



Converting Social Equity to Wealth

Margery Spinney

My Story

Affordable Housing Fund Manager


"Mary's" problem

Wealth and Racial Inequality

Need for a choice other than owning and renting

Who Needs It?

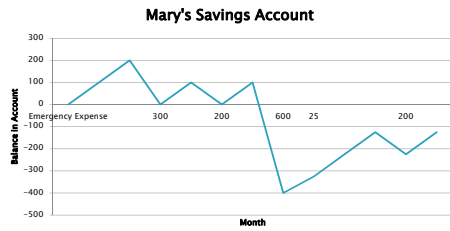
- Account Services
- Activity Aide - Nursing Home
- Ambulance Driver
- Bus Driver
- Certified Nursing Assistant (CNA)
- Call Center Representative
- Food Preparation and Service
- Cashier - grocery store
- Cleaner - Facility
- Data Entry Clerk
- Day Care Center Teacher
- Fast Food Cook
- Housekeeper
- Janitor
- Janitor
- Librarian
- Library Researcher
- Mail Clerk
- Medical Records Clerk
- Nursing Assist.
- Physical Therapy Aide
- Pharmacy Clerk
- Patient Transporter
- Retail Cashier
- Security Guard
- Service Station Attendant
- Teacher Aide
- Teller
- Warehouse Worker



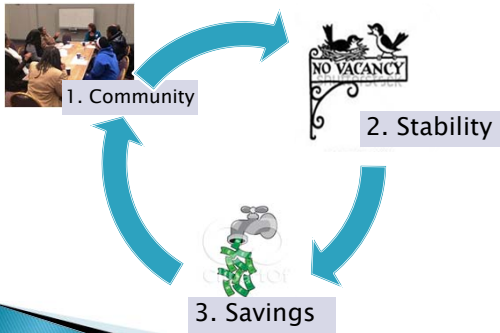
Median household income
Greater Cincinnati ranks 73rd out of 77 metropolitan areas in income disparity.

<p>African-Americans</p> <p>\$24,272</p>	<p>Whites</p> <p>\$57,481</p>
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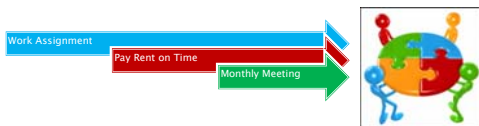
Homeownership is Not an Option



What is a Renting Partnership?



Equity Exchange System



To convert savings to equity credits based on participation.

Legal Contract

EQUITY EXCHANGE EARNINGS SCHEDULE
Residents earn credits in the sequence of the following table.

DATE	SEQUENCE	CREDIT EARNED	RENTER'S CUMULATIVE SHARE VALUE
	1	57.78	57.78
	2	58.11	115.89
	3	58.45	174.34
	4	58.79	233.13
	5	59.14	292.27
	6	59.48	351.75
	7	59.83	411.57
	8	60.18	471.75
	9	60.53	532.28
	10	60.88	593.16
	11	61.24	654.39
	12	61.59	715.98

continued

Contract in Lease

Build to \$10,000 in ten years

Vest after five years

Use of Funds



History

- 1998 - 1999 Focus Groups/Concept Development
- 1999 Franciscan Friars partner (OTR Cincinnati)
- 2000 - 2002 Resident Organizing - 22 HH
- 2006 & 2012 Two developments - add 37 HH
- 2012 Sum of resident earnings > \$140,000

Outcomes

“residents had a strong sense of community as well as greater financial security. They were well respected by the police, local businesses and neighborhood leaders. In addition, the overall cost of operating the housing – including paying equity credits – was no more than other comparable housing. But, the environment was improved and the housing was maintained in better condition.”

<http://www.ohiohome.org/research/documents/CornerstoneEvaluation-FinalReport.pdf>, 2013

What is the Key to Success ?

Maintaining a community that stays engaged



Leadership

Most residents don't have prior experience with the issues of property management and property managers don't have expertise to work in solidarity with residents.

Organizational Change

"Board and staff must educate, coordinate, and inform, so that residents have the information and structure they need to make good decisions."

Less Focus on Leasing/Turnover (Property Mgt.)

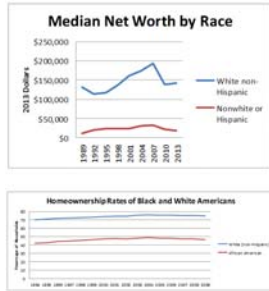
Focus on Planning, Listening, Accountability, Work Assignments, Community Meetings

Optional Slides

Summary A Third Option

Renting	Renting Partnership	Owning
Flexibility	Long Term Lease	Stability
No Management Responsibility	Involvement I Policy and Procedures	All Management Responsibility
No Maintenance	Upkeep of Common Area	All Maintenance
No Buy In	Orientations and Monthly Meetings	Must Buy In
No Equity	Financial Credits that convert to Cash	Must Sell to gain equity

Net Worth and Ownership



Our Target Area



What We Need

- Affordable housing
- Community Leaders
- Organizers

Opportunities and Challenges

People Created the Economic System – People can Change It

Resistance to Change – Developers, Nonprofit Groups, Housing Programs are “product” focused. The housing is the outcome.

Shift Focus to People – Resident stability, safety and asset growth.

New organizations are needed to develop and support community building and financial management. (Renting Partnerships)

Maintaining a Community that Stays Engaged

#1 Orientation and Commitment

- People choose to do this.
- They have the information they need to make an informed decision.
- It is not a requirement imposed by management.

#2 Agreement on Core Values/Common Goals

- Everyone has a contribution to make.
- Working together for the common good.
- Respect, safety and a clean, attractive environment.

#3 Agreements and policies are written and enforced.

- People have the information and knowledge necessary for decision making.
- Procedures are established to resolve conflict.
- Focus is on policy, not complaints.
- Every household must participate . There is no hierarchy.
- Administrators are trusted.



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