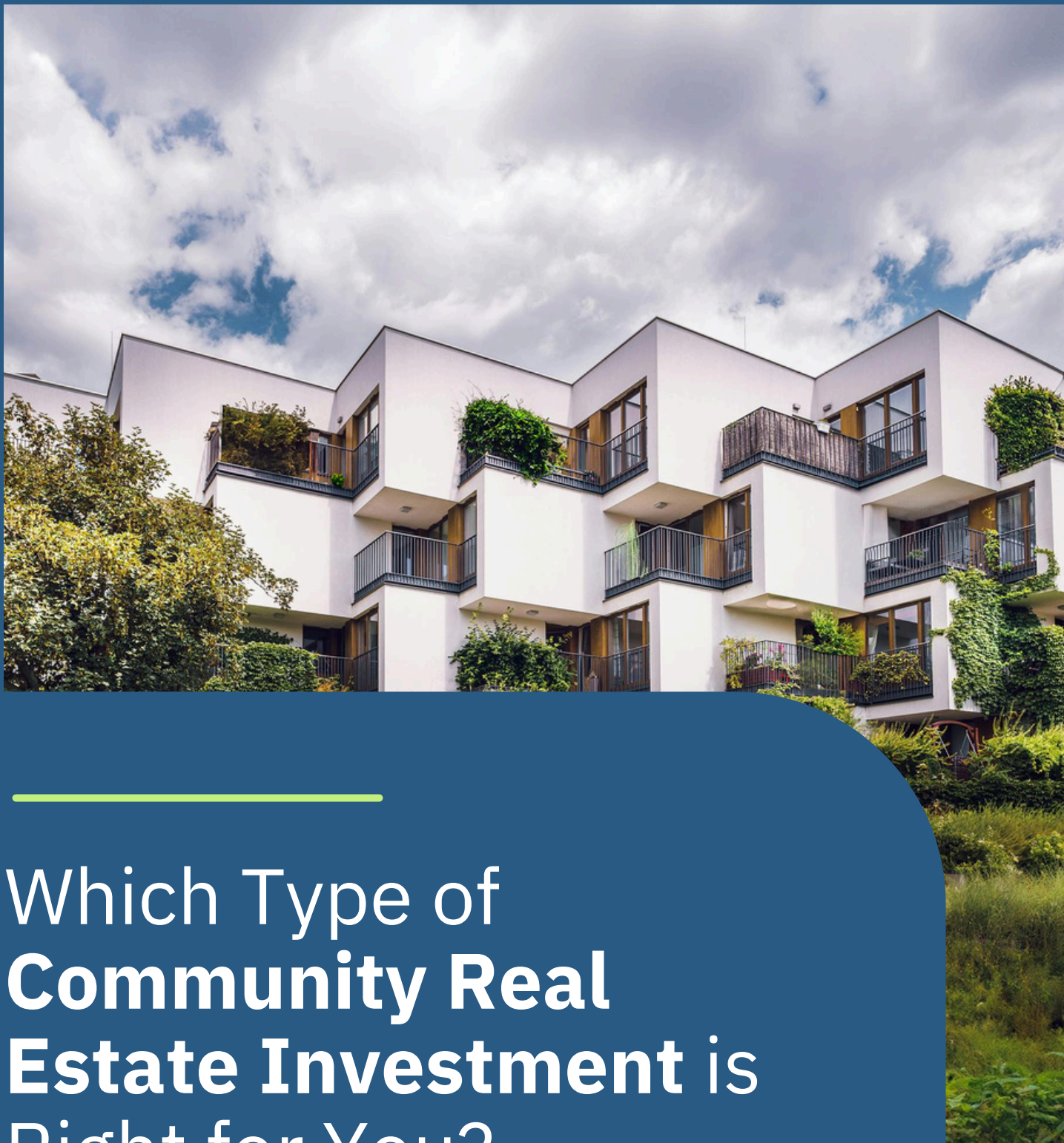




10

Steps to Community Real Estate Development **Success**

MONJIA BELIZAIRE, P.E. | [SIMPLYSUSTAINABILITY.COM](https://www.simplysustainability.com)



Which Type of Community Real Estate Investment is Right for You?

To learn more about the different types of Community Real Estate investments, continue reading this comprehensive guide.



10 Steps to Community Real Estate Development Success

- Step 1: Community Real Estate Development
- Step 2: Understanding Equity Models for Community Development
- Step 3: Assessing Community Needs and Building Strong Partnerships
- Step 4: Defining Project Goals and Developing a Strategic Plan
- Step 5: Ownership Structures and Governance Models
- Step 6: Conducting Market Research and Feasibility Assessments
- Step 7: Navigating Legal and Regulatory Considerations
- Step 8: Sustainable Design, Construction, and Development Phases
- Step 9: Marketing, Sales, and Leasing Strategies
- Step 10: Project Management, Operations, and Securing Financing
- Case Study: Applying the 10 Steps to a Real Project

WHICH TYPE OF COMMUNITY REAL
ESTATE INVESTMENT IS RIGHT FOR
YOU?

Community Real Estate Development

WWW.SIMPLYSUSTAINABILITY.COM

Community Real Estate Development

Before any blueprints are drawn or capital is sought, the first crucial step in community real estate development is to deeply internalize and commit to its core philosophy. This isn't merely about constructing buildings; it's about a transformative process of creating spaces that genuinely reflect community needs, champion equity, and ensure long-term sustainability for the people who call a place home.

This foundational step requires embracing a mindset where real estate serves as a powerful tool for social purpose, collective wealth-building, and preserving cultural identity. It means understanding that every decision, from initial concept to post-development operations, must be filtered through the lens of community benefit and empowerment.

By grounding your project in this principle, you set the stage for a journey that, while complex, promises immense rewards. Through this guide, you will learn:

- ✓ **HOW TO DEFINE AND STRUCTURE A COMMUNITY REAL ESTATE PROJECT**
- ✓ **KEY CONSIDERATIONS FOR EQUITABLE DEVELOPMENT**
- ✓ **STRATEGIES FOR FINANCING, PARTNERSHIPS, AND LONG-TERM SUCCESS**



Step 1 invites you to align your vision with the true spirit of community-led development, preparing you for the practical steps that follow in this guide – from understanding equity models to securing financing and ensuring lasting impact. This blueprint is designed for emerging community leaders, non-profit organizations, and mission-driven developers seeking to build capacity and implement impactful projects.

WHICH TYPE OF COMMUNITY REAL
ESTATE INVESTMENT IS RIGHT FOR
YOU?

Understanding **Equity Models** for Community Development

WWW.SIMPLYSUSTAINABILITY.COM

Understanding **Equity Models** for Community Development

Equity in real estate ensures that development benefits are distributed fairly among community members, fostering long-term community wealth and control. To achieve this, various innovative ownership and investment models exist, each designed to align development with specific community goals. These include:

01 | COMMUNITY LAND TRUSTS (CLTS)

Nonprofit entities that hold land in trust for the community, ensuring long-term affordability and community control by separating land ownership from building ownership.

02 | COOPERATIVE HOUSING MODELS

Structures where residents or business owners collectively own and manage properties, encouraging collective ownership and decision-making, and distributing benefits equitably among members.

03 | SOCIAL PURPOSE REAL ESTATE (SPRE)

Integrates mission-driven goals into land and property development, ensuring spaces serve social, cultural, and economic needs beyond just market returns.

04 | PUBLIC-PRIVATE PARTNERSHIPS (PPPS)

Collaborations between government entities and private organizations to leverage resources for equitable development, often with specific community benefit agreements.



Selecting the right equity model depends on the specific needs and goals of your development project, and critically, on which model best supports long-term community control and benefit.

WHICH TYPE OF COMMUNITY REAL
ESTATE INVESTMENT IS RIGHT FOR
YOU?

Assessing Community Needs and Building Strong Partnerships

WWW.SIMPLYSUSTAINABILITY.COM



Assessing Community Needs and Building Strong Partnerships

Successful development projects begin with a deep understanding of community needs. This involves:

✓ CONDUCTING SURVEYS AND COMMUNITY MEETINGS

Engaging directly with residents through surveys, town halls, focus groups, and one-on-one conversations to gather authentic insights into local priorities, challenges, and aspirations.

✓ REVIEWING LOCAL DEMOGRAPHICS AND ECONOMIC TRENDS

Analyzing data such as population shifts, income levels, employment rates, and existing market gaps to identify areas of greatest need and opportunity.

✓ ENGAGING WITH KEY STAKEHOLDERS

Actively involving residents, local businesses, community organizations, faith-based groups, and policymakers from the earliest stages to build consensus and shared vision.

Partnerships play a critical role in project success. Effective collaboration with local governments, non-profits, philanthropic organizations, CDFIs, and private entities can provide:

✓ FUNDING AND RESOURCE-SHARING OPPORTUNITIES

Access to diverse capital streams, in-kind contributions, and shared expertise.

✓ POLITICAL AND POLICY SUPPORT

Navigating regulatory hurdles, securing necessary approvals, and advocating for supportive policies.

✓ LONG-TERM OPERATIONAL SUSTAINABILITY

Establishing frameworks for ongoing maintenance, programming, and community engagement post-development.

These partnerships must be built on trust, transparency, and a mutual commitment to the community's vision.

WHICH TYPE OF COMMUNITY REAL
ESTATE INVESTMENT IS RIGHT FOR
YOU?

Defining Project Goals and Developing a Strategic Plan

WWW.SIMPLYSUSTAINABILITY.COM

Defining **Project Goals** and Developing a **Strategic Plan**

A well-defined project plan sets the foundation for success. Key components include:

VISION STATEMENT

A concise and inspiring declaration defining the ultimate purpose and intended impact of the project, rooted in community aspirations.



PROJECT SCOPE

Clearly outlining the scale, specific location, type of development (e.g., affordable housing, commercial corridor, community center), and intended use of the property.

MILESTONES AND TIMELINES

Establishing clear, measurable phases of development, with realistic deadlines and benchmarks for progress. This includes pre-development, financing, design, construction, and operational phases.



STAKEHOLDER ROLES AND RESPONSIBILITIES

Clarifying team structures, identifying key personnel, outlining decision-making processes, and defining the contributions of all partners.

A structured development plan ensures alignment between stakeholders, provides a roadmap for execution, and enables efficient resource allocation and risk management.

WHICH TYPE OF COMMUNITY REAL
ESTATE INVESTMENT IS RIGHT FOR
YOU?

5 Ownership Structures and Governance Models

WWW.SIMPLYSUSTAINABILITY.COM

Ownership Structures and Governance Models

Ownership structure profoundly impacts decision-making, funding avenues, and long-term sustainability. The choice of model should align with the project's equity goals and the community's capacity for governance. Common structures include:

NONPROFIT OWNERSHIP

Where a community-based nonprofit organization holds legal title to the property. This ensures mission alignment, prioritizes community benefit over profit, and allows for reinvestment of any surplus into the community or other mission-related activities.



LIMITED LIABILITY COMPANIES (LLCS)

Often used for flexibility in partnerships and investment structures. LLCs can be structured to include community representation, joint ventures with for-profit developers, or as vehicles for specific project phases, while offering liability protection to members.

COOPERATIVE MODELS

As discussed in step 2, these empower community members through shared ownership and democratic governance, typically through a membership structure where each member has a vote on key property decisions.



HYBRID MODELS

It's common to see combinations, such as a nonprofit partnering with an LLC for financing, or a CLT holding land with cooperative housing on top. Each model has unique legal, tax, and financial implications that should be carefully considered with professional legal and financial counsel.

WHICH TYPE OF COMMUNITY REAL
ESTATE INVESTMENT IS RIGHT FOR
YOU?

6 Conducting Market Research and Feasibility Assessments

WWW.SIMPLYSUSTAINABILITY.COM

Conducting Market Research and Feasibility Assessments

Before breaking ground, rigorous market research and a comprehensive feasibility assessment are paramount. These steps move your vision from aspiration to actionable plan, grounding it in data and mitigating risks.

Why are they crucial?

INFORMED DECISION-MAKING

Helps determine if there's sufficient demand for the proposed use.

RISK MITIGATION

Identifies potential challenges, from market saturation to site-specific issues, before significant capital is committed.

ATTRACTING CAPITAL

Funders and investors require solid evidence that a project is viable and aligns with market realities.



For community-led real estate development, market research and feasibility assessments carry a unique dimension that goes beyond traditional, purely financial metrics. While understanding market rates and absorption is vital, the core of your assessment must be rooted in the community's vision and needs.

Your feasibility study isn't just about identifying a gap in commercial demand; it's about quantifying a community need that the market hasn't met.

OPTIMIZING DESIGN

Informs building size, unit mix, amenities, and pricing to meet genuine community needs and market demand.



Conducting Market Research and Feasibility Assessments

KEY COMPONENTS

Demand Analysis:

- Residential: What types of housing are needed (e.g., affordable rental, senior housing, homeownership)? What are the income levels of potential residents? What are current vacancy rates and rent/sales prices?
- Commercial/Retail: What types of businesses are missing? What are existing commercial vacancy rates? What is the purchasing power of the community?
- Community Facilities: What specific services are lacking (e.g., childcare, healthcare, arts space)? What is the demonstrated need or existing usage data for similar facilities?

Competitive Analysis:

- Identify existing similar developments in the area. What are their strengths and weaknesses? How will your project differentiate itself, particularly in terms of community benefit and equity?

Site Analysis:

- Assess the physical characteristics of your chosen site: size, topography, environmental conditions, access to utilities, transportation links, and surrounding infrastructure.
- Consider any environmental hazards or remediation needs.

Financial Feasibility:

- Can the project generate enough revenue (from rents, sales, fees, or grants) to cover operating costs, debt service, and provide a return (social and/or financial)?
- Develop preliminary budgets for acquisition, development, and operating costs.
- Conduct scenario planning to understand financial performance under different assumptions.

Risk Assessment:

- Identify potential project risks (e.g., market shifts, construction delays, permitting issues, funding shortfalls, community opposition) and develop mitigation strategies.

Conducting Market Research and Feasibility Assessments

TOOLS AND METHODS

- ✓ Demographic and economic data from census bureaus, local planning departments, and market reports.
- ✓ Community surveys and interviews to capture qualitative needs.
- ✓ Professional market studies and appraisals.
- ✓ Financial modeling software (e.g., Excel) to build pro formas.



A thorough assessment ensures your project is not just desirable, but also achievable and sustainable in the long run.

By integrating this community-centric approach, your market research and feasibility assessment become powerful tools for building a project that is not only financially sound but also deeply impactful and truly reflective of the community it serves.

WHICH TYPE OF COMMUNITY REAL
ESTATE INVESTMENT IS RIGHT FOR
YOU?

Navigating **Legal** and **Regulatory** Considerations

WWW.SIMPLYSUSTAINABILITY.COM



Navigating **Legal** and **Regulatory** Considerations

The legal and regulatory landscape for real estate development can be intricate, particularly for community-led projects that often involve complex ownership structures and social benefit requirements. Diligent navigation of these rules is critical to avoid costly delays, fines, or even project abandonment.

KEY AREAS OF CONSIDERATION

1. Zoning and Land Use Laws:

- **Zoning Ordinances:** Understand the permitted uses (residential, commercial, mixed-use), density allowances, height restrictions, and setback requirements for your specific parcel.
- **Comprehensive Plans:** Ensure your project aligns with the long-term vision of the local municipality's master plan.
- **Variances/Rezoning:** Be prepared to apply for these if your proposed project deviates from current zoning, which can be a lengthy process requiring strong community support.

2. Building Codes and Permits:

- Adhere to local, state, and national building codes related to structural integrity, fire safety, electrical, plumbing, and mechanical systems.
- Obtain all necessary permits before starting construction, including zoning permits, building permits, demolition permits, and occupancy permits.

3. Environmental Regulations:

- Comply with local, state, and federal environmental laws, especially if developing on a brownfield site (contaminated land) or near sensitive ecosystems. This may involve environmental assessments and remediation plans.

4. Historic Preservation:

- If your project involves existing structures in a historic district or buildings with historic designations, understand the regulations concerning renovations, demolition, or new construction within those areas. This often requires approval from historic preservation boards.

Navigating **Legal** and **Regulatory** Considerations

5. Accessibility Requirements (ADA):

- Ensure all new construction and significant renovations comply with the Americans with Disabilities Act (ADA) and local accessibility codes, providing equitable access for all.

6. Contract Law and Legal Agreements:

- Develop robust legal agreements for all partnerships (e.g., joint venture agreements, operating agreements for LLCs, ground leases for CLTs), construction contracts, financing agreements, and tenant leases.

7. Community Benefits Agreements (CBAs):

- Formalize commitments to the community (e.g., local hiring targets, affordable housing units, living wages, green space) through legally binding agreements, ensuring accountability.



The Role of Legal Counsel

Engaging experienced real estate attorneys, especially those familiar with community development and specific equity models (like CLTs or co-ops), is non-negotiable. They can guide you through complex regulations, draft essential documents, negotiate agreements, and protect the project's legal interests and community benefit goals.

WHICH TYPE OF COMMUNITY REAL
ESTATE INVESTMENT IS RIGHT FOR
YOU?

8 Sustainable Design, Construction, and Development Phases

WWW.SIMPLYSUSTAINABILITY.COM



Sustainable Design, Construction, and Development Phases

SUSTAINABLE DESIGN: BUILDING FOR THE FUTURE

Integrating sustainable design principles and robust construction management is vital for creating projects that are not only environmentally responsible but also offer long-term social and economic benefits to the community.

Sustainable design goes beyond "green" aesthetics; it's about creating resilient, healthy, and resource-efficient spaces.

Environmental Benefits:

- **Energy Efficiency:** Designing for passive heating/cooling, using high-performance insulation, and integrating energy-efficient systems (HVAC, lighting) to reduce utility costs and carbon footprint.
- **Renewable Energy:** Incorporating on-site clean energy solutions like rooftop solar panels or geothermal systems to reduce reliance on fossil fuels and potentially generate income.
- **Water Conservation:** Using low-flow fixtures, rainwater harvesting, and drought-tolerant landscaping.

- **Healthy Materials:** Specifying non-toxic, locally sourced, recycled, and rapidly renewable materials to improve indoor air quality and reduce environmental impact.
- **Waste Reduction:** Designing to minimize construction waste and facilitating future recycling or deconstruction.

Social Benefits:

- **Health and Well-being:** Creating spaces with ample natural light, ventilation, and access to green spaces.
- **Equity and Access:** Ensuring universal design principles are met, making spaces accessible to all abilities.
- **Community Connection:** Designing inviting public spaces, community gardens, and walkable environments.

Economic Benefits:

- **Reduced Operating Costs:** Lower utility bills for residents and businesses, increasing affordability and project viability.
- **Increased Property Value:** Sustainable features can enhance market appeal and long-term asset value.
- **Access to Green Funding:** Eligibility for specific grants, tax incentives, and financing for sustainable development.

Sustainable Design, Construction, and Development Phases

CONSTRUCTION MANAGEMENT: BRINGING THE VISION TO LIFE

- ✓ **CONTRACTOR SELECTION**
Choosing general contractors with a proven track record, relevant experience, and a commitment to community benefits (e.g., local hiring targets, minority/women-owned business participation).
- ✓ **BUDGET AND SCHEDULE OVERSIGHT**
Rigorously tracking costs, managing subcontractors, and monitoring progress against the timeline to prevent overruns and delays.
- ✓ **QUALITY CONTROL**
Implementing strict quality assurance processes to ensure all work meets design specifications and building codes.
- ✓ **SAFETY**
Prioritizing worker and public safety on the construction site.
- ✓ **COMMUNITY COMMUNICATION**
Maintaining transparent communication with the community about construction impacts (noise, traffic) and progress.



Effective construction management ensures the project is built safely, on time, within budget, and to the highest quality standards, while upholding community values.



Sustainable Design, Construction, and Development Phases

MANAGING PHASES IN DEVELOPMENT: A PROJECT LIFECYCLE

Real estate development typically unfolds in distinct, yet often overlapping, phases:

- ✓ **PRE-DEVELOPMENT**

Visioning, needs assessment, feasibility studies, site acquisition, preliminary design, securing initial financing, community engagement, legal structuring, and team building. This phase can be long and requires patient capital.
- ✓ **DESIGN AND PERMITTING**

Detailed architectural and engineering design, securing all necessary permits and approvals from regulatory bodies.
- ✓ **FINANCING AND CLOSING**

Securing the full capital stack, financial closing on loans and equity investments.
- ✓ **CONSTRUCTION**

Site preparation, foundation, framing, utilities installation, interior and exterior finishes. This is often the most capital-intensive and visible phase.
- ✓ **POST-CONSTRUCTION/OPERATIONS**

Obtaining occupancy permits, managing punch lists, project close-out, and transitioning to the operational phase (property management, leasing/sales, community programming).



Successful projects meticulously plan and manage each phase, recognizing that early-stage decisions have significant long-term impacts.

WHICH TYPE OF COMMUNITY REAL
ESTATE INVESTMENT IS RIGHT FOR
YOU?



Marketing, Sales, and Leasing Strategies

WWW.SIMPLYSUSTAINABILITY.COM

Marketing, Sales, and Leasing Strategies

Once your community real estate development project is nearing completion, effective marketing, sales, or leasing strategies are crucial to ensure its success, financial viability, and most importantly, its ability to serve the intended community.

GOALS BEYOND OCCUPANCY:

For community-led projects, the goal isn't just to fill units or spaces; it's to:



ENSURE COMMUNITY FIT

Attract residents and businesses that align with the project's vision and the community's needs.



ACHIEVE FINANCIAL SUSTAINABILITY

Generate the necessary revenue to cover operating costs and debt service.



MAINTAIN AFFORDABILITY

For affordable housing or commercial spaces, ensure the marketing targets eligible individuals/businesses.



FOSTER LONG-TERM STABILITY

Attract tenants or buyers who will contribute positively to the property and the neighborhood over time.



For community-led real estate, marketing is not merely about transactions; it is an invitation to belong, to contribute, and to co-create a lasting legacy.

Marketing, Sales, and Leasing Strategies

KEY STRATEGIES

Targeted Marketing to the Community:

- **Local Outreach:** Partner with community organizations, faith-based institutions, and local businesses to disseminate information.
- **Culturally Relevant Messaging:** Use language and imagery that resonates with the target demographic, highlighting the project's community benefits and values.
- **Information Sessions:** Host open houses, virtual tours, and information sessions directly within the community.
- **Digital Presence:** Create a user-friendly website, utilize social media platforms popular within the community, and potentially use local online forums.

Affordable Housing/Commercial Space Marketing:

- **Eligibility Criteria:** Clearly communicate any income restrictions or specific criteria for affordable housing units or spaces.

- **Application Process Support:** Provide guidance and assistance for potential applicants navigating complex application processes.
- **Waitlists:** Establish and manage fair waitlist systems in accordance with regulations.

Community Engagement in the Process:

- Involve the community not just in the design, but also in the naming and branding of the project.
- Create opportunities for prospective residents/tenants to connect with existing community members or future neighbors.

Leasing vs. Sales:

- **Leasing (Rental Model):** Often used for affordable housing, community centers, and commercial spaces. Provides stable, recurring income and allows for greater long-term control over the property's use and affordability (e.g., in a CLT context).

Marketing, Sales, and Leasing Strategies

- **Sales (Ownership Model):**
Typically for homeownership or individual commercial property ownership. Can build individual wealth but requires careful mechanisms (like resale restrictions in CLTs) to maintain affordability for future generations.
- The choice depends on the equity model and long-term goals.

Long-Term Community Benefits in Marketing:

- Emphasize features that promote well-being, sustainability, and community cohesion, such as green spaces, shared amenities, access to public transit, and local services.
- Highlight how the project supports local businesses, jobs, and the overall economic vitality of the neighborhood.



A thoughtfully executed marketing, sales, and leasing strategy ensures your project fulfills its promise of serving the community and achieving its social purpose.

WHICH TYPE OF COMMUNITY REAL
ESTATE INVESTMENT IS RIGHT FOR
YOU?

10 Project Management, Operations, and Securing Financing

WWW.SIMPLYSUSTAINABILITY.COM

Project Management, Operations, and Securing Financing

This final step brings together the ongoing execution, long-term sustainability, and critical financial backbone of your community real estate development.

PROJECT MANAGEMENT: GUIDING THE JOURNEY

Effective project management is not just a single step but an ongoing discipline throughout all phases of development. It ensures your strategic plan (step 4) is implemented efficiently and effectively.

- ✓ **ITERATIVE PROCESS**
Development is dynamic. Project management involves continuous monitoring, evaluation, and adaptation as new challenges or opportunities arise.
- ✓ **TOOLS FOR TRACKING PROGRESS**
Utilize project management software, Gantt charts, and regular status meetings to track timelines, budgets, tasks, and responsibilities.
- ✓ **COMMUNICATION PROTOCOLS**
Establish clear lines of communication among the project team, partners, community stakeholders, and contractors to ensure everyone is informed and aligned.
- ✓ **RISK MANAGEMENT**
Continuously identify, assess, and mitigate risks (financial, legal, construction, community opposition) to keep the project on track. This includes contingency planning for unforeseen issues.
- ✓ **DECISION-MAKING FRAMEWORKS**
Implement transparent processes for making key decisions, especially when multiple stakeholders are involved.

Project Management, Operations, and Securing Financing

POST-DEVELOPMENT OPERATIONAL PLAN: ENSURING LASTING IMPACT

The success of a community real estate project extends far beyond construction completion. A robust operational plan ensures the project remains a community asset for decades to come.

- ✓ **LONG-TERM SUSTAINABILITY**
Define how the property will be financially viable over its lifespan, covering ongoing costs.
- ✓ **PROPERTY MANAGEMENT**
Establish systems for maintenance, repairs, security, cleaning, and tenant relations. This could be in-house, through a third-party, or a hybrid model.
- ✓ **COMMUNITY GOVERNANCE/OVERSIGHT**
For models like CLTs or cooperatives, formalize mechanisms for community residents or members to participate in ongoing decision-making and oversight of the property.
- ✓ **FINANCIAL MANAGEMENT POST-CONSTRUCTION**
Budget for operating expenses, establish reserve funds for capital improvements, and manage revenue streams (rents, fees).
- ✓ **PROGRAMMING AND IMPACT MEASUREMENT**
Plan for ongoing community programming within the space and establish metrics to regularly measure the project's social, economic, and environmental impact.

Project Management, Operations, and Securing Financing

SECURING FINANCING AND CAPITAL OPTIONS: THE LIFEBLOOD OF DEVELOPMENT

Securing the necessary capital is arguably the most challenging and critical component of community real estate development. It requires a strategic approach to assembling a "capital stack" from diverse sources.

Diverse Capital Sources:

- **Grants and Philanthropic Capital:** Essential for early-stage pre-development costs, capacity building, and filling financing gaps for projects with high social impact but lower financial returns.
- **Community Development Financial Institutions (CDFIs):** Mission-driven lenders specializing in underserved markets, offering flexible, patient, and culturally competent loans often with favorable terms.
- **Tax Credits:** Programs like Low-Income Housing Tax Credits (LIHTC) and New Markets Tax Credits (NMTC) are powerful federal incentives that attract private equity investment by providing tax benefits. These are complex but transformative.

- **Traditional Bank Loans:** While often more stringent, conventional loans may be part of the capital stack, especially for more stable revenue-generating components.
- **Impact Investors:** Individuals or funds seeking both financial return and measurable social/environmental impact, often aligning with SPRE goals.
- **Community Bonds/Crowdfunding:** Innovative mechanisms to allow community members to directly invest in local projects, fostering ownership and local capital circulation.
- **Government Subsidies and Programs:** State and local housing trust funds, HOME funds, CDBG funds, and other public programs providing grants or low-interest loans.

Capital Stack Considerations:

- Most community projects utilize a "capital stack"— layering multiple sources of financing (e.g., a grant for land acquisition, a CDFI loan for pre-development, LIHTC equity for construction, and a traditional mortgage for long-term debt).
- Understand the terms, repayment schedules, and equity requirements of each capital source.

Project Management, Operations, and Securing Financing

Culturally Competent Financing:

- Reiterate the importance of working with lenders and investors who understand the unique value proposition, risks, and timelines of community-led, social-purpose projects. This includes willingness to consider non-traditional collateral, character-based lending, and flexible underwriting.



Successful capital campaigns require compelling storytelling, a clear financial pro forma, a deep understanding of funder priorities, and strong relationships with diverse capital providers.



The true strength of community real estate is forged where vision meets diligent management, and where purposeful capital secures a future of lasting equitable impact.



Case Study: Applying the **10** Steps to a Real Project

Project Name: The Harmony Hub: A Community-Owned Arts & Wellness Center

Background

A historically vibrant, but recently disinvested, neighborhood with a strong arts culture and a lack of accessible health services. A vacant municipal building in the neighborhood's core, once a library, stands as a symbol of past neglect. Local community leaders, including a grassroots arts collective and a community health & wellness advocacy group, identified a critical need for a centralized, affordable space.

Applying the 10 Steps:

1. INTRODUCTION TO COMMUNITY REAL ESTATE DEVELOPMENT

The community leaders form "Harmony Neighborhood Collective," a non-profit, to lead the initiative. Their vision is to reclaim the vacant library as a multi-purpose hub, addressing displacement fears and creating a local asset.

2. UNDERSTANDING EQUITY MODELS

After research and community dialogue, they choose a **Community Land Trust (CLT)** model for the land ownership, ensuring long-term affordability and preventing speculative resale. The building itself will be managed by a **Real Estate Cooperative** composed of tenant artists and wellness practitioners, with a portion dedicated to subsidized community programming. This hybrid model maximizes community control and sustained affordability.

3. ASSESSING COMMUNITY NEEDS & BUILDING PARTNERSHIPS

- **Needs:** Extensive surveys and town halls reveal top priorities: affordable studio space for local artists, a low-cost community health clinic, and a flexible gathering space.
- **Partnerships:** They secure early support from the City (who owns the vacant building), a local CDFI, and a pro-bono legal team specializing in CLTs. They engage a university urban planning department for demographic analysis.



4. DEFINING PROJECT GOALS & STRATEGIC PLAN

- **Vision:** Transform the vacant library into a thriving, intergenerational arts and wellness hub, owned and operated by the community, fostering local talent and health.
- **Scope:** Rehabilitation of the 20,000 sq. ft. building to include 10 artist studios, 3 clinic exam rooms, a community meeting hall, and a rooftop garden.
- **Milestones:** Secure building transfer, complete schematic design, obtain zoning approvals, secure construction financing, groundbreaking, grand opening.

5. OWNERSHIP STRUCTURES & GOVERNANCE MODELS

- The "**Harmony Land Trust**" (**HLT**) is legally established to acquire the land from the city via a nominal-fee long-term ground lease.
- The "**Harmony Arts & Wellness Cooperative**" (**HAWC**) is formed as a tenant cooperative to manage the building, lease spaces to artists/practitioners, and oversee community programming. **HLT** and **HAWC** will have a formal operating agreement.

6. CONDUCTING MARKET RESEARCH & FEASIBILITY ASSESSMENTS

- **Demand:** Research shows high demand for affordable artist studios (long waitlists at existing facilities) and clear gaps in accessible community health services.
- **Feasibility:** Initial pro forma indicates financial viability with a mix of affordable rents (supported by grants), clinic revenue, and event rentals for the community hall. The historic nature of the building presents renovation costs, but also potential historic tax credits.

7. NAVIGATING LEGAL & REGULATORY CONSIDERATIONS

- **Zoning:** The building is zoned for civic use; a conditional



use permit is secured for the mixed-use programming, requiring extensive public hearings.

- **Permits:** Work with an architect and general contractor to navigate building permits, environmental assessments (due to the age of the building), and accessibility upgrades.
- **Legal:** Pro-bono counsel drafts the CLT ground lease, cooperative bylaws, and partnership agreements.

8. SUSTAINABLE DESIGN, CONSTRUCTION, & DEVELOPMENT PHASES

- **Design:** Architect designs for adaptive reuse, maximizing natural light, installing highly efficient HVAC, and proposing rooftop solar panels. Local, recycled materials prioritized.
- **Construction:** A local minority-owned general contractor is selected with strong local hiring commitments. Regular community updates on construction progress.
- **Phases:** Meticulous management of pre-development (2 years), design/permitting (1 year), financing close (6 months), and construction (18 months).

9. MARKETING, SALES, & LEASING STRATEGIES

- **Leasing:** HAWC creates a transparent application process for artist studios and clinic space, prioritizing local residents and emerging artists/practitioners.
- **Community Outreach:** Workshops held to explain the cooperative model and CLT benefits. Local arts council and health clinics help spread the word.
- **Branding:** The "Harmony Hub" brand emphasizes collaboration, creativity, and wellness, resonating deeply with the community.

10. PROJECT MANAGEMENT, OPERATIONS, & SECURING FINANCING

- **Project Management:** A dedicated project manager is hired by Harmony Neighborhood Collective to oversee all phases, reporting to a diverse steering committee.



- **Operations:** HAWC develops an operational plan for building maintenance, shared resource scheduling, and community program management. Revenue from artist/practitioner rents and clinic payments will cover operating costs; grants will subsidize community programming.
- **Financing and Capital Stack:**
 1. **Grant** from a local foundation for pre-development and initial land acquisition.
 2. CDFIs provide a **construction loan**, blended with a loan from the city's community development fund.
 3. **Historic Tax Credits and New Markets Tax Credits** are leveraged, bringing in private equity investors aligned with social impact.
 4. A "Friends of Harmony Hub" **fundraising campaign** secures philanthropic capital for program subsidies and a permanent operating reserve.

Outcome

The Harmony Hub successfully opens, revitalizing the vacant building and becoming a vibrant center for arts, health, and community life. The CLT structure ensures affordability for generations, and the cooperative model empowers the users to shape its future. It stands as a testament to community power, strategic partnerships, and equitable capital.



Ultimately, community real estate is a testament to the power of sustained effort, strategic resources, and an unwavering commitment to building places where everyone can thrive, today and tomorrow.





Checklist: 10 Steps to Community Real Estate Development Success

This checklist provides a quick reference for the key actions and considerations within each of the 10 steps to successful community real estate development. Use it as a guide to ensure you're addressing all critical areas of your project.

01 Community Real Estate Development

- **Define** "Community Real Estate Development" within your project's context.
- **Articulate** why your project is centered on community needs, equity, and long-term sustainability.
- **Identify** your role and the primary audience for this project (e.g., emerging leaders, non-profits).
- **Commit** to following a structured, step-by-step approach for your project.

02 Understanding Equity Models for Community Development

- **Research** various equity models (CLTs, Cooperatives, SPRE, PPPs, Impact Investment).
- **Analyze** the pros and cons of each model in relation to your community's goals.
- **Determine** which equity model(s) best fit your project's specific needs for long-term control, affordability, and community benefit.
- **Understand** how the chosen model impacts ownership, decision-making, and financial structuring.



03 Assessing Community Needs and Building Strong Partnerships

- **Conduct** thorough community needs assessments (surveys, meetings, focus groups).
- **Analyze** local demographics, economic trends, and market gaps.
- **Engage** actively with key stakeholders (residents, businesses, community organizations, policymakers).
- **Identify** potential partners (government, non-profits, CDFIs, private entities).
- **Establish** foundational relationships built on trust and shared vision.
- **Explore** potential funding, resource-sharing, and policy support opportunities from partners.

04 Defining Project Goals and Developing a Strategic Plan

- **Draft** a clear and inspiring Vision Statement for your project.
- **Define** the Project Scope (scale, location, intended use, type of development).
- **Outline** key Milestones and Timelines for all development phases.
- **Clarify** Stakeholder Roles and Responsibilities, including team structures and decision-making processes.
- **Create** a structured Development Plan to guide execution and ensure alignment.

05 Ownership Structures and Governance Models

- **Evaluate** potential ownership structures (Nonprofit, LLC, Cooperative, Hybrid).
- **Assess** how each structure impacts decision-making, funding, and mission alignment.
- **Consider** long-term sustainability and community control in your choice.
- **Seek** professional legal and financial advice on the implications of each model.
- **Draft** preliminary governance documents for your chosen structure.



06 Conducting Market Research and Feasibility Assessments

- **Perform** a comprehensive Demand Analysis (residential, commercial, community facilities).
- **Conduct** a Competitive Analysis of similar developments in the area.
- **Undertake** a thorough Site Analysis (physical characteristics, utilities, transportation, environmental concerns).
- **Develop** a preliminary Financial Feasibility assessment and pro forma, including cost estimates and revenue projections.
- **Identify** potential project risks and outline initial mitigation strategies.
- **Obtain** professional market studies and appraisals.

07 Navigating Legal and Regulatory Considerations

- **Understand** local Zoning and Land Use Laws for your specific site.
- **Determine** if any Variances or Rezonings are required.
- **Review** applicable Building Codes and anticipate necessary permits.
- **Identify** any Environmental Regulations or Historic Preservation requirements.
- **Ensure** compliance with Accessibility Requirements (ADA).
- **Engage** experienced Real Estate Legal Counsel early in the process.
- **Prepare** for drafting essential legal agreements and contracts.
- **Consider** negotiating Community Benefits Agreements (CBAs).

08 Sustainable Design, Construction, and Development Phases

- **Integrate** sustainable design principles (energy efficiency, water conservation, healthy materials, renewable energy) into the project.



- **Prioritize** resilient design that addresses climate change and long-term community health.
- **Select** a General Contractor with relevant experience and alignment with community values (e.g., local hiring).
- **Establish** robust Construction Management protocols (budget, schedule, quality control, safety).
- **Plan** for each development phase: Pre-Development, Design/Permitting, Financing/Closing, Construction, Post-Construction.
- **Anticipate** and plan for the transition between phases.

09

Marketing, Sales, and Leasing Strategies

- **Define** your project's marketing goals beyond just occupancy (e.g., community fit, affordability, stability).
- **Develop** a Targeted Marketing plan for the community, using culturally relevant messaging.
- **Plan** for Local Outreach and Information Sessions.
- **Prepare** for communication of eligibility criteria and application process support (especially for affordable units).
- **Decide** on the appropriate model: Leasing (rental) vs. Sales (ownership), aligning with your equity model.
- **Highlight** long-term community benefits in all marketing materials.

10

Project Management, Operations, and Securing Financing

- **Implement** ongoing Project Management tools and communication protocols.
- **Establish** a continuous Risk Management process throughout the project lifecycle.
- **Develop** a comprehensive Post-Development Operational Plan (property management, financial management, programming).



- **Define** how the property will achieve long-term financial viability.
- **Identify** diverse Capital Options (grants, CDFIs, tax credits, bank loans, impact investors, community bonds, government programs).
- **Strategize** for assembling your Capital Stack, layering multiple funding sources.
- **Prioritize** Culturally Competent Financing partners.
- **Prepare** compelling financial pro formas and narratives for funders.

By meticulously navigating the "10 Steps to Community Real Estate Development Success," emerging leaders, community developers, and established organizations alike can create projects that not only meet immediate needs but also build resilient, sustainable, and empowering assets for the long term—building a strong foundation that truly empower their communities.

This blueprint and checklist serves as your guide to move from concept to impactful reality, ensuring that development is truly by and for the community—empowering you with the knowledge and tools to navigate the complexities of community real estate development and drive positive change. The journey is complex, but the rewards—in terms of social impact, economic justice, and community well-being—are immeasurable.



10 Steps to Community Real Estate Development Success

- Step 1: Community Real Estate Development
- Step 2: Understanding Equity Models for Community Development
- Step 3: Assessing Community Needs and Building Strong Partnerships
- Step 4: Defining Project Goals and Developing a Strategic Plan
- Step 5: Ownership Structures and Governance Models
- Step 6: Conducting Market Research and Feasibility Assessments
- Step 7: Navigating Legal and Regulatory Considerations
- Step 8: Sustainable Design, Construction, and Development Phases
- Step 9: Marketing, Sales, and Leasing Strategies
- Step 10: Project Management, Operations, and Securing Financing
- Applying the **10 Steps to a Community Real Estate Development Success** to your project!



Are you ready to apply the 10 Steps?

Community real estate development is a powerful avenue for transforming neighborhoods, building generational wealth, and fostering true equity. It demands a holistic approach that integrates visionary leadership, deep community engagement, strategic partnerships, and innovative financial models.

I hope you found this checklist helpful for deciding on your community development project. I'd love to hear about it! Share via the contact details below.

Monjia Belizaire

@SIMPLYSUSTAINABILITY

WWW.SIMPLYSUSTAINABILITY.COM

WRITTEN BY MONJIA BELIZAIRE, P.E.

VISION

BUILDING SUSTAINABLE COMMUNITIES

Ready for the next step?

Visit our website for
more information about
Community Real Estate
Development

SIMPLYSUSTAINABILITY.COM