

## LEARNING TOUR BRIEF #3

### Repurposing Local Assets for Community Good

#### OVERVIEW AND LEARNING OBJECTIVES

Today, most community foundations accept a range of donor assets beyond cash – including gifts of land and real estate or other physical property. However, while these assets are most often converted towards charitable gift funds, the foundation's unique connection to its community presents creative opportunities to use local private, public, and business assets for community good with greater scale and direct local impact. On this Learning Tour, see first-hand different models in National City – [A Reason To Survive \(ARTS\)](#), [Olivewood Gardens and Learning Center](#), and [The MAAC Project](#)– that illustrate the practical dimensions of how a transfer of assets to the community resulted in innovated programs that serve local youth and families.

As you participate in this learning tour, you'll have chance to:

- Explore approaches to repurposing community assets to address local needs
- Understand the financial and operational considerations when making a transfer (purchase, donation, lease), as well as the pros and cons of each
- Consider the implications of this approach for donor intent, board involvement, and internal capacity and policies
- Discuss strategies to communicate how the local assets are being used and tell a story that reflects voices of its own people and residents

#### LEARNING TOUR AGENDA

- Part I: Overview
- Part II: Tour of ARTS
- Part III: Panel with questions and answer session
- Part IV: Lunch at Olivewood Gardens and Learning Center

#### LEARNING TOUR CONTEXT

Participants on this tour work in different sectors government, foundations and nonprofits and represent organizations who have leased, bought, or donated assets. The tour will explore best practices and lessons learned that inform the decision-making process for a repurposing project.

#### REPURPOSING ASSETS MODELS

Berks County Community Foundation

Since residential property, commercial or industrial sites, and undeveloped land are attractive assets for charitable giving, the [Berks County Community Foundation](#) established the [Berks County Community Foundation Properties, Inc.](#) as a stand-alone non-profit corporation that accepts donations of property or real estate.

Property donated through BCCF Properties, Inc., gets an immediate tax deduction, and donors can retain the right to live there during their lifetime. The proceeds from the sale of the property can be used to:

- Establish a charitable fund to support a cause
- Supplement an existing charitable fund
- Help a public benefit agency directly by making a lump-sum gift



## Land Gifts in Kansas

Kansas is rich in land. A recent study commissioned by the [Kansas Health Foundation](#) highlights a predicted transfer of wealth that will occur during the next decade, largely based in the value of land. The [Wichita Community Foundation](#) can accept a gift of a house or other personal residence, farm, commercial buildings, income-producing or non-income-producing land.

- A gift of real estate that you have owned for more than a year entitles you to a tax deduction for the fair market value of the property - up to 30% of adjusted gross income - while allowing you to avoid paying capital gains tax.
- Deduction amounts that exceed the limit can be carried forward for up to five additional years.
- Gifts of real estate are considered and received through the WCF Support Foundation, a supporting organization of Wichita Community Foundation and require a \$500,000 threshold value.

If someone anticipates making a bequest of property to the Wichita Community Foundation, it would be advisable to first obtain the consent of WCF's Fund Acceptance Committee to review the conditions of gifting the property before a will or other legal document is drafted. Since the prospective donor is probably expecting a large estate tax charitable contribution deduction from his or her gift, there could be problems if, after the death of the donor, WCF first learns of the bequest and rejects the property as unsuitable.

WCF typically works with a prospective donor's professional advisor to explore the costs associated with gifted property. There is usually an understanding that the donor will contribute sufficient cash to cover maintenance costs. If the property could have contingent liabilities, such as environmental clean-up costs, then the donor should warrant that the property is free from such liabilities and will agree to pay such costs if they arise in the future. In some cases, it would be appropriate to incur investigative costs (such as surveys or sampling for environmental contamination) at the donor's expense, before accepting the property. It is very common for purchasers, lenders and even charities to insist on a Phase One audit before acquiring property.

## Pikes Peak Community Foundation - Initiatives

["Hunt or Gather"](#) joins [Bristol Brewery](#) and [The Blue Star](#) in the newly remodeled historic Ivywild School in Colorado Springs. The purpose is to begin creating a more vibrant community by rebuilding the local food economy. Strengthening the local food economy protects local farms while encouraging and supporting new farmers. Consumers are wise to invest in local farmers who are producing food in ways that nurture our environment as well as our communities.

The goal of "Hunt or Gather" is twofold: to provide access to local, chemical-free food that is fresh and healthy; and to educate the community about the benefits of fresh, healthy, local foods. The Foundation believes that "Hunt or Gather" will become a one-stop healthy food resource that will provide broader access to locally and regionally produced, chemical-free food, along with educational opportunities to learn the importance of real food.

[Pinello Ranch](#) is an innovative partnership between Pikes Peak Community Foundation (PPCF) and [Colorado Springs Utilities](#). Colorado Springs Utilities purchased Pinello Ranch decades ago. PPCF has signed a long-term lease to bring Pinello back to life as a working farm and ranch.

Located just south of Colorado Springs and adjacent to the historic Venetucci Farm, Pinello Ranch serves as an oasis for wildlife along Fountain Creek. Together, Pinello Ranch and Venetucci Farm have created a 400-acre working landscape and natural habitat. It's one of the largest "working open spaces" in a heavily-populated metro area anywhere in the nation.

[Venetucci Farm](#), located on the southwestern edge of Colorado Springs, is a historic 190-acre urban farm, known as the "Pumpkin Farm," and was established by the Venetucci Family in 1936. Nick and Bambi Venetucci gave away thousands of pumpkins each fall to the area's school children. Wanting to preserve this valuable piece of land as a farm, the Venetuccis put it into conservancy and gifted it to the Pikes Peak Community Foundation in 2006. Thanks to the generosity of the Venetucci family and the Pikes Peak Community Foundation, Venetucci Farm is once again a working farm committed to growing healthy food and providing positive experiences for the Colorado Springs community.



## School Buildings Repurposing

A press release from Chicago Mayor Rahm Emanuel announced the creation of the [Advisory Committee for School Repurposing and Community Development](#). The committee has been established to explore and recommend an implementation plan for repurposing closed school facilities, with a goal of reengaging the facilities as vital and vibrant community assets. The Committee's recommendations will be focused on improving the economic vitality and quality of life in the city's neighborhoods.

The Kansas City Public Schools (KCPS), through its [Repurposing Initiative](#), is taking an innovative and comprehensive approach to promote the reuse/redevelopment of 30 of its closed school sites. The Repurposing Initiative, which began as a yearlong community engagement and planning process to develop community-driven reuse strategies, has transitioned from planning into action. Guided by the community feedback and technical reuse assessments outlined in the reuse strategies, the KCPS is in the process of soliciting proposals and promoting opportunities to reposition these school sites so that they once again serve as valuable assets for the Kansas City community.

## Urban Agriculture's New Vision

Highlighted in [Investing in Healthy, Sustainable Places through Urban Agriculture](#) the following are examples of how several foundations have partnered with community stakeholders to support changing concepts of urban agriculture. The paper also highlights important barriers for foundations to consider as they look to support urban agriculture.

The [Sears-Swetland Family Foundation](#) has provided operational funding to the Cleveland Botanical Garden (CBG) for over 15 years. About four years ago, it provided \$50,000 in funding to CBG to support [Green Corps](#), a youth jobs training program that teaches adolescents about urban farming, horticulture, neighborhood building, and science. According to Ruth Eppig, a trustee, the program aligns well with the mission of the foundation, which focuses on sustainability within urban settings, environmental health, and livable communities. Urban agriculture touches on all these areas. "Green Corps is a successful program. It has made a life changing difference for the youth who complete the program. They are respected by their peers, improve their communication and public speaking skills, and other important life skills," said Eppig.

Through its hunger, nutrition, and food systems program area, the [Claneil Foundation](#) works to create healthy communities in four eastern Pennsylvania counties, providing small operating grants to numerous nonprofit organizations in and around Philadelphia, Pennsylvania. One grantee, the [Las Parcelas Community Garden](#), is a collective community garden for the Puerto Rican community in North Philadelphia. In addition to improving access to healthy, affordable foods in the neighborhood, the garden has significantly contributed to improving the social cohesion of the community. The garden, onsite community kitchen, benches, and picnic tables provide a meeting place for people of all ages to interact, socialize, and celebrate their culture and heritage.

For the [Cedar Tree Foundation](#), urban agriculture is the bridge between two main focus areas: environmental health and ecological sustainability. "We see [urban agriculture] as a way to reconnect people with where food comes from and how it tastes," said Greg Horner, program officer. Cedar Tree has provided funding to nonprofit organizations, such as the [Southside Community Land Trust](#) (SCLT), in Providence, Rhode Island, to repurpose underutilized land, clean up brownfields, and revitalize neighborhoods through urban agriculture. Through a general support grant, Cedar Tree funded SCLT staff time to implement two urban agriculture projects and transform blighted vacant lots into community gardens by acquiring titles to the lots and leasing the land to other organizations.

For several years, the [Robert Wood Johnson Foundation](#) (RWJF) and [The California Endowment](#) have supported the work of a national nonprofit organization, [Public Health Law & Policy](#) (PHLP). Through its Planning for Healthy Places program, PHLP provides guidance to municipalities and counties across the state of California on how to better integrate health into the planning process. A recent publication, [Healthy Planning Policies: A Compendium from California General Plans](#), compiles examples of traditional and innovative goals, objectives, and policies related to nine public health topics, including healthy food access. With RWJF funding, PHLP has also developed customized model land use policies for healthful eating, such as farmers markets and community gardens. These and other publications have supported the development of healthier plans and land use policies across the country.



## MISSION INVESTING AS A TOOL

According to the [Mission Investors Exchange](#), mission investments cover two distinct categories of investments: market-rate mission-related investments that have a positive social impact while contributing to the foundation's long-term financial stability and growth; and program-related investments that are designed to achieve specific program objectives while earning a below-market rate return.

### MISSION-RELATED INVESTMENTS

[Mission-related investments](#) (MRIs) are investments that seek to achieve specific social and/or environmental goals while targeting market-rate financial returns comparable to similar non-mission focused investments. MRIs may include:

- Cash and cash equivalent investments in depositories that lend to underserved places
- Fixed-income investments that support specific types of environmental projects
- Public equity funds that target high social performance, and/or engage with companies on issues such as climate change, diversity and gender issues, or workforce relations
- Real estate investments that target mixed-income, smart growth, affordable and work force housing, urban regeneration, or green building
- Venture capital funds that target clean technologies, or workforce development for underserved communities

### PROGRAM-RELATED INVESTMENTS

[Program-related investments](#) (PRIs) are mission investments made by foundations to generate specific program outcomes. Like grants, PRIs make inexpensive capital available to non-profit or for-profit enterprises that are addressing social and environmental challenges. Unlike grants, PRIs are expected to be repaid, often with a modest, risk-adjusted, rate of return. Once repaid, the money used for a PRI is recycled into new charitable investments.

Please visit the [Road to Mission Investing](#) to learn more about how to get started with Mission Investing.

#### [Just Beginning:](#)

Why should your foundation engage in mission investing? The resources under Just Beginning include the basics and benefits of mission investing.

#### [Mapping Your Plan:](#)

Mapping Your Plan provides information on aligning investments with your organization's mission, developing a strategy, and understanding the capacity of your organization.

#### [Fueling Up:](#)

Activate your mission investing plan by identifying deals, working with investees, and seeking out collaborative efforts that can significantly increase your foundation's impact.

#### [Checking the Engine:](#)

Conducting due diligence, monitoring your investments, and evaluating social impact and financial outcomes are all a part of checking the engine that makes your mission-investing engine perform.

## HOW IS THE SAN DIEGO COMMUNITY DEALING WITH THIS ISSUE?

### [A Reason To Survive \(ARTS\)](#)

A little over five years ago, the Pat D'Arrigo ARTS Center opened at [NTC Promenade](#). It was a major milestone for ARTS, transforming the organization from solely an outreach effort to having a "home," not only for ARTS, but for the youth they serve. Offering a safe, nurturing, and creative space for students to escape their struggles and engage with positive adult mentors and peers is critical to ARTS success. As the program has grown, ARTS has looked to the future and how they can secure more space in a financially responsible way that would strengthen both programs and finances.



For the last several months, ARTS has worked with officials in National City to secure what used to be the old city library. The city library has been transformed into a community arts center and ARTS has been chosen as the nonprofit partner to operate it. The new facility is larger, less expensive and within walking distance from schools, social service agencies, and public transportation.

### [The MAAC Project](#)

The MAAC Project is an experienced real estate developer and property manager and is dedicated to building sustainable, environmentally responsible communities through affordable housing for families and seniors, and its “go green” programs. In 2000, MAAC started identifying certain properties owned by businesses and school districts/public entities which had real property that could be repurposed to provide a community benefit.

In 1999, MAAC purchased a 100,000 square foot furniture store/warehouse from Jerome’s Furniture and repurposed the property as the MAAC Community Charter School. The development was financed with Tax Exempt Bond financing, Qualified Zone Academy Bonds and a seller carry-back loan from Jerome’s Furniture Warehouse who also benefited from the Tax Exempt Financing. Today, MAAC operates a charter school, a Driving Under the Influence Program, Community Services, Housing Services and Administration, as well as leasing space for Head Start Preschool facilities.

In 2002, MAAC worked with the Chula Vista Elementary School District to repurpose excess school owned property located adjacent to one of their Community Charter Elementary Schools. Through this effort, MAAC constructed 42 units for affordable housing for seniors, with ample community room space and access to the school to develop an inter-generational program between the students and the residents of the senior complex. Today, there are several reciprocal visits each school year between the two programs. The land is in a 75 year lease with MAAC and financing used include Low Income Housing Tax Credits, Federal HOME funds, Private Financing and assistance from the City of Chula Vista.

Today, MAAC, in partnership with BRIDGE Housing, is under construction on a mixed use development consisting of family housing (130 units), Senior Housing (70 units), for sale (17 units), a preschool, and over 20,000 SF of retail on land owned by the San Diego Unified School District (SDUSD) and leased by MAAC & BRIDGE. SDUSD identified the land as excess property and prepared a Request For Proposals for a development which included a community benefit (at the urging of the local community). MAAC worked closely with the community to identify the needs and best community use for the development and designed COMM22 ([www.comm22.org](http://www.comm22.org)). The project is over four acres with a cost close to \$100 million requiring over 12 different financing sources including federal, state and private financing.

### [Olivewood Gardens and Learning Center](#)

In July 2006, Christy Walton donated her former home and garden in National City to the [International Community Foundation](#) with the goal of leveraging the property to engage, grow, and promote healthy communities and dialogue through civic engagement and philanthropy in the San Diego-Baja California border region.

After a two year process to secure zoning approval, the International Community Foundation relocated its offices to the property and then embarked restoring of the 1925 era Craftsman Home, which is now its headquarters. With its move to National City, the International Community Foundation established a Type 1 supporting organization in late 2007, the ICF Center for Cross-Border Philanthropy (“The Center”) to maximize the full potential of the Walton gift. In October 2009, the Foundation gifted its 6.85 acre property to the Center.

Today, the “Center” has been renamed “Olivewood Gardens and Learning Center” and has been charged with an important mission to connect and motivate students and families from diverse backgrounds through organic gardening, environmental stewardship, and nutrition education, empowering them to be healthy and active citizens. Olivewood Gardens is proud of its early roots and continues to partner with the International Community Foundation, offering its facilities to help further the cross-border philanthropic mission of the foundation.

Please read [Olivewood Gardens: The Role of Cross-Border Community Philanthropy in Promoting Healthy Communities in San Diego’s South Bay & Border Region](#) to learn more.



## [Price Charities - City Heights Initiative](#)

City Heights is a vibrant urban community east of downtown San Diego consisting of 16 defined neighborhoods. Approximately 74,000 people live in a four square mile area, making it the most dense community in the San Diego region. A significant number (42.4%) of residents are foreign born with a majority migrating from Latin America, Asia and Africa. Only 63% of adults have a high school diploma, 33% are not English fluent, and 27% live in poverty.

In 1994, Sol Price became interested in City Heights as a result of a newspaper article about a Vons grocery store closing in the community. At the time, City Heights had the highest crime rate in San Diego County, gang activity and drug dealing were rampant, housing was substandard, and public services were lacking. Sol and former City Councilman William Jones had been working together to open a retail store in an inner city neighborhood in San Diego. Believing that the Vons store might be a good site, they soon learned that the City of San Diego had already secured the site for a new police substation, but didn't have financing in place. Sol made an agreement with San Diego City Manager Jack McGrory whereby Sol would loan the City the money for the building construction if the City would agree to repay the loan in a timely manner and design the following into the building: a gymnasium for police employees and the public to use, public meeting rooms, and windows on the street side of the substation. The purpose of these facility additions was to make the substation as community friendly as possible. The City agreed and the project was completed less than two years later.

While working on the development of the police substation, Sol and William decided that Sol would focus on non-profit work in City Heights while William would focus on for profit real estate development. The "City Heights Initiative" was conceived as a holistic approach to the revitalization of an urban community. The Initiative focuses on improving housing, retail, healthcare, education, social services, public safety, job opportunities, and other quality of life issues and services.

### ARE THERE MORE RESOURCES I CAN ACCESS ON THIS?

Mission Investing

[Confluence Philanthropy - MRIs](#)

[Engaging Donor-Advised Funds in Impact Investing: A Toolkit for Community Foundations](#) includes an overview of a DAF program, frequently asked questions, an impact investment policy statement, a donor engagement kit that includes marketing and presentation materials, webinar presentations, and general resources on impact investing.

[Making the Case for Mission Investing](#) – Mission Investors Exchange

[Monitor and the Acumen Fund make the case for impact investing](#)

[Rockefeller Philanthropy Advisors Guide to MRIs](#)

[Rockefeller Philanthropy Advisors - Solutions for Impact Investors](#)

Repurposing of Assets

[Charitable Dispositions and Receipts of Real Property Interests](#)

[City of Chicago - Advisory Committee for School Repurposing](#)

[COF's Legal Compendium for Community Foundations](#)

In a recent [Op-Ed in the Boston Globe](#), Alan Mallach, senior fellow at the Center for Community Progress, and Lavea Brachman, executive director of the Greater Ohio Policy Center offered the following as key to community revitalization.



- *Have faith in downtowns.* The physical fabric of the central core, with density, a walkable urban texture, and proximity to major institutions and employers, is a powerful attraction for young single people and couples, and a strong basis for residential redevelopment. Set a friendly regulatory environment for infill redevelopment, reinvent public spaces, and encourage private market reuse of older buildings.
- *Sustain viable neighborhoods.* In these targeted areas, build partnerships with neighborhood associations and community development corporations to implement multifaceted neighborhood strategies that draw demand, rebuild housing markets, and address destabilizing elements such as crime, foreclosure, and property abandonment.
- *Don't be afraid to demolish.* Strategically repurposing large inventories of vacant land is a major springboard for change in heavily disinvested areas. Cities should explore large-scale reconfiguration of land uses, including the use of vacant land properties for public open space, urban agriculture, or stormwater management.
- *Reinvent the economic base.* Not every city can become the next biotech capital. But an honest assessment of local assets and regional competitive advantages can help build new export-oriented economies. Partner with local educational institutions and major employers to build an educational and workforce development plan and a competitive regional labor market.
- *Build new partnerships.* In almost every city, universities and medical centers — “eds and meds” — are bedrock institutions, part of a foundational network of public, nonprofit, and private collaboration. Similarly, state and federal governments must rethink their roles, becoming more nimble, more effective, and less biased toward suburban areas.
- *Make sure all city residents benefit from change.* Many cities are fractured, with large and growing economic and racial disparities. Engaging residents, and providing the educational and workforce development systems they need to become competitive, can build a stronger city for everyone.

The [Center for Community Progress](#) is a national organization addressing issues of vacant properties – both the prevention of abandonment and adaptive reuse. With staff in Flint Michigan, Washington D.C. and New Orleans they provide advocacy, technical assistance, and organizational development services to governments and activists throughout the nation. Community Progress helps neighborhoods, cities, counties, and states forge and implement effective strategies to prevent and reuse vacant properties.

Through their website, e-newsletters, and periodic books and reports, Community Progress provides the latest research and enriches the strategy of others through sharing information on successful campaigns and strategies from across the nation. Through various conferences such as its Reclaiming Vacant Properties Conference, its Land Banking Conference and its Leadership Institute, Community Progress provides the opportunity to learn from experts in the field. And through technical assistance, Community Progress provides on-the-ground resources and support to those – be they neighborhood or regional leaders -- grappling with the challenge of abandonment and rebuilding.

#### [Georgia Land Bank Resource Manual](#)

*Publication Date: 6/25/2013*

Written by Frank S. Alexander and Sara J. Toering, Center for Community Progress

A collaborative of nonprofit organizations, including Center for Community Progress, released the comprehensive Georgia Land Bank Resource Manual to guide stakeholders through the process of creating new – and working with existing – land bank authorities.

#### [Regenerating America's Legacy Cities](#)

*Publication Date: 6/25/2013*

In this policy brief, Mallach and Brachman analyze 18 cities that have experienced significant population and job loss, highlighting their existing obstacles as well as opportunities. The authors argue that legacy cities have many assets – stable neighborhoods, transportation networks, colleges and universities, local businesses, historic buildings and areas, and arts, cultural, and entertainment facilities – that can all be leveraged to further revitalization. The brief concludes with a number of specific recommendations to help regenerate legacy cities.

#### [Strategic Lessons in Sustainable Community Building - The Groundwork USA Network](#)

*Publication Date: 3/1/2013*



By Joe Schilling (Center for Community Progress) and Raksha Vasudevan on behalf of Groundwork USA  
This report highlights 10 case studies from the Groundwork Trust network that seek to reclaim brownfields, urban rivers, and vacant spaces through community engagement, and achieve more equitable and sustainable communities.

#### [Grounds for Change: Activating Vacant Land](#)

*Publication Date: 2/22/2013*

Get Inspired. Get Educated. Get Moving.

Community Progress is launching a new interactive resource for communities, individuals, and policy makers interested in improving their neighborhoods through strategic green reuse of vacant land. Grounds for Change: Activating Vacant Land is designed to inspire implementation in your community, and spur on others to create innovative, ecologically sound, and sustainable solutions that bring economic value and beauty to urban, vacant, and abandoned lands.

#### [The Role of Investors in the Single-Family Market in Distressed Neighborhoods: The Case of Atlanta](#)

*Publication Date: 2/5/2013*

By Dan Immergluck

As a result of the housing crisis, Atlanta has experienced a significant increase in the number of investor-owned single-family properties. This study seeks to describe the flow of single-family properties coming out REO status and the behavior of single-family investors in Fulton County's distressed neighborhoods.

#### [Creating Equitable, Healthy and Sustainable Communities: Strategies for Advancing Smart Growth, Environmental Justice, and Equitable Development](#)

*Publication Date: 2/1/2013*

This report offers low-income, minority, and distressed communities a menu of land use and community design strategies to help revitalize their neighborhoods. The strategies fall under a number of core areas, including meaningful community engagement, public health, housing and transportation options, and the preservation of community characteristics – all working together to promote environmental justice and equitable development.

#### [Detroit Future City: Detroit Strategic Framework Plan](#)

*Publication Date: 1/9/2013*

By The Detroit Works Project

The Detroit Strategic Framework outlines a long range vision for Detroit's future development. It is the result of a two year planning and community engagement process that closely examined the city's current challenges, assets and opportunities.

