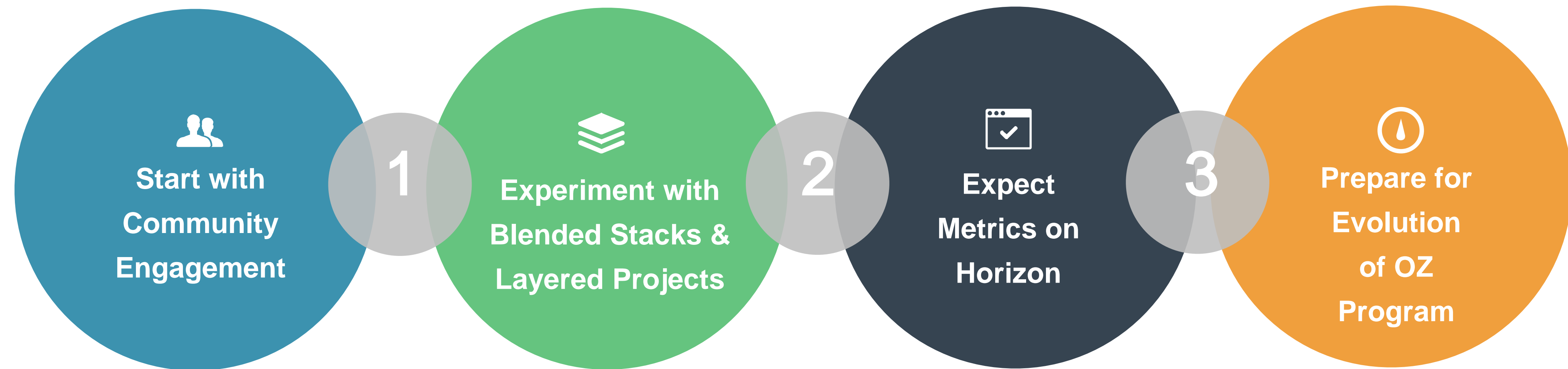


Inclusive
Economic
Development
Models



Key
Recommendations

Recommendations



“ When it comes to planning our redevelopment efforts, I like to say we subscribe to the ***nothing about us without us approach*** in that we're planning people's community and people's homes and we can't do that without really centering the voice of the people who are going to benefit from it. I think again it's aligned with equity, I think it's a very top down disempowering model to think that I can come in with my frame and my development team and tell a group of people what's going to be right for them, and so we do a lot of community process in redevelopment hearing from them what works. ”

Karen Dubois Walton, President,
ELM City Communities

A map of New Haven, Connecticut, showing major roads, parks, and universities. A red location pin is placed in the center of the city, near the Yale University campus. The map includes labels for various locations such as Alice Newton Street Mem Park, Woodbridge Country Club, The Course at Yale, Southern Connecticut State University, Benjamin Franklin College - Yale University, East Rock Park, Alling Memorial Golf Club, Lake Saltonstall, and the University of New Haven - West Haven Campus. Major highways like I-95, I-91, and I-80 are also shown.

Thank you!

Yale SOM Inclusive Economic Development Lab

Email: kate.Cooney@yale.edu