

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

for multifamily properties throughout
00:03:11 --> 00:03:14: the southern US and is actively involved in the acquisition
00:03:15 --> 00:03:19: and substantial rehabilitation of middle market multifamily
properties. Bill has
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
we're
00:14:28 --> 00:14:31: 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
regular
00:14:35 --> 00:14:37: 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
permanent supportive
00:15:00 --> 00:15:02: 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
situation?
00:15:26 --> 00:15:30: 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 populations and

00:24:55 --> 00:24:58: in many of your projects, if not all in terms

00:24:58 --> 00:25:01: of people who have experienced homelessness and are and are

00:25:01 --> 00:25:04: coming out of homelessness, what can you give us? Kind

00:25:04 --> 00:25:07: of a sense. What's the success rate like? And I

00:25:07 --> 00:25:10: know I'm. I'm asking you a question that you may

00:25:10 --> 00:25:13: not be readily equipped to give us hard numbers on,

00:25:13 --> 00:25:17: but I mean, is this something that occasionally works when

00:25:17 --> 00:25:20: someone has been homeless? I mean, truly homeless or?

00:25:20 --> 00:25:24: Kind of homeless people when they're coming back into having

00:25:24 --> 00:25:29: reasonable housing. What's what's the likely success rate? I mean,

00:25:29 --> 00:25:31: is it? Is it one in 10 or successful or

00:25:31 --> 00:25:34: 99% successful? I mean, talk to us a little bit

00:25:35 --> 00:25:35: about that.

00:25:36 --> 00:25:38: I would have said that.

00:25:41 --> 00:25:45: When you look at public housing and when you look

00:25:45 --> 00:25:48: at people, this people who are making you know less

00:25:48 --> 00:25:52: than \$20,000 a year, many times around \$10,000 a year.

00:25:53 --> 00:25:54: It's a lot of seniors.

00:25:54 --> 00:25:55: It's also social.

00:25:55 --> 00:25:59: Security, I mean it's people who are on very, very

00:25:59 --> 00:26:04: limited budgets. There are two very well researched pieces. One

00:26:04 --> 00:26:05: is that.

00:26:06 --> 00:26:10: People who are. It's this Maslow's hierarchy of needs, right?

00:26:10 --> 00:26:13: You start with that warm, safe place to live.

00:26:14 --> 00:26:19: The success rate, particularly for families, but also for individuals

00:26:19 --> 00:26:23: who are housed, is significantly higher than for people who

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

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

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

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

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

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

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

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

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

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

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

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

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

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

00:27:12 --> 00:27:16: likely to 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
of working
00:35:35 --> 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
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
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.

This video transcript has been machine-generated, so it may not be accurate. It is for personal use only. Reproduction or use without written permission is prohibited. If you have a correction or for permission inquiries, please contact [\[email protected\]](#).