



Metro IAF Vision for National Nehemiah* Homeownership Replication: A Strategy to Address America's Racial Wealth Gap & Transform Communities.

Metro IAF/East Brooklyn Congregations Nehemiah—Spring Creek/East New York:



Metro IAF's Vision:

- **Create one million** new Black and Brown first time homeowners, especially essential workers, as well as other working class families of all races over 10 years in critical mass affordable developments to transform urban, suburban, and rural areas. This includes new construction, rehab, and infill development.
- **Make Equivalent Investment in Homeownership in the Infrastructure Bill as Proposed for Public Housing.** Initial proposals for the Infrastructure Bill already include billions for desperately needed restoration of public housing. Metro IAF is seeking an equivalent investment in affordable homeownership to rebuild communities, create equity and millions of jobs.
- **Ensure large scale funds for 0% forgivable second mortgages** so that first time working class home owners can afford to buy. Average per home: \$70,000 - \$100,000. Funding sources could be direct appropriations and/or dedicating 10% Federal Reserve profits returned to the US Treasury annually. From [2010-2019, the Federal Reserve returned \\$806.4 Billion in profits to the US Treasury](#) and is projected to return [\\$88.4 Billion in 2020](#).

Metro IAF Nehemiah Track Record & Case Studies

In the last twelve months, there has been intense focus on long standing and current racial injustices in America. One dimension of these injustices is the historic and current racial wealth gap. There has been significant analysis of and focus on the problem and not much attention given to potential solutions. All agree there is not enough housing for essential workers. (See recent [Wall Street Journal](#) and [New York Times](#) articles)

The [Industrial Areas Foundation\(IAF\)/Metro IAF](#), has one solution with a proven track record: large-scale homeownership for working-class African-American, Latino, immigrant, and other first time homebuyers, especially front line essential workers for whom the American Dream is out of reach.

Metro IAF has-

- **Built and sold more than 6,500 Nehemiah homes:** [in New York City \(East Brooklyn & South Bronx—4,500\)](#), in Baltimore (1,200), and other cities (Chicago, Washington DC, Memphis);
- **Created \$2+ Billion in wealth for Black and Brown families** and helped a generation of children thrive ([see NPR story](#))---[all with a foreclosure rate of less than 1%](#);
- **Transformed once devastated communities in [East Brooklyn](#) and the [South Bronx](#)** with new homes, new high performing schools, recreation/community centers, new grocery stores and local retail, substantially reduced violence and crime and improved accountable policing.

In total, the IAF has built and helped finance more than 33,000 affordable homeownership and rental apartments, benefiting mostly people of color, in New York City, Jersey City, Washington, DC, Baltimore, Chicago, Maryland, Boston, Northern Virginia, Durham/Raleigh, and Milwaukee;

The Opportunity: In this new political moment, IAF's critical mass Nehemiah homeownership and neighborhood transformation strategy could be replicated in dozens of US urban, suburban and rural markets with expanded public and private investment to address the racial wealth gap and to restore communities.

- Metro IAF is already organizing to make this happen. In Chicago, we are fighting to build [2,000 Nehemiah homes](#) for Black and Brown essential workers in North Lawndale, Back of the Yards, and other areas to create family wealth/equity and to address violence and blight as well as bank redlining—which continues in Chicago as documented in this recent [WBEZ investigative report](#). IAF also has sites and long-term Nehemiah building projects in Baltimore, Washington DC, New York, Jersey City, and other areas. With increased investment, Metro IAF/IAF could expand development across the 26 states where it works including: North Carolina, Connecticut, Ohio, Northern VA, suburban Maryland, Jackson MS, Texas, and other areas.

Key IAF Nehemiah Homeownership Principles: Metro IAF's successful development of 6,500 Nehemiah homes for first time black and brown homeowners with family incomes of \$25,000—\$90,000 with a foreclosure rate of less than 1% in New York City, Jersey City, Baltimore, Washington, DC, Chicago and Memphis is grounded in the following key organizing and development principles:

- Build critical mass at scale including new construction, infill and rehabilitation to recreate a market and to lower construction costs as is dictated by local conditions;
- Free or low cost land from public, non-profit, or private entities; Public sector covers infrastructure costs;
- 0% forgivable 2nd mortgages or grants from public sector to insure affordability for low/moderate income working families;
- Metro IAF controlled property acquisition, pre-development, and construction fund; Metro IAF currently has a \$4.6 million non-recourse fund with a \$30 million capitalization goal.
- Organized citizens to create political will & consistently deliver public subsidy to keep projects affordable & to complete on time.
- Use high quality builder with low overhead costs and community hiring & training;
- Homebuyer education and downpayment required;
- Low cost mortgages from a lender committed and experienced to serve first time black and brown homeowners, including having dedicated equity capital/guarantee to provide mortgages to working families with sufficient income but low credit scores that prevent them from obtaining a mortgage.

IAF Overview: The [Industrial Areas Foundation](#) (IAF) is the oldest and largest citizen's organizing network in the US with 60+ affiliates in 26 states, representing 2+ million people of diverse racial, ethnic, economic, political, and religious backgrounds. The IAF is strictly non-partisan. For the past 80 years, IAF's trademark has been building citizens' organizations with long-term power at the metropolitan and state levels. Through a commitment to leadership training and formation, IAF organizations are rebuilding cities as well as suburban and rural areas, transforming schools, reimagining health care, creating living wage jobs, winning justice for immigrants, reforming the criminal justice system, among others. [Metro IAF](#) consists of the 26 IAF affiliated organizations located in the Mid-Atlantic, Midwest/Great Lakes, Northeastern and Southeastern United States.

**Nehemiah comes from the Biblical Prophet's Ancient Call to Rebuild The Walls of Jerusalem After Its Destruction:*

17 Then I said to them, "You see the trouble we are in, how Jerusalem lies in ruins with its gates burned. Come, let us build the wall of Jerusalem, that we may no longer suffer disgrace."

18 And I told them of the hand of my God which had been upon me for good, and also of the words which the king had spoken to me. And they said, "Let us rise up and build."....Nehemiah Chapter 2:17-18