

Every community has a local **capital ecosystem** that determines where money flows in the economy.

Traditional investors seek to maximize profits. Like water flowing downhill, money follows the easiest route.

- Preferred transactions are large, easy, and lucrative.
- Externalities like clean air and water or community benefits often are not factored into transactions. Traditional investors, historically, just care about the financial ROI.
- Widely used practices for evaluating risk/return often are flawed and perpetuate existing inequalities (appraisals, credit histories, availability of collateral).

It's easy to **spot the warning signs** when a local ecosystem only advances and supports traditional investment

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People of Color and Low-Income Communities Are Disproportionately Harmed by Banking and Financial Exclusion

to economic mobility and opportunity for all
ed, barriers to inclusion in banking and
sented and low-income communities:

twice as likely as white Americans to be
at the bottom of the income distribution are
e top of the distribution to be among the

s are more likely than their white and more
score or to be credit invisible.

Why Black Entrepreneurs Struggle to Secure and Receive Funding and Investment Grants

by Nahla Davies • January 24, 2024

STUDY OVERVIEW

This Phase 1 Report on the Missing Middle Housing Study (MMHS) summarizes the key community priorities and concerns associated with enabling more housing choice and supply in Arlington and recommendations for a scope of work and specific housing types to study in Phase 2.

The Missing Middle Housing Study is one of several initiatives undertaken by Housing Arlington, an umbrella program that takes a proactive, expanded approach to reach an equitable, stable, adaptive community. The umbrella includes planning and implementation tools, housing policy, financial resources, and innovative local and regional public-private partnerships. Over a multi-year period, new and ongoing efforts will reach beyond traditional policies and programs to generate holistic housing solutions.

The Missing Middle Housing Study will focus on increasing housing supply and housing choice as a land use tool to meet Arlington's housing needs. The study is not intended to create "affordable housing," which is typically restricted to households earning less than 60% of the area median income (\$69,660 for a three-person household) for rental or 80% of the area median income (\$92,880 for a three-person household) for ownership. The County is working on many other fronts to reach these goals, including finding new land use and financial tools; expanding employee housing programs; providing technical assistance and resources to existing affordable condominium developments; forging new housing development partnerships with Houses of Worship and other non-profits and governmental landholders; and reviewing its Affordable Housing Master Plan.

"Missing Middle" is a term that refers to the range of housing types that fit between single-family detached homes and mid-to-high-rise apartment buildings. Used in this context, "middle" references the size and type of a home, and its relative location – in the middle – on a spectrum of housing types. These housing types are commonly house-scaled buildings, yet with more than one unit. Examples include duplexes, triplexes, townhomes, and others that will be discussed in this report. The cost of these housing types varies based on style, size, location, and market forces. Missing Middle (MM) housing types do not always correlate with a specific income bracket but can be less expensive than other housing options that are larger and take up more land. Furthermore, these housing choices provide more rungs on the ladder between mid- and high-rise apartments/condos and single detached houses. As these housing options age over time, they become more attainable than new construction.

Land Use Tools
Financial Tools
Institutional Partnerships
County Employee Housing
Condominium Initiative
Affordable Housing Master Plan Review

HOUSING ARLINGTON

Source: Opticos Design

2 | Expanding Housing Choice: The Missing Middle Housing Study Phase 1 Report

When foundations focus on local capital ecosystems, it is often to encourage more community development investment activities.

Community development finance uses the tool of finance to achieve better community outcomes. It helps capital “flow uphill” where investment would not traditionally flow.

- Community development investors have different risk/return expectations. Some investors may tolerate lower returns or greater risk for the promise of community impact.
- Often, these deals are more complicated or messy with community partners often providing both financial and non-financial support.
- Community development finance often centers the perspectives of those left behind by traditional finance – ALICE or LMI population, BIPOC, seniors, etc.

New neighborhood in Martinsville turns the key on affordable housing opportunities

Special financing is available to purchase new homes in the Five Points Neighborhood



A proposed Richmond area “agrihood” pairs affordable housing and urban agriculture

PUBLIC SPACES OPINION By Wyatt Gordon (Contributor) July 26, 2022 8

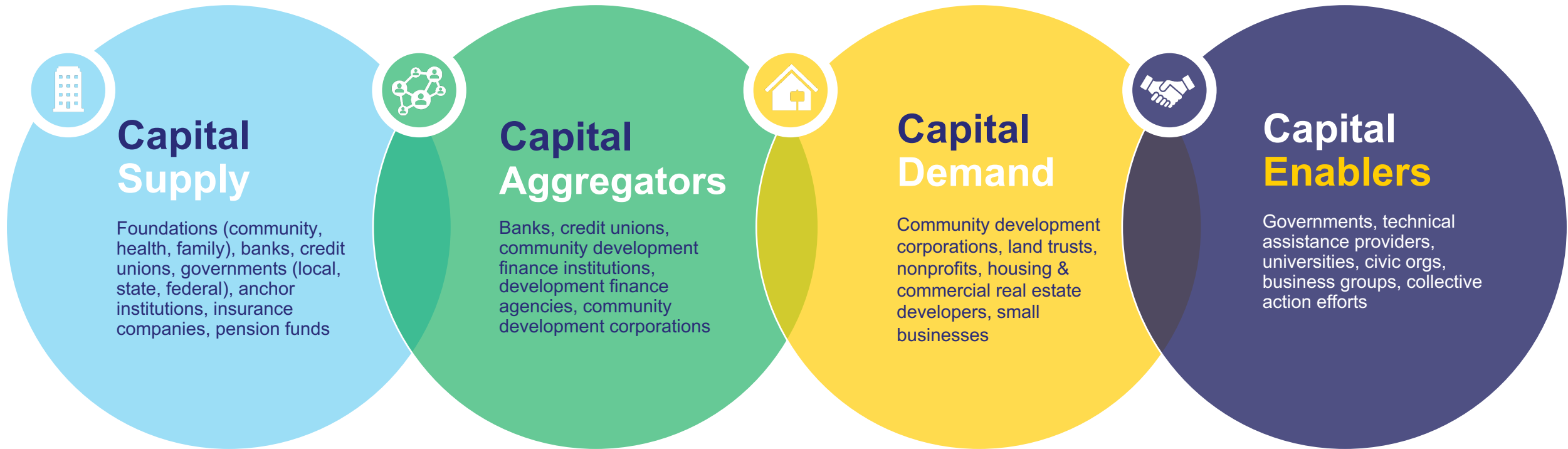


SWINEFORD ROAD AGRIHOOD CONCEPTUAL MASTER PLAN

Swineford Road Agrihood Conceptual Master Plan by Timmons Group used with permission.



When capital ecosystems are **functioning to advance community development**, there are many players...the challenge is coordinating seamless interactions!



Building a functional capital ecosystem takes dedication, investment, and relationships – all things foundations naturally bring **as community leaders.**

