

# 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

00:01:13 --> 00:01:14: not have undertaken.

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  
00:01:41 --> 00:01:44: Development,  
00:01:44 --> 00:01:48: Downtown Development, District of New Orleans, LA, and as  
00:01:48 --> 00:01:53: a  
00:01:53 --> 00:01:58: developer with over 35 years of experience in real estate.  
00:01:58 --> 00:02:02: He's an expert on downtown revitalization, affordable  
00:02:02 --> 00:02:03: housing, mixed use  
00:02:03 --> 00:02:07: development and partnerships with public and nonprofit  
00:02:07 --> 00:02:11: entities. I appreciate  
00:02:11 --> 00:02:15: Lee moderating our panel today. Secondly, is Vicki Davis  
00:02:15 --> 00:02:18: Vicki  
00:02:18 --> 00:02:22: as president?  
00:02:22 --> 00:02:27: Of Urban Atlantic and overseas, the acquisition planning,  
00:02:27 --> 00:02:31: design, and  
00:02:31 --> 00:02:33: implementation of all urban Atlantic projects and asset  
00:02:33 --> 00:02:37: management of  
00:02:37 --> 00:02:41: properties of company owns and it's mid city community.  
00:02:41 --> 00:02:45: CDE  
00:02:45 --> 00:02:48: investment portfolio with over 30 years of experience in real  
00:02:48 --> 00:02:53: estate development. She formerly served as deputy director  
00:02:53 --> 00:02:57: of the  
00:02:57 --> 00:03:01: Maryland Housing Fund and Maryland DHCD Division of  
00:03:01 --> 00:03:03: Credit Assurance.  
00:03:03 --> 00:03:06: Her experience also includes portfolio management for MNC  
00:03:06 --> 00:03:11: Financial S  
Charles Realty and multifamily.  
Development for Trammell Crow residential. Mickey is also a  
highly  
valued to Wilkerson International Advisory Board member.  
Thanks so much  
Vicki for participating today and finally, as Phillip Payne,  
Phillip  
is the chairman of the Lotus Campaign in Charlotte, NC  
nonprofit that's increasing housing access for those  
experiencing homelessness, he  
has over 30 years of experience in development, acquisition,  
rehabilitation  
and management of middle market and workforce multifamily  
housing. Prior  
to joining Lotus, Phil has served.  
Wrong number of high level roles as principal of Ginko  
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  
00:03:19 --> 00:03:23: been a strong contributor to utilize Advisory Services  
program where  
00:03:23 --> 00:03:27: he's dodged flying objects among other things, and received  
inspiration  
00:03:27 --> 00:03:30: for his work with the Lotus Campaign, which is featured.  
00:03:30 --> 00:03:33: As I mentioned previously in the homeless House report.  
00:03:33 --> 00:03:37: Please do read the full impressive BIOS of all of  
00:03:37 --> 00:03:41: our panelists on our website, but without further ado, it's  
00:03:41 --> 00:03:44: my pleasure now to give the floor to Lee Ferguson  
00:03:44 --> 00:03:44: Lee.  
00:03:45 --> 00:03:50: Christopher, appreciate that and appreciate Vicki and Phillip.  
Appreciate you  
00:03:50 --> 00:03:54: guys participating as well today and everyone that's listening  
in  
00:03:54 --> 00:03:57: and we encourage questions. Put them in the chat. Get  
00:03:57 --> 00:04:00: them to Christopher and give us an opportunity to be  
00:04:00 --> 00:04:03: responding to those because one of the key things about  
00:04:03 --> 00:04:07: this from the very initial discussions through the production of  
00:04:07 --> 00:04:10: the report and going forward is that this is the  
00:04:10 --> 00:04:13: beginning of a discussion about how ULI members and the  
00:04:13 --> 00:04:16: real estate community at large can become a part of  
00:04:16 --> 00:04:17: the solution.  
00:04:17 --> 00:04:21: And hopefully can make a significant impact on on dealing  
00:04:21 --> 00:04:25: with homelessness based on those things that you allowed  
that  
00:04:25 --> 00:04:28: UL members know and do so well. And that's development  
00:04:28 --> 00:04:32: execution, and you know, and new ideas. As Christopher  
mentioned,  
00:04:32 --> 00:04:35: there are eight specific case studies in this report, and  
00:04:35 --> 00:04:39: there are numerous additional ones in the index that were  
00:04:39 --> 00:04:42: referred to to kind of set the stage a little  
00:04:42 --> 00:04:45: bit for what we're the challenge that we're talking about.  
00:04:45 --> 00:04:48: You know the scale of homeless as of about 2020.  
00:04:48 --> 00:04:52: Which is the last detailed data. There are about 580,000  
00:04:52 --> 00:04:56: people in the United States experiencing homelessness at  
that point  
00:04:56 --> 00:04:59: in time. Count about six in ten of those folks  
00:04:59 --> 00:05:03: were staying in sheltered locations while nearly four in ten  
00:05:03 --> 00:05:07: were on the street or otherwise unsheltered. 2020 was the  
00:05:07 --> 00:05:11: first time since data collection began that more individuals

experiencing

**00:05:11 --> 00:05:15:** homelessness were unsheltered than were sheltered.

**00:05:17 --> 00:05:22:** Nearly 172,000 people and families with children are experiencing homelessness,

**00:05:22 --> 00:05:25:** which is something that that really I found quite shocking

**00:05:25 --> 00:05:28:** to me as as many of you are already aware,

**00:05:28 --> 00:05:33:** African Americans remain considerably under overrepresented among the homeless population,

**00:05:33 --> 00:05:36:** and there's a lot more data that goes with that

**00:05:36 --> 00:05:40:** that you know, that that's that supports that across the

**00:05:40 --> 00:05:40:** country.

**00:05:41 --> 00:05:44:** But back to the question, why should we? The real

**00:05:44 --> 00:05:51:** estate, business, community care, homelessness profoundly and increasingly affects everyone's

**00:05:51 --> 00:05:56:** government business industry. Real estate business, specifically social services and

**00:05:56 --> 00:06:01:** public safety all suffer when homelessness is not addressed. The

**00:06:01 --> 00:06:05:** public sector, for example, spends an average of about \$36,000

**00:06:05 --> 00:06:05:** per year.

**00:06:06 --> 00:06:09:** For every person who is homelessness, who is homeless?

**00:06:10 --> 00:06:13:** And quite frankly, where does that money come from? The

**00:06:13 --> 00:06:16:** money has to come from the general economy and basically

**00:06:16 --> 00:06:19:** that means from all of us, and particularly those of

**00:06:19 --> 00:06:21:** us in the real estate business.

**00:06:22 --> 00:06:26:** Furthermore, from our perspective, the lack of low cost housing

**00:06:26 --> 00:06:30:** is a large and growing driver of homelessness and housing

**00:06:30 --> 00:06:35:** under underproduction underlies the homeless challenge as well that we

**00:06:35 --> 00:06:39:** are facing today. Recent estimates have suggested that housing is

**00:06:39 --> 00:06:43:** under supplied by as much as 7,000,000 units or more

**00:06:43 --> 00:06:46:** in the US and the Toyota Center has a lot

**00:06:46 --> 00:06:50:** a lot more data to support this information by producing

**00:06:50 --> 00:06:52:** housing by producing more housing.

**00:06:52 --> 00:06:56:** Our cities, residents and workers need the real estate sector

**00:06:56 --> 00:07:00:** can both provide homes for those currently unhoused and prevent

**00:07:00 --> 00:07:04:** more households from becoming homeless in the 1st place. And

**00:07:04 --> 00:07:07:** I think this is something that that Vicki, and and

**00:07:07 --> 00:07:09:** Phillip will both address as we go forward.

00:07:10 --> 00:07:13: And again, back to what is UL Azlo. the US  
00:07:13 --> 00:07:17: membership has vast expertise and experience in residential  
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 trying to deal with. We still do have that HUD

00:14:31 --> 00:14:35: group. That's called the chronically homeless, you know, in

00:14:35 --> 00:14:37: regular housing is not a valuable. I mean, it's not a

00:14:37 --> 00:14:41: available option for them. We need to really stress building

00:14:41 --> 00:14:44: more permanent supportive care, which takes for a group of

00:14:44 --> 00:14:47: people who are never really going to be able to

00:14:47 --> 00:14:50: live on their own or or get reestablished in the

00:14:50 --> 00:14:53: community. So that's what seems to me. We need to

00:14:53 --> 00:14:56: be doing immediately is focusing on what's there.

00:14:56 --> 00:15:00: And then encouraging production of units, particularly of

00:15:00 --> 00:15:02: permanent supportive 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? I mean, people are talking about inflation. We're coming out

00:15:30 --> 00:15:34: of this long term pandemic situation ends of, you know,

00:15:34 --> 00:15:38: ends of the rental eviction moratoriums you know what kind

00:15:38 --> 00:15:41: of things do you think cities ought to be looking

00:15:41 --> 00:15:44: at as immediate issues that they could?

00:15:44 --> 00:15:46: Effectively deal with to soften some of those impacts on



00:15:47 --> 00:15:50: people that are going to be economically impacted. That's going

00:15:50 --> 00:15:51: 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

00:24:55 --> 00:24:58: populations and

00:24:58 --> 00:25:01: in many of your projects, if not all in terms

00:25:01 --> 00:25:04: of people who have experienced homelessness and are and are

00:25:04 --> 00:25:07: coming out of homelessness, what can you give us? Kind

00:25:07 --> 00:25:10: of a sense. What's the success rate like? And I

00:25:10 --> 00:25:13: know I'm. I'm asking you a question that you may

00:25:13 --> 00:25:17: not be readily equipped to give us hard numbers on,

00:25:17 --> 00:25:20: but I mean, is this something that occasionally works when

00:25:20 --> 00:25:24: someone has been homeless? I mean, truly homeless or?

00:25:24 --> 00:25:29: Kind of homeless people when they're coming back into

00:25:29 --> 00:25:31: having

00:25:31 --> 00:25:34: reasonable housing. What's what's the likely success rate? I

00:25:34 --> 00:25:35: mean,

00:25:35 --> 00:25:38: is it? Is it one in 10 or successful or

00:25:38 --> 00:25:41: 99% successful? I mean, talk to us a little bit

00:25:41 --> 00:25:45: about that.

00:25:45 --> 00:25:48: I would have said that.

00:25:48 --> 00:25:52: When you look at public housing and when you look

00:25:52 --> 00:25:54: at people, this people who are making you know less

00:25:54 --> 00:25:55: than \$20,000 a year, many times around \$10,000 a year.

00:25:55 --> 00:25:59: It's a lot of seniors.

00:25:59 --> 00:26:04: It's also social.

00:26:04 --> 00:26:05: Security, I mean it's people who are on very, very

00:26:05 --> 00:26:10: limited budgets. There are two very well researched pieces.

00:26:10 --> 00:26:11: One

00:26:11 --> 00:26:12: is that.

00:26:12 --> 00:26:13: 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  
Atlantic.  
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  
of spades Trump card that the Washington area played to  
00:30:11 --> 00:30:15: win that bid. So it was really, you know, a  
00:30:15 --> 00:30:18: corporate benefit to Amazon and a corporate benefit to the  
00:30:18 --> 00:30:22: developers who attracted that headquarters. I mean, you  
00:30:22 --> 00:30:26: 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  
a new  
00:34:34 --> 00:34:38: 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

**00:35:50 --> 00:35:53:** asked me to address this is can we build our

**00:35:53 --> 00:35:55:** way out of homelessness?

**00:35:58 --> 00:36:01:** No, OK, first of all, we're probably 7 and a

**00:36:01 --> 00:36:04:** half million or so units short. I don't see that

**00:36:04 --> 00:36:07:** happening anytime soon, but the truth is housing is.

**00:36:09 --> 00:36:11:** Housing is part of being homeless.

**00:36:12 --> 00:36:16:** Housing in and of itself is not a solution to

**00:36:16 --> 00:36:18:** homelessness. There's a whole.

**00:36:19 --> 00:36:24:** Number of psychological and and educational issues that

**00:36:24 --> 00:36:26:** surround it.

**00:36:24 --> 00:36:26:** You know, I talk about.

**00:36:27 --> 00:36:30:** We have a young soldier who comes back from a

**00:36:30 --> 00:36:33:** war zone and he has PTSD and you bring him

**00:36:33 --> 00:36:36:** home and you say we are home now so you

**00:36:36 --> 00:36:40:** don't have to have that anymore. OK, just bringing him

**00:36:40 --> 00:36:44:** home doesn't do it. There's a whole bevy of services

**00:36:44 --> 00:36:48:** and that have to be provided, and without those services,

**00:36:48 --> 00:36:52:** we're always going to have people who are homeless OK,

**00:36:52 --> 00:36:53:** and so you know.

**00:36:55 --> 00:36:58:** From my point of view, it's as important that we

00:36:58 --> 00:37:03: beef up mental healthcare that we beef up support services,  
00:37:03 --> 00:37:08: crisis services, and financial literacy programs. Job training  
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  
homeless and  
00:40:28 --> 00:40:32: others. What are the typical kind of zoning permitting and  
00:40:32 --> 00:40:36: regulatory controls that are that cities have in place that  
00:40:36 --> 00:40:39: may be a barrier to this? Or are there ways  
00:40:39 --> 00:40:41: that they can incentivize?  
00:40:42 --> 00:40:42: Yeah.  
00:40:43 --> 00:40:46: Some of the kind of projects that you're trying to  
00:40:46 --> 00:40:48: do at Lotus actually actually getting on the ground.  
00:40:49 --> 00:40:49: Well.  
00:40:51 --> 00:40:54: There's always the D word. Everything starts with the D  
00:40:54 --> 00:40:55: word right density.  
00:40:57 --> 00:40:58: The word that.  
00:41:00 --> 00:41:03: Everybody gets all upset when you mentioned, but no.  
00:41:04 --> 00:41:07: We have to look at the land, the cost of  
00:41:07 --> 00:41:10: land has gotten so huge in most places that it  
00:41:10 --> 00:41:14: has such an impediment to producing lower income housing  
that  
00:41:14 --> 00:41:17: we have to come up with. A way to increase  
00:41:17 --> 00:41:19: the densities to allow that.  
00:41:19 --> 00:41:22: To take place, if Chris a lot of this comes

00:41:22 --> 00:41:26: down to political will or political courage, you want to  
00:41:26 --> 00:41:26: call it.  
00:41:28 --> 00:41:31: 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  
argument  
00:51:06 --> 00:51:08: and I will tell you, moral arguments as a rule,  
00:51:08 --> 00:51:09: do not work.  
00:51:10 --> 00:51:12: I mean, I'm a nice guy, but I don't like  
00:51:12 --> 00:51:15: being told what I should or shouldn't do OK, and  
00:51:15 --> 00:51:18: if everybody did what they should do and didn't do  
00:51:18 --> 00:51:21: what they shouldn't do, the world would be a much  
00:51:21 --> 00:51:22: different place.  
00:51:23 --> 00:51:26: So you just have to stop talking about what should  
00:51:27 --> 00:51:31: and you have to start talking about the true economics  
00:51:31 --> 00:51:35: of what's going on, and those red state cities that  
00:51:35 --> 00:51:40: have just like everybody because everybody has a homeless  
this  
00:51:40 --> 00:51:44: issue. Today it is in their economic interest to address  
00:51:44 --> 00:51:49: homelessness. OK, that cost burden, which by the way lease  
00:51:49 --> 00:51:50: says \$36,000.  
00:51:51 --> 00:51:55: To \$40,000. You know that that's an interesting number. It's  
00:51:55 --> 00:51:59: because it's somebody's calculation of what the hard cost

are,  
00:51:59 --> 00:52:02: but it doesn't come close to addressing the the soft  
00:52:02 --> 00:52:05: 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?  
Because  
00:55:48 --> 00:55:51: when we talked about this early on with Preston a  
00:55:51 --> 00:55:54: couple of years ago, it seems like now this was  
00:55:54 --> 00:55:57: intended to be at the beginning of a conversation to  
00:55:57 --> 00:56:00: try to make a difference. So what what's the next  
00:56:00 --> 00:56:03: step in this conversation? How can we all move forward?  
00:56:07 --> 00:56:10: Yeah Vicky, we've heard some of Philip's ideas about that.  
00:56:11 --> 00:56:13: Do you want to? You want to share? Kind of

00:56:13 --> 00:56:16: where where you see our audience? Our audiences roles.  
00:56:18 --> 00:56:19: 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

00:59:26 --> 00:59:28: 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

00:59:34 --> 00:59:37: 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

00:59:59 --> 01:00:03: neighborhood. Whichever buzzword you

01:00:03 --> 01:00:07: want to use and the community at large, which included

01:00:03 --> 01:00:07: the city, the nonprofit, the philanthropies, the banks,

01:00:07 --> 01:00:09: 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.

01:00:15 --> 01:00:19: There

01:00:15 --> 01:00:19: was the whole litany of things, public improvements, new

01:00:19 --> 01:00:22: 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

01:00:29 --> 01:00:33: were

01:00:29 --> 01:00:33: first available to the neighborhood population which

01:00:33 --> 01:00:37: 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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