

Development Fund Opportunities for Community Investment



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He currently serves on several boards and advisory groups including: the City of Grand Rapids Sustainability Advisory Team, Seeds of Promise, the Michigan Chemistry Council, the Grand Rapids Community Sustainability Partnership, the NSF Joint Committee on Sustainable Business and Industrial Furniture, and Valley City Sign. He was also appointed to serve on Governor Granholm's Michigan Climate Action Council and the United States Department of Commerce's Environmental Technologies Trade Advisory Committee.



Mr. Christopher has contributed articles and papers to various journals and books including *Sustaining Michigan: Metropolitan Policies and Strategies*, and is the author of the book *Sustainability Demystified! – A Practical Guide for Business Leaders and Managers*.

McKenna Smith

McKenna is a Liberal Studies major at Grand Valley State University, where she emphasizes in sustainability and minors in philosophy. As an environmental enthusiast, she got the hiking itch early on in life, and has climbed mountains in numerous states and countries. When not wandering around in the woods, McKenna can be found in the library with a coffee and a good book. After her graduation this upcoming spring, she is hoping to preserve the Earth by getting her masters degree from the University of Edinburgh in Carbon Management. McKenna is excited about working with Seeds of Promise because it combines two of her favorite things: Grand Rapids and the idea of a sustainable future.



Kyle Norton

Kyle is a student at Grand Valley State University majoring in Advertising and Studio Art. Whether he is designing a new logo or writing new music, Kyle enjoys any type of creative endeavor. He has mastered various mediums such as video, graphic art, photography, social media, research, copy, sound design, and even printmaking. Being West Michigan born and raised, you can find him hiking trails or going to the beach. Kyle finds passion in things that make a difference and promote better communities.



Executive Summary

This project was undertaken at the request of the Host Neighbors and residents within the Seeds of Promise inner city neighborhood community within Grand Rapids, Michigan.

(www.seedsofpromise.net) Seeds of Promise is a 10-year sustainable neighborhood initiative that has increased in its boundaries, borders, and size due to the nature of its programs and activities. Today, over 50 endorsing stakeholder partner organizations are also part of the Seeds of Promise community.

The vision for this neighborhood community is that it would: meet the needs and wants of the residents who live there today, as well as those in the future; become self-sustaining through the efforts of the residents that are empowered and coached to develop their own goals and strategies, and implement them; develop trustful working relationships among themselves, as well as with other community partners; and that the residents are accountable and continuously improve their decision-making while tracking results and progress. Due to the progress that Seeds of Promise has made over the years through continuous improvement, the desire was expressed that local residents wanted to reinvest in the Seeds of Promise community themselves. The neighborhood community wanted different social impact investment options to be researched that could be evaluated, recommended, pursued and implemented to help improve the economic impact and overall future growth of the community.

The project included a student research report that was completed by McKenna Smith, a Grand Valley State University student. There were three major areas of focus that were broadly covered under social impact investing options:

- Individual social impact investing options allow residents to invest in projects and in opportunities with whatever money, financial resources, or time they might have available. These options are less stringent from an administration and legal requirements perspective.
- Community social impact investing options differ in terms of the type of projects, the breadth of investors in the local community including residents and other interested local enterprises and organizations, as well as the need for administration oversight. Community improvement and housing projects are many times the focus.
- Organizational structure options offer a long-term plan of how the community organization could be further developed and structured to be able to apply for, access, and receive additional government grants and funding. These structures allow for increased leverage of resources and assets. There are also benefits to some of these organizational structures, as they are also tax exempt.

The project also included a video that was produced, and provided background on the Seeds of Promise community, the residents and Host Neighbors that live within the community, and also highlighted some of the community programs and activities. This video was produced by Kyle Norton, a student at Grand Valley State University (<http://bit.ly/1MmdTyc>). Norman Christopher,

Executive Director, Office of Sustainability Practices and Adjunct Faculty at Grand Valley State University provided project guidance.

Background

The City of Grand Rapids, Michigan is the second largest city in the state of Michigan, with a population of ~195,000 people. Seeds of Promise (www.seedsofpromise.net) is an inner city neighborhood community within Grand Rapids that has ~5,000 residents with a demographic breakdown of ~ 65% African American and ~ 25% Hispanic and Latino citizens. Nearly one-third of the current Seeds residents also live at or near the poverty level.



Currently, there are over 35 neighborhood associations within the City of Grand Rapids. Seeds of Promise is envisioned as the next transformative, self-sustaining neighborhood model whereby local residents develop their own strategies for overall community improvement; are trained, coached, and empowered to take action steps; track individual and community progress in specific impact team areas; and build trustful, working relationships and partnerships with community stakeholder organizations.

SEEDS OF PROMISE

Empowering Residents and Transforming Neighborhoods



SEEDS
of PROMISE

www.seedssofarpromise.net

The roots of Seeds of Promise go back over 10 years, starting first as a community outreach project between two churches, one from the inner city and the other from a suburban community within the Grand Rapids area. Over the years, the Seeds of Promise initiative has remained open and inclusive with the residential community, and today includes boundaries with several other neighborhood associations that have overlapping borders such as the Garfield Park Neighborhood Association, Alger Heights, and the Southeast Community Association.

Today, Seeds of Promise, as a 501C3 organization, has over 50 endorsing partner stakeholder organizations that provide knowledge, expertise, financial support and resources to the Seeds of Promise residential community and the various impact teams and their work. Examples of key partners include Grand Rapids Public Schools, the City of Grand Rapids, Trinity Health, Fifth Third Bank, Cascade Engineering, the Kellogg Foundation and others.

During this timeframe, the Seeds of Promise residents have begun to define their own sense of quality of life and wellbeing through individual residential and community surveys. As developed by the local community residents, a sense of wellbeing can now be defined by individual and community improvement in the following impact team areas:

- Job Creation
- Housing
- Empowering Individuals for Success through Education and Learning (EISEL)
- Entrepreneurship

- Safe Community
- Ministerial
- Health and Wellness
- Host Neighbor Leadership Council (HNLC)

Job and Wealth Creation was the first impact team to be formed, as the concern for employment was the preeminent issue raised by the local residents early on. Since that time, enumerable community development projects have successfully taken place as well as the establishment of additional impact teams

Today, ~30 local residents have been trained in leadership, administration, and project management, and actively participate in the decision-making process on these impact teams while gaining experience in their roles, along with the endorsing partners that also serve on the impact teams. These trained local residents are known as Host Neighbors.



What is a Host Neighbor?

A host neighbor is a resident dedicated to solving neighborhood problems through training in self-governance and project management.

"I am helping residents to not see themselves as victims, but as leaders."



Ann Marie Rivera & Crime

Over the last year and a half, Ann Marie has worked with Seeds to make the neighborhood safer. She is a volunteer leader, Host Neighbor Community Leadership Council member, and Crime Prevention Organizer (CPO) for the Southtown area. "My role as CPO is inspired by my experience with crime and refusing to let it stop me. My job is to reach victims of crimes like burglaries and lift them up so that they can become leaders."

Where do you fit in?

Housing <i>Good Homes</i>	Health & Wellness <i>Healthy Living</i>	Education <i>Successful Kids</i>	Public Safety <i>Safe Neighborhoods</i>	Job Creation <i>Good Jobs</i>	Entrepreneurship <i>Local Investment</i>
Maximize owner occupied housing and contribute to the community's continuous neighborhood improvement.	Improve local community healthcare delivery and promote proactive neighborhood health, wellness, and nutrition programs.	Develop and promote programs, activities, and classes that will assist residents in educational opportunities.	Develop strategies to make the neighborhood a safe place to live, work, and play. Focus on root cause and holistic approaches to solutions.	Create and develop employment opportunities through training and placement of residents.	Develop community-focused businesses with local ownership and support by the community.
				★	★

www.seedsofpromise.net
(616) 710-5730
all4seeds@gmail.com





The vision for Seeds of Promise is that the neighborhood will:

- Become a self-sustaining community that fully meets the needs of both the current and future residents as defined by an overall improved quality of life and wellbeing
- Continue to build trustful working relationships among themselves as well as others based on their shared identity and values
- Improve servant leadership and decision-making within the community through empowerment and continuous improvement, while seeking a balance in the community's economic vitality, social responsibility, and environmental stewardship

Seeds of Promise is also a key project within the Grand Rapids Regional Center of Expertise [RCE] (www.grandrapidsrce.org) and has received global RCE recognition for its work.

Recently, a community healthcare report for Seeds of Promise was forwarded to the United Nations University Institute for the Advancement of Sustainability and the Institute for Global Health.

Project Work

This project started at the request of the Entrepreneurship Impact Team that had been focused on:

- Maximizing the capability of residents to build personal capacity and generate a livable wage income
- Supporting the resident's capability to develop, build, and grow innovative, profitable businesses that employ local workers, enhance personal and neighborhood prosperity, and generate funding towards self-sustainability
- Establishing a social entrepreneurship support system to capitalize on social impact opportunities within the community
- Maximizing the delivery strategy for the social entrepreneurship support system that leverages resident, neighborhood, and overall community self-sustainability

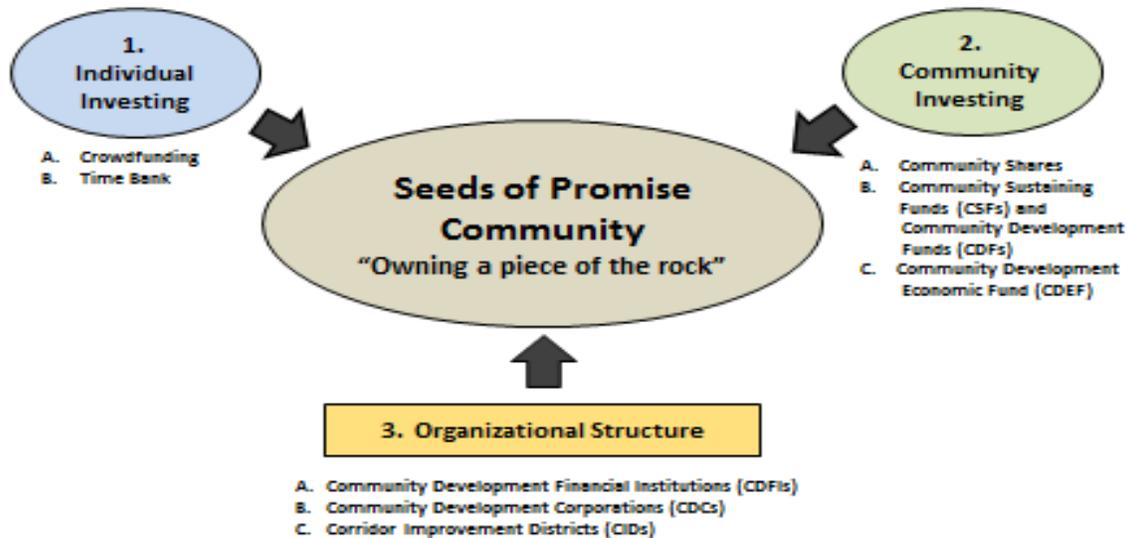
As an outgrowth of the Entrepreneurship Team and the resident Host Neighbor leader discussions, there was a request to evaluate the opportunity for establishing a "community development fund." In concept, this fund would allow for the contributions of local businesses as well as community residents, so that local ownership and accountability within the community

would take place and be encouraged. Additionally, because of the overall progress being made by Seeds of Promise and evidenced by the Host Neighbors and local residents, there was a desire for individuals to “own a piece of the rock” and invest themselves in their own community and work.

This project scope was further framed through additional discussions that were initiated by the Host Neighbors and the HNLC. We started off with the question of how the residents could “own a piece of the rock” in terms of their own personal investing options? Discussions also focused around the concept of not having to use a bank or financial institution at all. Secondly, investing options were brought up concerning possible strategies from a community perspective? Additionally, organizational structure was discussed with the thought of what organizational governance could be put in place or established to help implement and further leverage some of these social impact investment options and strategies?

Social impact investing was then selected as the overall strategy that would allow the community to invest in itself, either individually or collectively, and create an overall better economic outlook and improve financial wellbeing. There were three different types of social impact investing options that provided the best opportunities. These opportunities included: Individual Investing, Community Investing, and Organizational Structure.

Social Impact Investing



Research work began with searching for the most appropriate social impact investing options that would be appropriate for the Seeds of Promise community. Global applied social impact investing best practices and case studies were then generated to illustrate other neighborhood communities that had successfully implemented these strategies. There was a meeting mid-point through the summer with the Seeds of Promise Host Neighbor team to discuss the preliminary research work and determine if the project was aligned with expectations and on schedule.

At the same time, a video was also produced with the Seeds of Promise Host Neighbors to highlight the discussions regarding development fund opportunities for community investment, as well as other Seeds of Promise programs and activities taking place within the community.

Social Impact Investing Options

1. Individual Investing

A. Crowdfunding

Crowdfunding is becoming a popular strategy for individuals or groups to propose and fund projects using online platforms. Kickstarter (www.kickstarter.com) is the largest funding platform for creative and innovative projects. Since the capital is raised online, there is a greater awareness and communications reach using this approach. One can contribute individually to these projects or businesses through reward or equity based returns. Reward crowdfunding is the more popular and usually establishes a specific donation amount for the creative project. Sometimes the entire desired donation amount must be reached before the project is funded. In return, the donor can receive a reward or incentive from the project sponsor. Equity crowdfunding is the next crowdfunding investment frontier that has only become legalized within the last few years. Crowdfunder (www.crowdfunder.com) is the largest equity fundraising platform to date and offers investors the opportunity to obtain an equity stake or share of the company for their pledge.

A great example is the Acme Cider Company out of Grand Rapids, Michigan. The company is currently trying to raise money to grow their cider company out of their basement, and further develop their business. Crowdfunding allows the community to pledge their support by donating whatever they can to make Acme Cider Company a commercial reality and success. The same strategy can be used to redevelop neighborhoods and reinvent businesses as well. For more information:

<https://www.kickstarter.com/projects/acmecidercompany/acme-cider-company-craft-hard-cidery-grand-rapids?ref=city>



Crowdfunding is a great option for individuals that don't have significant financial backing to broadcast their ideas and projects for other people to see. Reward crowdfunding offers a personal opportunity for the Seeds of Promise residents to create, develop, and seek funding for their own individual projects, thereby creating a sense of freedom and entrepreneurship. The local community and residents can monitor progress and success.

The Michigan Economic Development Corp (MEDC) has partnered with Patronicity to create a community-based Crowdfunding process. The program focuses on “public spaces and community places.” Non-profits, for-profits, civic organizations, and regular organizations are all allowed to create projects on Patronicity. Patronicity uses a crowd-granting strategy that matches the community member's support for civic and social impact projects with matching grants from sponsoring partners. In the recent past, over \$1.5MM crowdfunding has been raised along with \$1.3MM in sponsorship grants with a 97% success rate and over 40,000 citizen donors in community-based projects. For more information on Patronicity:

<https://www.patronicity.com/>

2. Individual Investing

B. Time Banks

Another option for individual investing is Time Banks. Time Banks work much like normal banks mixed with an online help forum. Individuals can trade their services or talents hour by hour e.g. one hour of roofing is equal and exchanged for one hour of childcare. Time Banking is the only non-monetary type of social impact investing. By putting in time to the bank doing various tasks, people can then access other resident's needed services with the time that they have earned. Passing hours on to other people who might need them within the Time Bank is also an option. The Time Bank is an easy way for community re-development to grow from inside and within the local community.

Time Banks are also one of the easiest social impact investment options to set up, as all the community requirements can be followed with step-by-step directions illustrated on the Time Bank USA website. Because Time Banks are also non-monetary in nature, more residents are able to access their services and more people can acquire hours on their own time with the ability to choose what they want to “spend” their time on. The only downside to Time Banks is that in

order for any significant work to be completed on a community-wide basis, residents have to be willing to donate their time to jumpstart the Time Bank program. However, if needed services are not donated, for example furnace repair, then that needed community service would go unfulfilled. If the community is able to combine needed resident hours and services, the neighborhood would then be able to satisfy needed community-wide services on a very cost effective basis. To find more about Time Banks <http://timebanks.org>

The Time Bank in Brattleboro, Vermont has accomplished amazing results with over 33,893 hours exchanged between its' over 300 members. Recently, someone has traded a bike repair for some clothes mending. Exchanges don't have to be large, and in fact most of them at Brattleboro meet simple mutual needs. Time Bank's are all about getting things accomplished in a community without having the need for a monetary exchange. The Brattleboro Time Bank has done a great job with creating a way for their members to improve their community sustainably.

For more information:

<http://www.brattleborotimetrade.org/>



exchanging services
creating connections
strengthening communities
hour by hour

2. Community Investing

C. Community Shares

Community investments are the next type of social impact investing researched. Several different community investing alternatives were reviewed and researched. These options included Community Shares, Community Sustaining or Community Development Funds, and Community Development Economic Funds. Community Shares are similar to Crowdfunding in concept, as both rely on monetary contributions from the community, including businesses and

others to fund projects. However, a key primary difference between Crowdfunding and Community Shares investing is proximity. Crowdfunding can obtain monetary contributions from anywhere all over the world, because it is based online. Community Shares, however, are usually generated from within that community and are designed for specific projects that would improve the revitalization and redevelopment of the community. The local project could be submitted by a community member, or by the community itself depending on the nature and desired outcome of the project. Some community shares are simply donation based, while other community share options can provide a return on investment. One of the main differences between Individual Investing and Community Investing is the need for a form of governance structure. Community Shares will need to have a committee established for administration, and legal oversight.

The UK has developed a fantastic Community Shares system. One example of how the English run their Community Shares is The Bell Inn. The Bell Inn was put up for sale, but the community didn't want to see the Inn torn down. Together 538 investors raised over 700,000 British pounds (\$1,103,949) to save the Inn. The decided minimum investment was 500 British pounds (\$788), and was locked in for three years. Depending on the profitability, the goal was to pay investor's between 5-7% annually. Now the pub is doing as well as ever, and the community feels that it defines their sense of place.

<http://communityshares.org.uk/>



<http://www.bell-inn.co.uk/>



The Community Shares USA program is a network of organizations that are dedicated to fairness and equal opportunity. They offer employers workplace based donation programs to support community projects through volunteer and contributions. For more information <http://communitysharesusa.org>

2. Community Investing

D. Community Sustaining Funds (CSFs) or Community Development Funds (CDFs)

The Thurston County Community Sustaining Fund in the state of Washington has been a success story since 1987. They have pooled together their resources, and created a fund that has awarded many grants to their community. Starting off when Thurston County had a lack of funds available for developing and maintaining local social change activities, the fund now is centered around creating and sustaining a democratic, just, non-violent, and ecologically sound society. Thurston County is a perfect example of how a Community Sustaining Fund can help the community retain and build upon the quality of life and wellbeing.

For more information on the Thurston County Sustaining Fund:

<http://oly-wa.us/csf/index.php>



An example of a Community Development Fund grant is the HUD Exchange. The HUD Exchange offers an excellent Community Development Fund grant that allows non-profits to stabilize communities through the purchase and re-development of foreclosed and abandoned residential properties. For more information on the HUD Exchange:

<https://www.hudexchange.info/grantees/grand-rapids-mi/>



Community Sustaining Funds or Community Development Funds are another way to have small projects and community improvement ideas funded by the local community. Both the Community Sustaining Fund and the Community Development Fund can be funded through product markups at cash registers, increases in select product prices, monetary donations, etc. The Community Sustaining Fund or the Community Development Fund are both creative options for community development and improvement projects to be financed. Because they are both funds, projects will be brought to a committee, presented, and approved. The committee will then decide how the money is allocated and spent. Local residents who want to help the community become fiscally sustainable can donate money or spend dollars at certain locations to allow the fund to grow while helping the community to thrive. This strategy and approach allows the community to become fiscally responsible regarding how much money can be raised as well as to prioritize community projects. Because all the contributions don't have to be monetary, more residents are able to participate. The funding can allow the committee to

provide financial resources in grant form, not having to select a project, and then raise money for it. Typical projects usually focus on community improvement and revitalization.

3. Community Investing

E. Community Development Economic Funds

The last community investing type researched was the Community Development Economic Fund (CDEF). The CDEF is a way to allow federal grants to flow to Community Development Corporations (CDCs) that focus on the economic needs of low-income communities. These corporations create capital expenditures, allow for certain operating expenses, and offer loans to low income individuals with the idea of job creation. To be able to access the Community Development Economic Fund, the organization must also be a Community Development Corporation. A CDC must be managed by a three-party board of directors that include the community residents, local businesses, and civic leaders. After becoming an approved CDC, the organization can gain access to CDEF funds. Not only do residents obtain access to CDEF funds, they also receive technical and financial assistance for economic development activities. For organizations that are already CDCs, the Community Development Economic Fund is an easy add-on for extra funding resources. The Community Development Economic Fund is known to increase the number of small businesses, and address low-income housing projects. For more information on Community Development Economic Funds: <http://www.cedf.com/>

An example of a successful Community Development Economic Fund is the Northeast South Dakota Economic Corporation that has been serving the community since 1978, stimulating many businesses. They now serve over 10,000 clients with small business ownership, business development, and job creation in low-income and rural communities. Their Community Development Economic Fund was designed to help them maintain the rural quality of life.

For more information on the Northeast South Dakota Economic Fund:

<http://www.growsd.org/growsd>



4. Organizational Structure

F. Community Development Financial Institutions

After looking at the different ways residents can invest and help grow their local community, a long-term organizational structure would also need to be established for continued administration and governance of projects and funding resources. Three main structures were identified that could help shape the way that investing options could be accomplished including Community Development Financial Institutions (CDFIs), Community Development Corporations (CDCs), and finally Corridor Improvement Districts (CIDs). These three structures would allow for the residents of Seeds of Promise to further add governance and administrative structure to their investment options and strategies.

Community Development Financial Institutions can obtain financial resources from the CDFI governmental fund, as well as through private investors. This capability allows the fund to be more stable than if it was to rely on just one source. These monies are then distributed to certified banks, credit unions, loan funds, venture capital funds, and community development entities. The finances distributed can be used for under-served communities. There are many steps to becoming a certified CDFI, creating issues and concerns if the community needed these type of services in a timely manner.

All the steps to become a certified CDFI are listed on the U.S. Treasury's website, but some general requirements include being a legal entity at the time of certification application, having a primary mission of promoting community development, being a financing entity, primarily serving one or more target markets, providing development services in conjunction with financing activities, maintaining accountability to its defined target market, and being a non-governmental entity not under control of any government entity (tribal governments excluded). On the U.S. Treasury's website there are step-by-step directions on how to become a CDFI certified entity, then allowing to access the CDFI funds.

Community Development Financial Institutions are a great way for low-income communities to tap into governmental funds, as well as other funds. This structure again creates a non-limiting way to explore funding resources. One CDFI option allows the organization to receive funding up to two years before they officially become a Community Development Financial Institution.

As long as that organization makes the commitment to become CDFI certified, the organization is allowed to pursue funding. One of the main requirements to finally become a certified CDFI is that the organization must become a Community Development Entity (CDE). After becoming a CDE, there are multiple tiers to fit the mission of non-profit organization (NGO). Specifically, the New Markets Tax Credit Program under the CDE allows for an increased flow of capital by providing a tax incentive to private investors who fund the Community Development Financial Institutions. For more information on Community Development Financial Institutions

<http://www.cdfifund.gov/>

An excellent example of a CDFI is the Florida Community Loan Fund. This CDFI was Florida's first, going on to provide over \$140 million dollars to organizations in need. By providing non-profits with credit and technical assistance, they are one of the most successful CDFI's in Florida as well. For more information: <http://www.fclf.org/>

PEOPLE
8,292 JOBS CREATED
2,713 permanent
5,579 temporary
30,019 CLIENTS SERVED
ANNUALLY



1. Organizational Structure

G. Community Development Corporations

Community Development Corporations (CDCs) are organizations that revitalize low-income neighborhoods by providing support and services such as local economic development, sanitation, streetscaping, community development projects, education and training, social services etc. Many CDC's are specifically targeted for housing revitalization, but in addition comes the need for job creation services as well. CDC's are non-profits, and can receive grants from private investors as well as the local community. There are no certifications required by the federal government for an organization to become a Community Development Corporation, but certain criteria may need to be met by specific state requirements in order to receive funding. As long as the CDC is operating as a non-profit, and has a mission to revitalize housing and the community in a low-income area, the organization is able to claim CDC status. Having the ability to access Small Businesses Administration (SBA) services and support is one of the incentives of becoming a Community Development Corporation. This structure will allow CDC's to also have small business administration loan options. There are also specific grants that are only available to CDC organizations. CDCs also have the benefit of being tax-exempt. Being a Community Development Corporation is recognized as a strong proponent for revitalization efforts in low-income areas. For more information on CDC's: <http://community-wealth.org/strategies/panel/cdcs/index.html>

New Community Corporation in Newark, NJ is one of the largest CDC's in the United States. They employ more than 600 community members, have over 2,000 housing units, and serve more than 50,000 people a year in various programs. These programs include house development projects, job creation services, health care, and adult education. With an annual budget of over \$67MM, the Newark, NJ CDC is one of the most successful CDC's in the United States.

For more information: <http://www.newcommunity.org/>



2. Organizational Structure

H. Corridor Improvement Districts

The final local organizational structure researched was Corridor Improvement Districts (CIDs). In Grand Rapids, Michigan a Corridor Improvement Authority/District (CID) is an area designated to revitalize commercial and mixed-use business corridors. CIDs aid economic re-development in established commercial districts. CIDs are allowed to use tax dollars from a variety of sources to leverage economic development dollars and were established and are operated under Michigan's Public Act 280 of 2005 and under Grand Rapids City Policy 900-49.

There are certain requirements for a CID to become certified: the corridor must be at least 51% first floor commercial, have been in existence for the past 30 years, be adjacent to or within 500 feet of a road classified as an arterial or collector according to the Federal Highway Administration, have at least 10 contiguous parcels or at least five contiguous acres, and be zoned to allow for mixed-use and high-density residential housing. The Municipality must also agree to expedite the local permitting and inspecting process in the development area and also agree to modify its master plan to provide for walkable non-motorized connections, including sidewalks and streetscapes throughout the area. The benefit of having a Corridor Improvement District is that they are self-directed, sustainable, and have reliable sources of funding.

Grand Rapids currently has five CIDs: Madison Square, Michigan Street, North Quarter, Uptown, and West Side. These neighborhoods have led the way for the economic development and re-development in Grand Rapids using tax increment financing through taxes paid on the increased value created within the district by new private investment. The taxes paid on the original value of the district continue to be distributed to the applicable taxing entities. CIDs have demonstrated positive results such as a rise in property sales, decreased vacancy rates, increased investments, and overall economic growth within the district. For more information:

[http://grcity.us/design-and-development-services/economic-development/pages/corridor-improvement-district-\(cid\).aspx](http://grcity.us/design-and-development-services/economic-development/pages/corridor-improvement-district-(cid).aspx)



Conclusions and Recommendations

Our overall recommendation for Seeds of Promise is to first create an optimal social impact investing plan using a strategic phased approach over the short-medium-long term within the community. As an NGO that desires to make the most significant impact in a low-income community, this phased approach would allow Seeds of Promise the most flexibility while creating greater awareness and understanding for social impact investing options.

- The first step would be to consider the use of Community Shares, Crowdfunding, and Time Bank options. Seeds of Promise will be able to jumpstart small improvement projects among residents within the community using these strategies. The nature of the individual investing options, as well as the use of Community Shares, would allow Seeds of Promise as an NGO to be set up and receive funding resources in a small amount of time and with minimal requirements.

To create a “local mutual fund” that the residents of Seeds of Promise were so interested in, the Community Shares option should be evaluated short-term. This investing option would allow for small investments to be made by the residents on a one-time or continuing basis. Even if the local Seeds of Promise community does not have a significant amount of collective resources to make investments on their own, they can still “own a piece of the rock” and rebuild the Seeds of Promise neighborhood community at the same time. Crowdfunding social impact investing options could be pursued for new business start-ups, such as those within the Seeds Center for Urban Social Enterprise. A Time Bank strategy could be implemented so that the overall Seeds of Promise community could become more aware, understand, implement and learn from the concept of shared services.

- A second step would be to pursue Community Sustaining Funds or Community Development Fund options. These funds would require projects in the community to be proposed to a board, with the financial resources being approved on a project-by-project basis. Additional legal and administration support will be required.
- A longer term strategy would be to start the process to achieve the CDFI certification, which is the over-arching structure that would enable Seeds of Promise to obtain

Community Development Corporation and Community Development Entity status under the Community Development Financial Institution certification.

- A final strategic option would be for Seeds of Promise to pursue Corridor Improvement District approval status along with other local neighborhood organizations and entities in Southeast Grand Rapids in the Southtown and Madison Square Corridor areas. The decision to pursue CID status with others would be based on marketplace timing, but could be accomplished along with other social impact investing options.

This strategic phased approach will allow the Seeds of Promise residents the flexibility as well as the capability, to pursue various desired social impact investment options.

This information will be shared with Host Neighbors who will vote on the best social impact investing options, and present their recommendations to the Seeds of Promise Board for approval.