

Questions: Englewood Community Development Corporation April 7, 2009

Administrative Questions

- 1) How is it financed?
- 2) Who keeps the books?
- 3) What are the procedures for getting a 501C?
- 4) What difficulties are there in being sure not to show a profit? What all is at issue here?
- 5) What procedures are there for getting property off the tax roles quickly?
- 6) Would it be possible, say, to pay employees of churches or the corporation a housing allowance if they used the housing?
- 7) I assume you pay Jim out of all this?

Selection and Construction Questions

- 1) How do you choose which houses to buy?
- 2) How feasible is it to get housing reclaimed in geographical clusters?
- 3) Do you flip housing outside a “target neighborhood” in order to help pay for housing within a more designated area?
- 4) Is it economical to spend more to get several houses reclaimed together?
- 5) Do you know of electrical contractors, plumbers who will donate time?
- 6) Have you ever provided outside workers contribution tax receipts for their time?
- 7) Do you have suppliers that ever donate materials?
- 8) How many of your church people help with the construction work?
- 9) How do you decide how much to do? On a scale of 1-10 1 being windows and wiring—10 being installing in-ground pools how much do you do?

Legalities and Terms Questions

- 1) What percentage of your housing is involved in section 8? Do you otherwise use any outside agency to screen and select tenants?
- 2) What do the agreements look like for your tenants?
- 3) How are tenants screened and chosen?
- 4) What do your agreements look like for those involved with transitional housing?
- 5) What do the sales agreements look like for those buying housing at reduced prices? Do they have to help with previous and future housing projects? How long must they hold the property before they sell it?
- 6) Are there ways to prefer those who want to help with the church’s mission without getting into trouble with the housing laws? Is there any cover in being a religious institution?
- 7) Have you advertised to the wider church what you are doing in an effort to get people to move to the city and do inner city ministry?
- 8) What are the primary legal threats to what you are doing?

Over-arching Goals Questions

- 1) What percentage of your houses are rentals?

- 2) What percentage of your houses are sold to new families at reduced rates?
- 3) What percentage are used for staff or those engaged in ministry?
- 4) What percentage is used for transitional housing?
- 5) How have you set up a program of whole-life reclamation for people who want to use the transitional housing? I can imagine making participation in a kind of life-skills training within the church communities that would be a requirement for access to the transitional housing. Do folks begin to pay increasing amounts of rent? What kind of financial counseling do they get? What are the biggest needs and resources that need to be brought to bear here?

Administrative Answers:

Rather than initially starting our own redevelopment corporation, Englewood would be willing to loan us theirs. There might even be a possibility of our doing this good work through their corporation. Because it already has an experienced CPA on staff, this would lighten the administrative load. If there were a way for us to maintain some influence over the choice of houses and people our churches could minister to—there might not be any need to start another separate corporation. This would amount to having some coaches in doing this over the long haul. Initial capital for the Development Corporation sometimes is given by church members or Administrative members of the Corp. Sometimes jobs are financed at local banks. The money from rental property, the money from the sales of homes, together with a manageable and sustainable amount of individual support pays staff members to do the work and also puts people in need to work with part-time jobs. For the first 10 years Englewood did not take any government money, but now has occasionally taken NSP and CDBG—block grant money from the State and from HUD. Government aid is not necessary, but sometimes it is helpful. On occasion people who work for the corp rent houses owned by the corp. If we wished to get a separate redevelopment Corp running Englewood would help us through that process with Shiela at 1802 N. Ill.

Selection and Construction Questions

Which house to buy is driven by price. Often houses outside the neighborhood area that Englewood is trying to influence are given to the corporation or otherwise sold for a song. The houses are flipped and money then is funneled back into the neighborhoods that the corporation and the church can more effectively minister to. The Corp often has people who want to donate labor simply invoice them for their services and charge nothing. This keeps the Corp free from assessing the value of labor donated. But tax receipts are provided. Very little cosmetic work is done on the houses. Sometimes they are painted. Usually the work consists of installing a high efficiency furnace that needs only to be vented. The chimney is taken down outside, and the space is used to run new wire throughout the house. Windows, wire and the highest efficiency furnace available are usually provided, along with whatever structural repair is necessary.

Legalities and Terms Housing

No housing is in the section 8 program. I assume standard kinds of leases are used. This ministry is all about building relationships and they can't do that with the government

picking their people. No outside screening agencies are used. They no longer try to give any equity to people in their homes. This costs lots of money, and in the end may not help people. (new homeowners can borrow irresponsibly against the equity.) There are no written policies for who gets access to the housing. There does not seem to be as much of an effort /or success at getting potential homeowners to help ahead of time, and afterward as I would have thought possible. There is a refreshing refusal to try to systematize the process—it's intensely relational and context specific. There are all kinds of agencies that could provide help to help tenants get their lives on track, but Englewood tries not to farm much of the process of whole life reclamation that Jesus does through the church. They have not advertised widely to the church to come in—because many of the people who have a vision for “urban ministry” have no real idea of what this means. The legal threats are always there. But for 14 years or so and after 60-70 houses etc there has not been any problem. The Corp provides a wall of separation from the church. And while if the church new about some gross liability and did nothing, that wall probably could be penetrated, this provides a good lessening of liability.

Over-Arching Goals Questions

25% of their houses are rentals that give the financing for ongoing operations. They try to rent only to people that they have some kind of an ongoing relationship with. Most houses are sold to new families. Only in once case are the houses used to house ministry and staff—really here they pay rent and draw a salary rather than officially just use the housing as their payment.

This ministry is about living out the gospel in a context where the infrastructure of community has completely broken down. Its not just about providing decent housing, part-time jobs (and some full-time jobs with the book-keeping business) Its about living out the gospel with people. It's about building relationships of trust. I cannot help but believe that this kind of ministry is needed in places like Eagledale and Haughville—areas from which our local congregation has drawn since its inception. Emphases might be different on the West side. Certainly the demographics are going to be somewhat different. And the infrastructure we try to create might be a little different. I'm left thinking about two words...sustainability and faithfulness. This has to be done in a way that does not rely constantly on gifts of labor and real-estate. It is not faithful to simply say to people we can't help you. We need to stop giving out help to people and start caring about individuals and really doing something to help the situation of their lives. I'd rather be meaningfully involved with a person who is willing to make a long-term plan involving some spiritual searching than I would to give out a dime in short-term, stop-gap “helping.”