

Real Estate Development that Builds Place and Stimulates Economic Revitalization



Anchor institutions invest heavily in and have great influence over local real estate and infrastructure development. Where and how institutions choose to build greatly affects the neighborhoods where they are located. Thoughtful decision making in regards to real estate acquisition and development can leverage this institutional power for the benefit of the community in a way that creates healthy places, stimulates economic revitalization, and supports the local housing market. To reach mutually beneficial goals, anchor institutions should align their real estate plans with broader community goals and by partnering with residents, city officials and other stakeholders and ensuring community participation in the planning, decision-making and development process. Partnering with local community development corporations is one way to build trust and address broader community development needs.

Building new commercial spaces that attract local businesses or community centers that provide services create jobs for residents and address need, not just for the community but also for the staff, faculty and students of the institution. Similarly, employer-assisted housing programs and affordable housing development revitalize neighborhood surrounding anchor institutions by creating a mix-income area. The goal is to make sure that any real estate development –whether retail or residential – compliments what already exists in the neighborhood. This helps to prevent unintentional displacement of existing small businesses and property owners as a result of development. As do community-benefits agreements, legally binding ensure physical development plans include requirements to directly benefit the community. Supporting programs such as community land trusts that maintain permanent affordable housing even in the face of rising real estate prices is another way for anchor institutions to prevent community displacement from development.

Thoughtful decision making regarding real estate acquisition and development creates healthy places, stimulates economic revitalization and supports the local housing market

Making It Work

Closely partnering with community groups and stakeholders and opening up the planning and development process to these partners requires anchor institutions to cede a degree of control over physical development projects. This is made easier by leadership that sets the role of the institution as a civic leader and community partner. With a mutually beneficial development agenda, institutions are better able to create vibrant places for community resident and institution alike. Here are some ways that they can do so:

- Partner with a local community development corporation as well as other key stakeholders, and allow participation and feedback along all stages of the development process.
- Plan so that any new development compliments existing real estate.
- Enter in to community-benefits agreements that require hiring workers locally and/or developing affordable housing.
- Set-aside new commercial space for local businesses to stimulate local job growth.
- Develop employer-assisted housing that ensure a mix of incomes in the local housing market.

Best Practices

Sinai Health Systems

Sinai Health Systems in Chicago, IL improved the community surrounding its main campus by renovating the abandoned brownfield site of the Hollenback Sausage Factory. Abandoned since the early 1980s, the Hollenback factory was vacant for almost a decade when Sinai Health System purchased and renovated the site. The project included a \$7 million renovation of the 12,000 square foot building which included the creation of the Center for Families and Neighbors, a human services center operated by Sinai. The Center houses a childcare center, offices for case managers, a secure mental health facility, and a 350-seat meeting room for community use. As part of this project, Sinai partnered with the City of Chicago's Affordable Housing program to develop 20 units of moderate income housing.

Yale University

In the town of New Haven, CT, Yale has invested a total of \$57.5 million in neighborhood and downtown real estate development. In addition to owning over 300,000 square feet of retail space that leases to over 100 stores, the University owns over 500 units of residential properties and a small amount of retail space. This massive property ownership allows Yale to leverage its real estate assets to achieve both public safety and marketing goals – they maintain their properties, support their tenant, and control events all of which they use to market the institution and improve community safety. One of Yale's signature neighborhood development efforts is its homebuyer program, an employer-assisted housing initiative that encourages Yale faculty and staff to buy homes in New Haven with the goal of creating a mixed-income community. In its 15th year of existence, the program has provided \$22.5million to subsidize over 900 home purchases by University-affiliated individuals. Almost half of the participants are unionized staff, 80 percent first-time homebuyers and 50 percent individuals of color.

Resources

The University as Urban Developer: Case Studies and Analysis, D.C. Perry and Wim Wiewel, <http://www.community-wealth.org/content/university-urban-developer-case-studies-and-analysis>

CEOs for Cities, <http://www.ceosforcities.org/>

National Association Of Colleges and University Business Officers, <http://www.nacubo.org/>

Yale University's New Haven Homebuyer Program, <http://www.yale.edu/hronline/hbuyer/>