



## BNG Campaign: Executive Summary

LMM is deepening our commitment to serving the community with the **Breaking New Ground** Campaign (BNG). The campaign now includes an Affordable Housing Initiative (AHI) and a Family Sustainability Fund (FSF) for Cleveland families leaving homelessness. The AHI will provide renovated homes in St. Clair-Superior, with easy access to schools, community resources and life-enhancing assets including LMM's supportive services. Together, the AHI and the FSF will require LMM to raise \$3.5 million to fulfill this commitment.

LMM's Housing & Shelter Programs exist to provide emergency shelter, supportive services, and solutions to homelessness. We accomplish these goals through operation of the Men's Shelter at 2100 Lakeside Avenue, a family overflow shelter at St. Elizabeth Baptist Church, and a growing portfolio of affordable housing options. The timing of the BNG Campaign was accelerated by the need for affordable housing, evidenced in our community by occupancy rates at family shelters in 2018. The family overflow shelter, which LMM operates when traditional shelters are full, has consistently exceeded its capacity in recent years. Many of these families are eligible for Rapid Rehousing rental assistance but simply cannot find enough property owners willing to rent to them due to stereotypes about housing assistance recipients and personal barriers that LMM seeks to dismantle. Our homes will provide safe, stable, and affordable housing, and we will not categorically exclude prospective tenants due to personal challenges like poor credit, criminal backgrounds, or eviction histories.

**Affordable Housing Initiative (AHI):** Through the Affordable Housing Initiative, LMM will renovate 20 existing housing units over 5 years in the St. Clair-Superior Neighborhood. The goals of the AHI are to address the crisis of family homelessness in Cleveland, to rebuild an area of our community that was significantly affected by the practice of "Red-Lining", and to support neighborhood stabilization efforts.

As each home is purchased and renovated, LMM will rent the units to families living in Cleveland that are experiencing homelessness. The rent paid by each family will not exceed thirty percent (30%) of their monthly income, in an effort to follow national best practice definitions of *affordable* housing. (defined by HUD).

**Family Sustainability Fund (FSF):** As LMM created a business plan and calculated projected budgets, we knew that rent collected to cover operating costs, although within fair market rent, would be higher than most families leaving homelessness can afford. In response, we created the Family Sustainability Fund in 2019. The FSF is an innovative temporary support model for tenants to leverage their existing income and other resources, to stay housed and encourage self-sufficiency, and to break the cycles of poverty and homelessness. These goals are accomplished by providing shallow rent subsidies to tenants whose affordable housing threshold, set at 30% of their monthly income, is less than the fair market rent to be collected by LMM.

The Fund addresses the financial instability that can lead to recurrence of homelessness, and is intended to temporarily assist families until employment or other sources of income can support their housing costs. We will further this goal by connecting families with additional supports including our in-house social services and external community resources. The FSF is one of the first of its kind nationally and informed by ongoing research on shallow and short-term subsidies, which improve housing retention and prevent homelessness.

### **The financial goals and timeline for Breaking New Ground is as follows:**

Total Campaign Goal: \$3.5 million; \$2.37 million raised to date (*As of December 20, 2020*)

- Affordable Housing Initiative Goal: \$2 million; \$1,390,000 raised to date
- Family Sustainability Fund Goal: \$1.5 million; \$980,000 raised to date
- Fundraising Timeline: January 1, 2018 to Spring 2021
- Pledge Fulfillment Timeline: 5 years; 2018-2022 (or as needed by the funder)
- 5-Year Timeline for Homes Purchased:
  - 2019: Two units purchased and under renovation.
  - 2020: Four units under review for purchase.
  - 2021: Four units planned for purchase and renovation
  - 2022: Six units planned for purchase and renovation
  - 2023: Four units planned for purchase and renovation