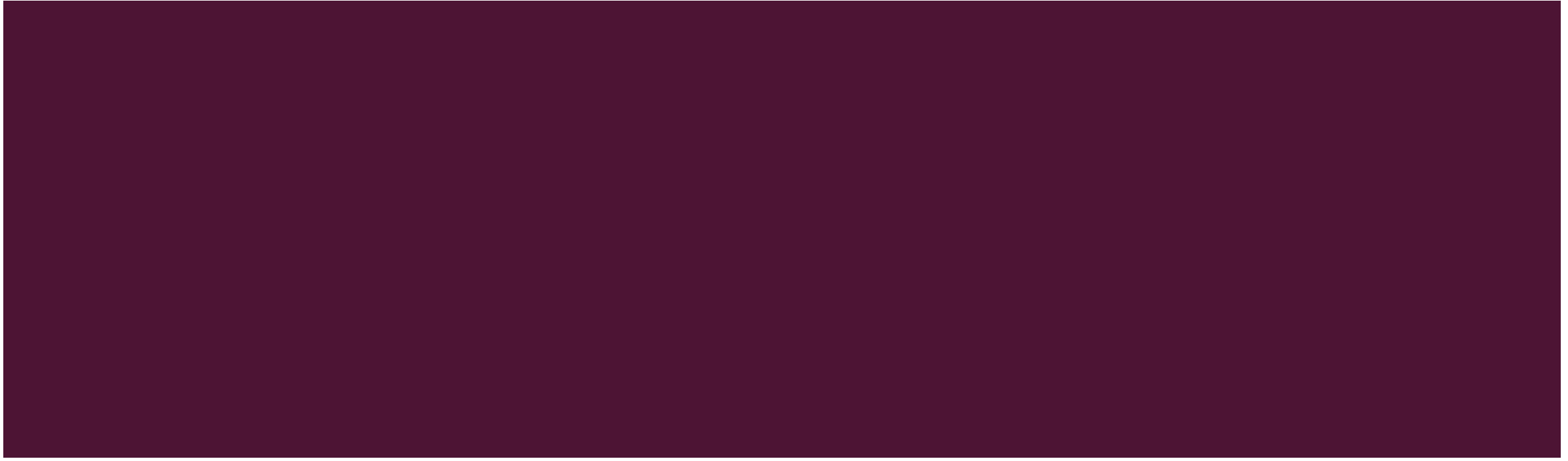




# FINANCING A NEW HOUSING PARADIGM

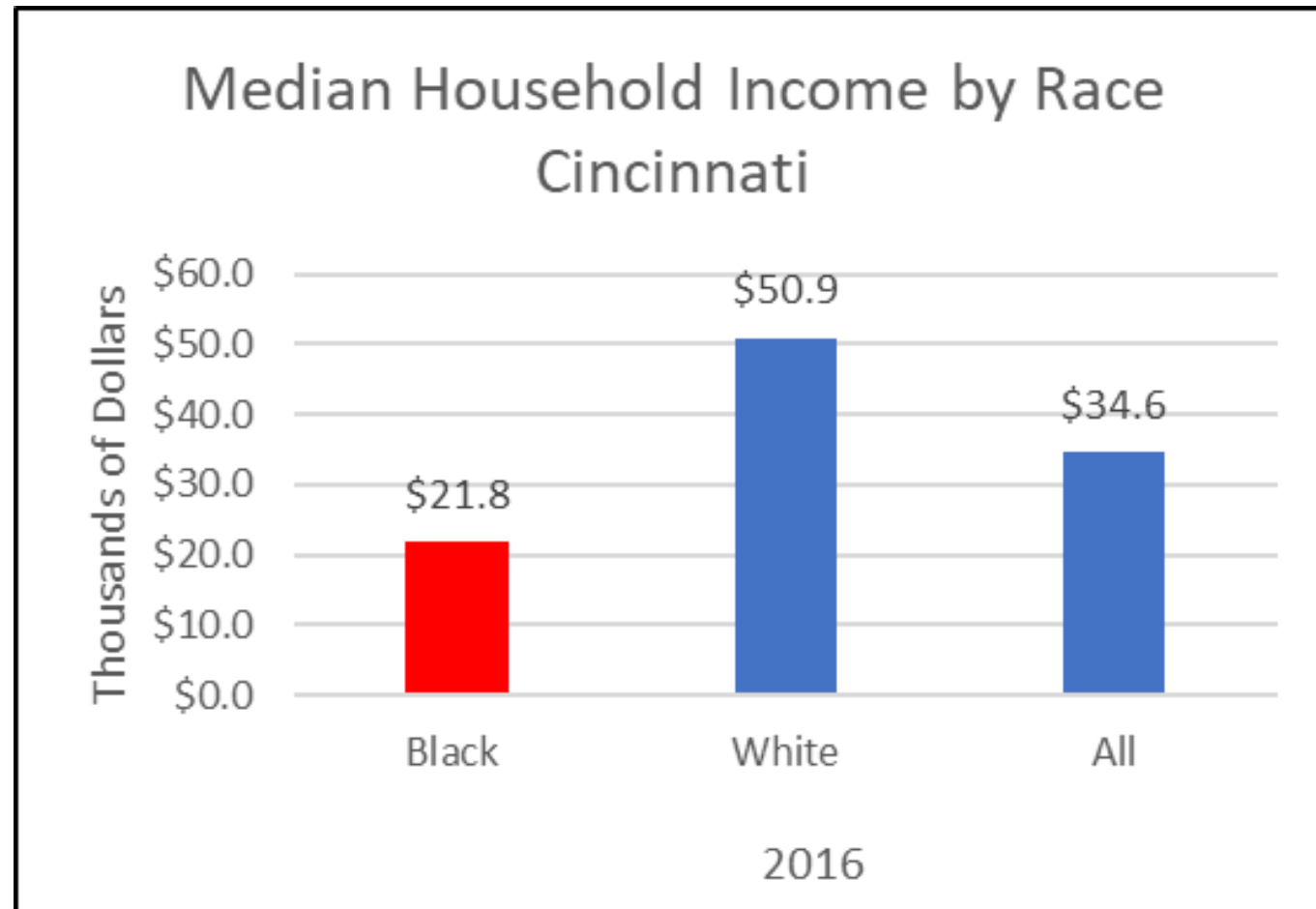
DIVIDEND HOUSING



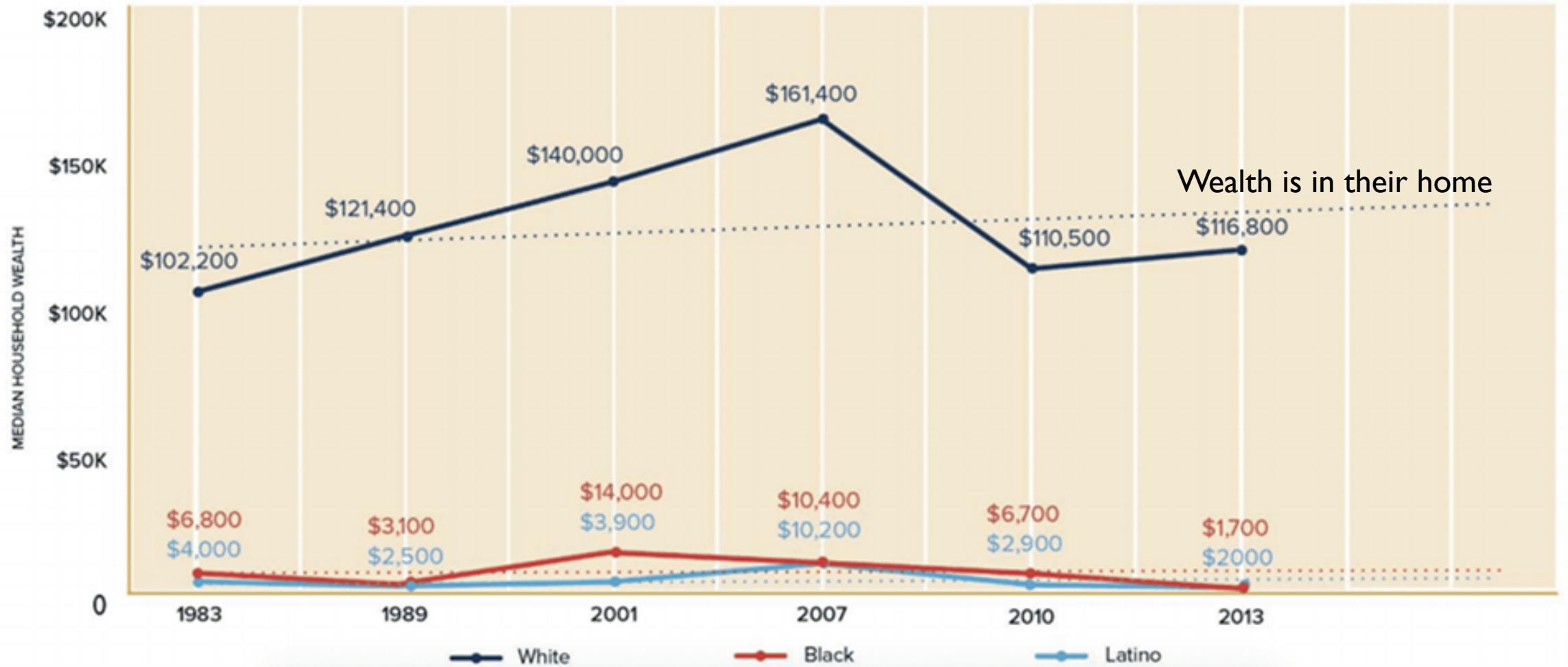


HOUSING FINANCE SYSTEM BUILDS WEALTH FOR ONLY SOME

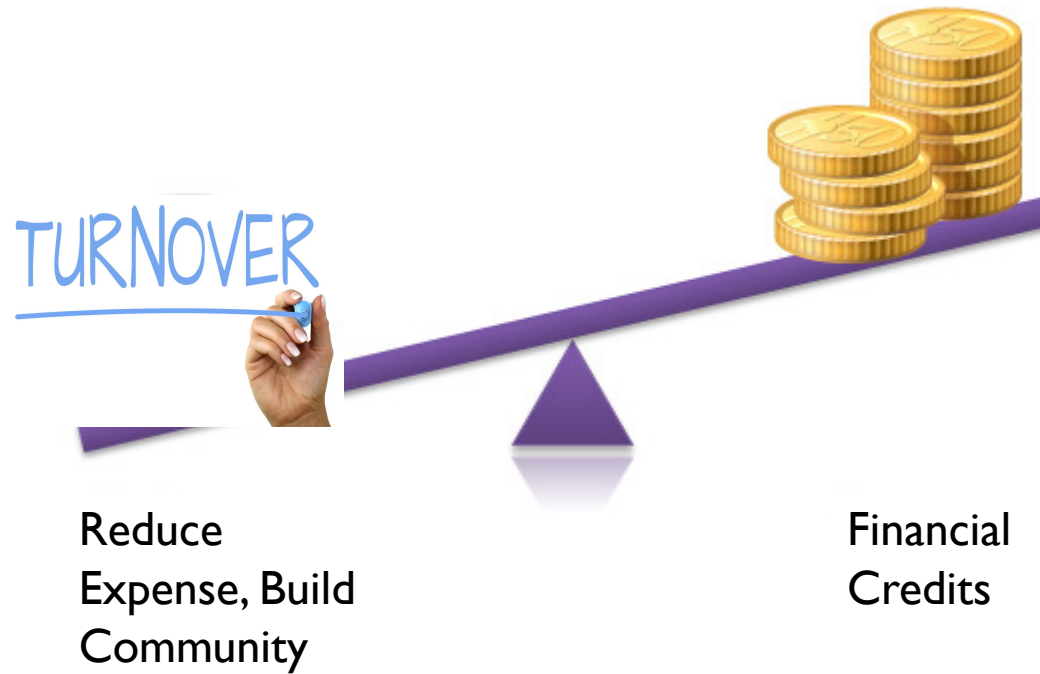
# MOST BLACK HOUSEHOLDS CAN'T “BUY IN”



## The Ever-Growing Gap: Black, Latino and White Household Wealth, 1983-2013



# A NEW HOUSING PARADIGM



# FINANCIAL CREDIT SCHEDULE

Cumulative Earnings per unit									
Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
\$ 716	\$ 1,484	\$ 2,307	\$ 3,190	\$ 4,136	\$ 5,151	\$ 6,240	\$ 7,407	\$ 8,658	\$ 10,000

# DIVIDEND HOUSING

Rent	Dividend Housing	Own
Lease	Ownership by the “commons”	Purchase
No Control Over Sale, or Management	Shared decision making	Control of sale and management decisions
No Maintenance Responsibility	Shared Maintenance Responsibility	All Maintenance Responsibility
No savings	Equity credits	Home equity

# REDUCING THE WEALTH GAP

<b>One Household</b>	<b>10 years</b>
<b>Rent Savings</b>	\$48,000
<b>Potential Equity</b>	\$10,000
<b>Credits</b>	
<b>Total Financial</b>	\$55,000
<b>Impact</b>	

This could be invested in a business, training or education.

X 50 = \$2,750,000

X100 = \$5,500,000





# FINANCING FOR SOCIAL IMPACT

# EXISTING FINANCING ALTERNATIVES

## PUBLIC PROGRAMS

Yes

- REDUCES DEVELOPMENT COST & RENT

But

- REACHES ONLY 25% OF QUALIFIED
- LIMITED FUNDING
- NOT NEIGHBORHOOD BASED
  - PREFERS LARGE PROJECTS
  - NEW OR SUBSTANTIAL REHABILITATION
- DEVELOPER DRIVEN

Focus on Housing,  
Not Economic  
Equity

## BANK LOANS

Yes

- ALMOST ENDLESS SUPPLY OF MONEY

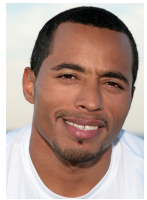
But

- COST OF MORTGAGE & INTEREST ADDED TO RENT
- LEADS TO GENTRIFICATION AND DISPLACEMENT

# HOW MUCH DIFFERENCE CAN AN INVESTMENT MAKE?

	Investment	Operating	Return on Investment			Total
	per unit	Expenses	Rate	Annual	Monthly	Rent
				Payment		
Typical Investor	\$90,000	\$475	7% per year	\$6,500	\$542	\$1,017
Social Purpose	\$90,000	\$475	2% per year	\$1,800	\$150	\$625

# SOCIAL PURPOSE INVESTING



Principal Repayment



*Pool Funds*



*Invest in  
Dividend  
Housing*



*Rents fund  
Operating  
and pay  
Dividends*



## WHAT NEXT?

- DEVELOPMENT PLAN FOR CINCINNATI
- IMPACT INVESTMENTS
  - GREATER CINCINNATI FOUNDATION
  - CHRIST CHURCH CATHEDRAL
  - JUBILEE FUND
  - CITY OF CINCINNATI
  - INDIVIDUALS, BUSINESSES, ORGANIZATIONS
- DEMONSTRATE OF MARKET FOR INVESTMENT
  - DIVIDENDS
  - GROWTH OF FUND PARTICIPANTS
  - SOCIAL IMPACT

# DISCUSSION AND QUESTIONS?

**Reimagining community:  
An invitation from  
John McKnight & Peter Block**

**Thursday, May 2, 2019 at 1 pm Eastern**

**for a free half-hour conversation with Margery Spinney, creator of the renter equity concept.**

**Register in advance by clicking this link:**

**<https://zoom.us/webinar/register/1ad71a335a7d948366858a512be5123a>**

**Facebook Page – The Abundant Community**

**Margery Spinney**

**[www.rentingpartnerships.org](http://www.rentingpartnerships.org)**

**513 368-5913**