Title

Path to Launch: How to Establish a Community Ownership Structure in the Revitalization of Fresno's Chinatown

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STUDENT CAPSTONE REPORT

Path to Launch: How to Establish a Community Ownership Structure in the Revitalization of Fresno's Chinatown

A comprehensive project submitted in partial satisfaction of the requirements for the degree Master of Urban & Regional Planning

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Client: Emerging Markets Development Corporation
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UCLA Lewis Center for Regional Policy Studies

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Disclaimer

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Executive Summary

The planned California High Speed Rail Station through Fresno is attracting capital to the adjacent Chinatown neighborhood– a 70-acre area that consists of multi-generational business owners, historic disinvestment, and vast stretches of vacant land. Oftentimes, real estate investors enter into neighborhoods like this and buy out property owners parcel-by-parcel in one-off transactions. In effect, they can significantly capitalize on subsequent improvements, while former community members miss out on the opportunity to build wealth.

The project client, Emerging Markets Development Corporation (EMDC), is exploring the role that the Kresge Foundation can play in Chinatown's equity-centered redevelopment. The particular mechanism being explored is a "Neighborhood REIT," which entails the formation of local entities to assemble portfolios of real estate in neighborhoods that lie in the path of major development. Residents and business owners would buy or be granted shares so that they can build wealth alongside institutional investors. This study explores a path to launch for a Neighborhood REIT, in conjunction with other governance and financing mechanisms, that is specific to organizing and uplifting Chinatown Fresno.

My findings were primarily informed by two field visits to Chinatown Fresno and a series of cross-sector virtual and in-person qualitative interviews. I begin the report with a survey of existing community ownership models throughout the United States. Then I analyze existing plans and programs that relate to Chinatown Fresno to assess how they coincide for a vision of the neighborhood and how community ownership can be embedded within them. Third, I evaluate tax increment financing as a method to align public resources for Chinatown's redevelopment. Lastly, I offered a path to launch for a Neighborhood REIT in Chinatown Fresno.

Key findings and recommendations:

- Many of Chinatown's property owners are deeply invested in the neighborhood's long-term growth and wellbeing.
- There has been extensive planning around zoning and land use, but there is not a cohesive plan that is specific enough to run financial pro formas for overall development and assess feasibility of market rate cross-subsidizing affordable development.
- The aforementioned pro forma modeling could streamline and increase the impact of other state and federally funded grant programs (e.g. EPA grants related to brownfields).
- A cohesive and equitable scaling of Chinatown's redevelopment would require cross-sector collaboration and visionary leadership.
- A Joint Powers Authority could align public resources, create predictable conditions for investment, and provide guidelines for inclusive development. This could take the form of a Community Revitalization and Investment Authority.
- A Neighborhood REIT would be a vehicle for blending institutional and local investments and distributing returns to residents.

Introduction

There is growing momentum across the United States for economic development that increases the wealth of community members that have been systematically marginalized. The growing 'community ownership' field aims to stabilize communities, enable community-led investment decisions, build wealth for small-dollar investors, and right historical wrongs. Community ownership ideas can be differentiated from other community development strategies, in that they put wealth into households instead of addressing needs on behalf of residents. Community ownership can supplement the critical development of for-rent affordable housing and the creation of commercial districts by more directly helping families build wealth and financial independence.

This report's exploration of community ownership in Fresno's Chinatown was grounded in two persistent structural trends in the redevelopment of American cities: an increasing racial wealth gap and gentrification.

Setting context: the racial wealth gap

The American racial income gap has been dramatically outpaced by the racial wealth gap, which reflects a family's ability to own assets and build financial reserves. This matters, because a wealth gap has compounding consequences for a family's economic mobility over time, and it drives deep racial disparities. This is especially evident in gentrifying neighborhoods, where development builds wealth for outside investors while excluding or even displacing residents.

Nationally, a white family's average wealth ($929,800) is 6.7 times greater than a Black family's average wealth ($138,100). A dramatic racial wealth gap exists in every income group except for the bottom quintile, where there is zero household wealth and which is disproportionately Black and Latino (McIntosh et al., 2020). The racial wealth gap is even larger in California. In 2014 in Los Angeles and Orange counties, US-born whites had a much higher median household net worth ($355,000) than Latino households ($46,000) and US-born Black households ($4,000) (De La Cruz-Viesca et al., 2016). This reflects a racial wealth gap of 7.7 times and 88 times, respectively.

Liquid assets provide a first line of defense in weathering challenging events. During financial setbacks (e.g., job losses during COVID-19), liquid wealth is critical to absorb sudden shocks and meet the daily necessities of life. As of 2011, white households had a dramatically higher median liquid wealth ($23,000) than Black ($200) and Latino households ($340) (De La Cruz-Viesca et al., 2016). The data reveals Black and Latino households' higher susceptibility to devastating outcomes during economic turbulence. This vulnerability is invariably tied to the racial wealth gap. During a neighborhood's revitalization, when lower-wealth residents are already in a financially vulnerable situation, a temporary financial setback could lead to permanent displacement.

Setting context: gentrification

In 1979, Phillip Clay laid out the four stages of gentrification in his book, *Neighborhood Renewal*:

1. **Pioneering**: An initial wave of individual renovators, or "pioneers," move into a previously poorer neighborhood. These pioneers are usually not investors attempting to profit off the neighborhood – rather, they have only slightly more resources than current residents. According to Clay (1979), this can include artists looking for affordable studio space, or LGBTQ+ communities looking for safe spaces.
2. **Consolidation**: Middle-class residents begin to take notice of fixed-up properties and consequently begin to make investments in a neighborhood with seemingly high upside. This stage involves renovations with private capital, typically on vacant or unused land. This is typically when the media begins to pay attention to the neighborhood and displacement begins (Clay, 1979).
3. **Speculative**: Corporations such as real estate companies and chain retail stores, seeing an opportunity to profit, begin purchasing properties and increase the neighborhood's upscale amenities. Since corporate buying power is much greater than that of individuals from the first two stages, gentrification inevitably leads to corporate control of neighborhoods (Moskowitz, 2017).
4. **Mature**: Eventually, the neighborhood's real estate landscape surpasses mixed-income housing and becomes primarily upper-class. At this point, the effects of gentrification begin to overflow into nearby neighborhoods. Oftentimes, the 'pioneering' and middle-class individuals from the first two stages are pushed out as well. The process becomes completely top-down, wherein the only entities powerful enough to change an already gentrified landscape are corporations and their political allies (Moskowitz, 2017).

Peter Moskowitz' *How to Kill a City* expands on Clay's theory, and posits a "stage zero" of gentrification, one which grounds the time-sensitivity of this capstone's research:

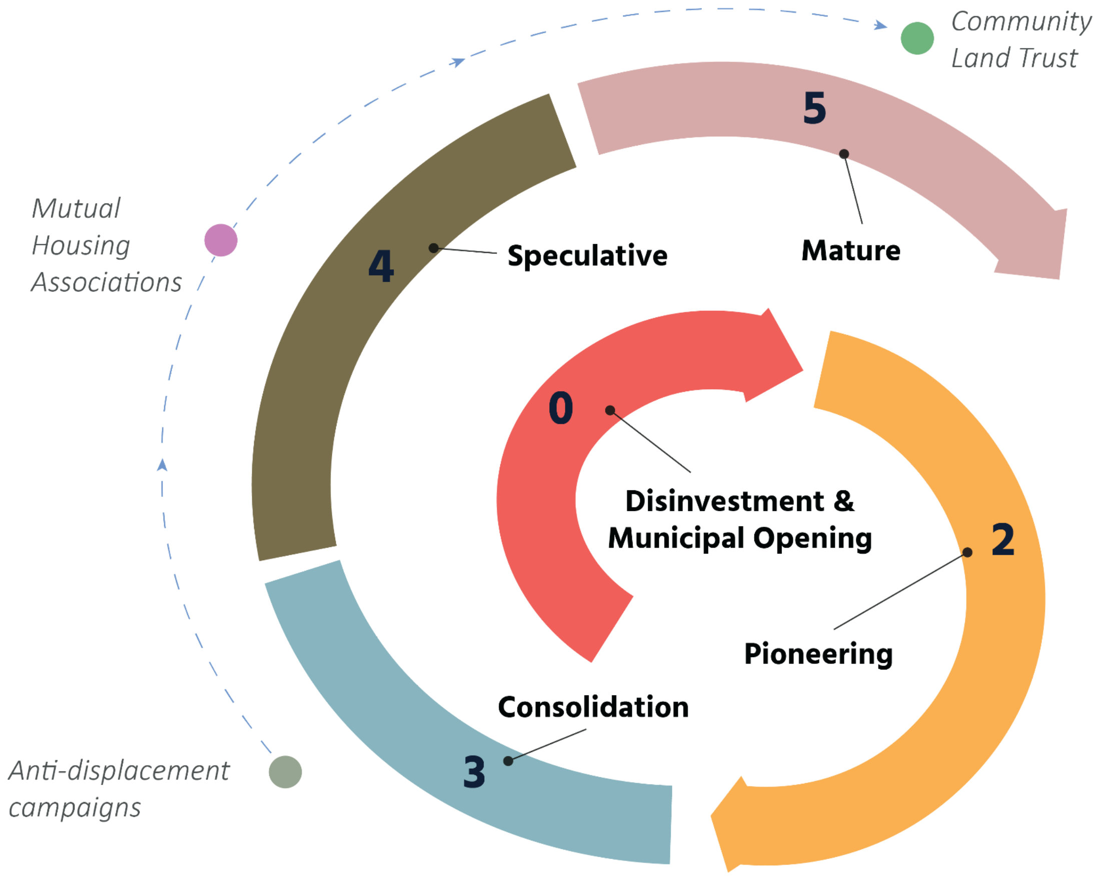
> **Stage 0**: A municipality opens itself up to gentrification through zoning, tax breaks, and branding power. Governments have to be willing to allow for gentrification to occur.

This stage frames why gentrification unfolds. Federal budget cuts have gutted public goods such as housing, transportation, and programs for those in poverty (Moskowitz, 2017). It is historic, systemic disinvestment that primes a government to open a neighborhood up to gentrification. Gentrification, and the massive revenues it brings the city, is a way to funnel revenues from external capital toward effectively running cities and these disinvested neighborhoods. While these investments might catalyze revitalization, there is a consistent outcome of racial and economic injustice for poor, working class, and disproportionately BIPOC residents of these neighborhoods.

Chinatown Fresno is essentially in Stage Zero. The city has removed all barriers to development (e.g., fully ministerial zoning) and the High Speed Rail project is about to ignite a flame. The Fresno case study in the Mayors' Institute on City Design has noted that development is likely to be a frenzy in the neighborhood.

The expanding field of community ownership of real estate can help make strides in stabilizing residents, long-term commercial tenants, and mitigate some of these effects of gentrification.

Figure 1. Stages of Gentrification & Applied Ownership Models



**Adapted from
P.E. Moscowitz, How to Kill a City**

For example, as visualized in Figure 1, anti-displacement campaigns might help spur a wave of government action around rent regulation and eviction protections. Mutual Housing Associations (MHA) employ a community governance mechanism and use low and moderate-income resident rent revenue to continually provide services and improvements, which increases the overall value of the association (San Joaquin Valley COG, 2022). During the speculative stage, an MHA's structure could provide more organized, pooled capital to preserve affordability within the neighborhood. Lastly, a Community Land Trust can provide community members a way to pool capital, acquire land and keep individual sites affordable on a project-by-project basis.

Revitalization without displacement

Conventional methods to tackle displacement have difficulty with sustainability and scale. They can temporarily slow growth and undertake projects that are small relative to the major institutionally-backed changes underway. Community land trusts, for example, can insulate a property from rising values, but have difficulty competing with fast-moving and very highly resourced speculators. Cooperatives, which have long fostered local ownership, can be financially limited by what residents can aggregate on their own (Hopkins, 2021). It can also be difficult to scale these projects to stabilize the entire neighborhood.

As external capital flows into neighborhoods slated for change, it is critical to build complementary community ownership mechanisms that expand the outcomes of CLTs and cooperatives. This is the nature of my capstone's exploration. I researched community investment and ownership mechanisms that are scalable and incorporate existing tenants in financial stakeholdership within investments from external capital. This helps build wealth for existing residents who are traditionally left out of the process. Since gentrification often harms BIPOC and immigrant residents, who are overrepresented in historically disinvested neighborhoods, a financial stakeholdership mechanism in which residents can build wealth during redevelopment can help close a seemingly intractable racial wealth gap. Even in neighborhoods where there is depopulation– such as in Chinatown Fresno– the development of neighborhood-wide financial stakeholdership mechanisms can set a scalable precedent for community ownership and wealth building in neighborhoods across the country.

This report aims to explore what mechanisms– namely a Neighborhood REIT– could be used to incorporate community ownership into real estate revitalization in a way that helps close the wealth gap and creates an infrastructure for zero displacement.

Brief History of Chinatown Fresno

The city of Fresno is the largest city in California's Central Valley and the fifth most populous city in the state. It has a culturally and ethnically diverse population and is home to many diaspora, immigrant and refugee communities.

After Fresno was established by the Central Pacific Railroad in 1872, it saw a boom in agriculture and demanded an expanded labor force. At an 1873 town hall meeting, Fresno's white residents agreed not to rent, sell or lease any land east of the railroad tracks to Chinese immigrants (Thebault, 2018). Although these immigrants helped build the Central Pacific Railroad, they were forced to settle west of the tracks in what is now Chinatown. The city continued to grow and attract more immigrant communities. In 1918, a California state commission report titled "Fresno's Immigration Problem" stated that nearly all of the city's foreign-born lived in a "Foreign Quarter on the west side. That same year, Fresno's first general plan formalized this existing residential segregation and set aside southern parts of the city for heavy industrial facilities, air and land pollution, and public housing (Turner et al., 2023). There are eleven documented communities who were located in the Chinatown area: diasporas from Armenia, Africa, China, Greece, Japan, Italy, Mexico, the Philippines, Portugal, as well as Volga Russians and Basque communities. During World War II, Japanese-Americans, including those in Chinatown, were sent to internment camps. After the war, some second-generation Chinese and Japanese residents began to leave Chinatown due to greater economic opportunity elsewhere. Additionally, some Japanese-American residents did not return to the area after internment (Architectural Resources Group, 2006). Community demographics shifted, as more Mexican immigrants in particular moved into the neighborhood. After World War II, many Black Americans who moved to Fresno were also confined to living in the city's southwest due to redlining policies.

In the 1910s and 1920s, the variety of businesses in Chinatown included groceries, restaurants, seamstress shops, laundries, bars, cafes, gambling houses, a Japanese Theatre, and moving picture houses. This continued into the 1930s, with more of the residents employed in small businesses. By the 1950s and 1960s, businesses expanded to include clothing stores, hotels, and service stations (Architectural Resources Group, 2006). In the 1950s, the construction of Highway 99, which is today understood as one of Chinatown Fresno's boundaries, created another physical barrier between the west side and the rest of Fresno (Thebault, 2018). As racial segregation laws were lifted, tenants moved out, and urban renewal projects ensued in the 1960s, Chinatown lost businesses and became gradually depopulated. Historic buildings were vacated and demolished. This kickstarted decades of disinvestment and neglect (Chinatown Fresno Foundation, n.d.).

Aerial Photos. Chinatown Fresno in the 1950s vs 2010s


Image sources: Chinatown Fresno Foundation and Dan Zack Urban Solutions

Fresno's population has tripled since the 1970s (Turner et al., 2023). White flight to the northern suburbs occurred as more immigrants came to the city. Concurrent disinvestment in central, southeast, and west Fresno has resulted in increased poverty, with a disproportionate impact on residents of color (Turner et al., 2023). According to a study published in 2018 by the National Center for Health Statistics, the life expectancy of residents in south and central Fresno is eight years less than residents of north Fresno. Another study has found that residents in south and southwest Fresno live, on average, 20 years less than those living in north Fresno (Thebault, 2018).

Current Conditions in Chinatown Fresno

There are now 120 parcels in Chinatown and 43 of them are flat ground. In addition to its historic assets (some of which are vacant and in a state of disrepair), Chinatown has various multi-generational businesses.

Property owners in Chinatown generally feel committed to the neighborhood's progress (V. Stumpf, personal communication, May 6, 2024). Some are tapped out financially, and others have development and investment plans. There is openness to invite outside capital into the neighborhood. Additionally, there is support for the work Mayor Dyer's administration is doing in Chinatown, including work affiliated with the Transformative Climate Communities Grant (TCC). There is also collective enthusiasm for organizing property owners, although there is uncertainty about how this will be done and which organizational entity will be responsible (V. Stumpf, personal communication, May 6, 2024). Chinatown Fresno has primarily ministerial zoning and most development could take place by-right (C. Lauderdale, personal communication, May 14, 2024).

The Chinatown Fresno Foundation plays an active role in the neighborhood. Its leadership works to organize and empower business owners and advocate for the revitalization of the neighborhood. They conduct history presentations and walking tours, serve as a resource to Chinatown business and property owners, and support community events. Leadership has also served in an advisory role with the city in matters related to neighborhood planning and grant implementation (e.g., TCC). The organization has plans to create tours of the neighborhood's underground tunnels as well as a pop-up entrepreneurial incubator (J. Minami, personal communication, June 26, 2024).

The homelessness crisis is highly visible in Chinatown Fresno. The Fresno Mission, located southeast of Chinatown's southern Ventura Boulevard border, provides critical services and resources to the unhoused community. On the day-to-day, Chinatown business owners attempt to manage the crisis, its effects on their properties and the neighborhood at large. The Mayor Dyer administration has been active in rehousing efforts.

Various road closures affiliated with the High Speed Rail station and the TCC grant implementation have disrupted the flow of patrons into Chinatown. The planned High Speed Rail station, directly abutting both Chinatown and Downtown Fresno, plans to incorporate and activate both neighborhoods in its designs. Commutes between San Francisco and Fresno on the new rail would take under an hour— which puts Fresno at risk for becoming a bedroom community for people priced out of the Bay. There are also concerns about Chinatown being turned predominantly into a 'parking lot' for the rail station.

A cohesive vision for Chinatown is possible. The Mayor's Office and the Chinatown Fresno Foundation have both expressed interest in transforming the neighborhood into a destination place, potentially through a culinary district (Rodriguez, 2023; J. Minami, personal communication, June 26, 2024). This vision presents an opportunity to engage various ethnic associations, honor Chinatown's diverse history, empower entrepreneurs, and bring more patrons to current business owners. If executed in concert with the current community, the City, and philanthropic partners, a culinary district could be shaped through a community-guided process that incorporates shared ownership and disrupts the traditional outcomes of neighborhood revitalization.

Project Scope

The client, Emerging Markets Development Corporation (EMDC) operates partly as an interlocutor between government, foundations, institutional investors, and community based organizations.

In the beginning of the capstone, I conducted a literature review of existing community ownership models using online resources and EMDC's documents. This included various interviews with stakeholders that launched pilot projects, institutional investors, CBOs, foundation program officers, government officials, and other civic leaders. I was broadly looking at California-based initiatives, and began an assessment of Anaheim, San Bernardino, and Fresno. Government and organizational progress in teeing up Chinatown Fresno's redevelopment outpaced the progress of the other two cities. Furthermore, the implementation of Fresno's Transformative Climate Communities Grant, an earmarked $250 million in state infrastructure funding, and upcoming designs by the High Speed Rail Authority all increased the urgency of investigating socially conscious, equitable redevelopment mechanisms in Fresno. The question is not whether Fresno (and particularly Chinatown) will redevelop in the next decade. That is almost inevitable. But rather, this capstone seeks to inform the development of mechanisms that can intentionally shape *how* the neighborhood can revitalize and *who* can benefit from it.

The basis of this inquiry was to assess whether the concept of a Neighborhood REIT in Chinatown Fresno warrants further exploration. Although I assess other community ownership models, it is primarily within the context of a Neighborhood REIT and its feasibility in Fresno. A "Neighborhood REIT" — coined by Max Levine — is adapted from the financial concept of Real Estate Investment Trusts. They are entities approved by the U.S. Securities and Exchange Commission (SEC) that assemble a real estate portfolio in a neighborhood that lies in the path of development. The portfolio is large enough to comprise a significant amount of the neighborhood and at a scale that attracts institutional investors. A district-wide approach makes it possible to balance mixed-income residential and commercial assets in a way that is not possible on a project-by-project basis. It also ensures that economic benefits are shared— with residents owning modest shares in the portfolio alongside the major investors. This could create an infrastructure for community wealth building, community-guided redevelopment, and a disruption to traditional neighborhood revitalization practices.

Methodology

I conducted this inquiry through various virtual qualitative interviews, planning document analysis, and two field visits to Fresno Chinatown– one in September 2023 in the context of the California APA Conference, and the other in June 2024 in the context of a Downtown Fresno Partnership board meeting and in-person conversations. The research process started with the initial tour of Fresno Chinatown in September 2023 and continued through an initial round of interviews and shadowing to understand the broader opportunities and challenges in Fresno. I then conducted a robust analysis of current plans. Two subsequent presentations and conversations with the Kresge Foundation and an expanded series of cross-sector qualitative interviews informed a major share of insights from this report.

Ideas floated in my initial conversations included Tax Increment Financing, Joint Powers Authorities, and potential (mis)alignments in plans for redevelopment in Chinatown Fresno. This capstone report researched these topics in the context of community ownership. It was grounded by the following research questions:

1. What would be the geographic boundaries defining this portfolio?
2. To what extent have existing planning efforts in Chinatown put forth a vision for this geographic area?
3. What forms of public sector support could be decisive in making a development on this site perform financially?
4. What are the alternative formats for local participation and the role of the philanthropic, government, and the nonprofit sector in enabling that to happen?

The first section is a discussion of existing community ownership models. It was informed by interviews and existing literature. This involved assessing a series of case studies including the Nico REIT in Los Angeles, MercyCorps' Community Investment Trust in Portland, and the Market Creek Plaza in San Diego. I also surveyed the various community ownership mechanisms and provided brief descriptions and applications of each one. During the course of this capstone, I was exposed to Richard Harwood's "Community Rhythms" framework. Based on EMDC's previous applications to Harwood's theory, I also attempt to contextualize a handful of surveyed community ownership models within the framework.

The second section pivots to be specific to Fresno's Chinatown. I stitch together current plans– namely the Fulton Corridor Specific Plan, the High Speed Rail Station District Plan, the OneFresno Housing Strategy. I assess them in the context of various ongoing grants, including the Transformative Climate Communities Grant and EPA Brownfields Grant. This research included an initial assessment of publicly available plans, and was enhanced through three qualitative interviews with key stakeholders working in Fresno's planning and grant implementation. I also presented my analysis of these plans to leadership at the Kresge Foundation.

The third section provides a landscape of Tax Increment Financing with a focus on California and a brief survey of Oregon. I primarily discuss Enhanced Infrastructure Financing Districts (EIFDs) and Community Revitalization Investment Authorities (CRIAs) as mechanisms to funnel capital into Chinatown's redevelopment within a structure that mandates social responsibility and earmarks some spending for public goods. This section was informed by three interviews with key staffers and consultants who worked to establish or administer TIFs.

Lastly, I discuss the potential for a Neighborhood REIT in Chinatown Fresno. This section combines lessons learned from the previous sections with insights from separate exchanges with a Fresno-based CBOs, a leading Fresno broker contracted by EMDC, as well as conversations with the Kresge Foundation.

The capstone concludes with summarizing the key findings and recommendations for establishing a scalable community ownership model in Fresno's Chinatown, particularly through a Neighborhood REIT. These recommendations are unique to Chinatown Fresno– but the recommended process could provide an example of a path to launch for other cities in California and across the United States.

Existing Community Ownership Models

This section surveys various community ownership mechanisms and provides brief descriptions and applications of each one. It operates partly as a literature review, but also aims to provide applications for each model at the various stages of neighborhood redevelopment. There is particular focus on Community Investment Trusts, Neighborhood REITs, and Mixed-Income Neighborhood Trusts. At the conclusion of the section, I apply some of the ownership models to Richard Harwood's Community Rhythms framework.

Figure 2. Community Ownership Models, scattered based on general outcomes

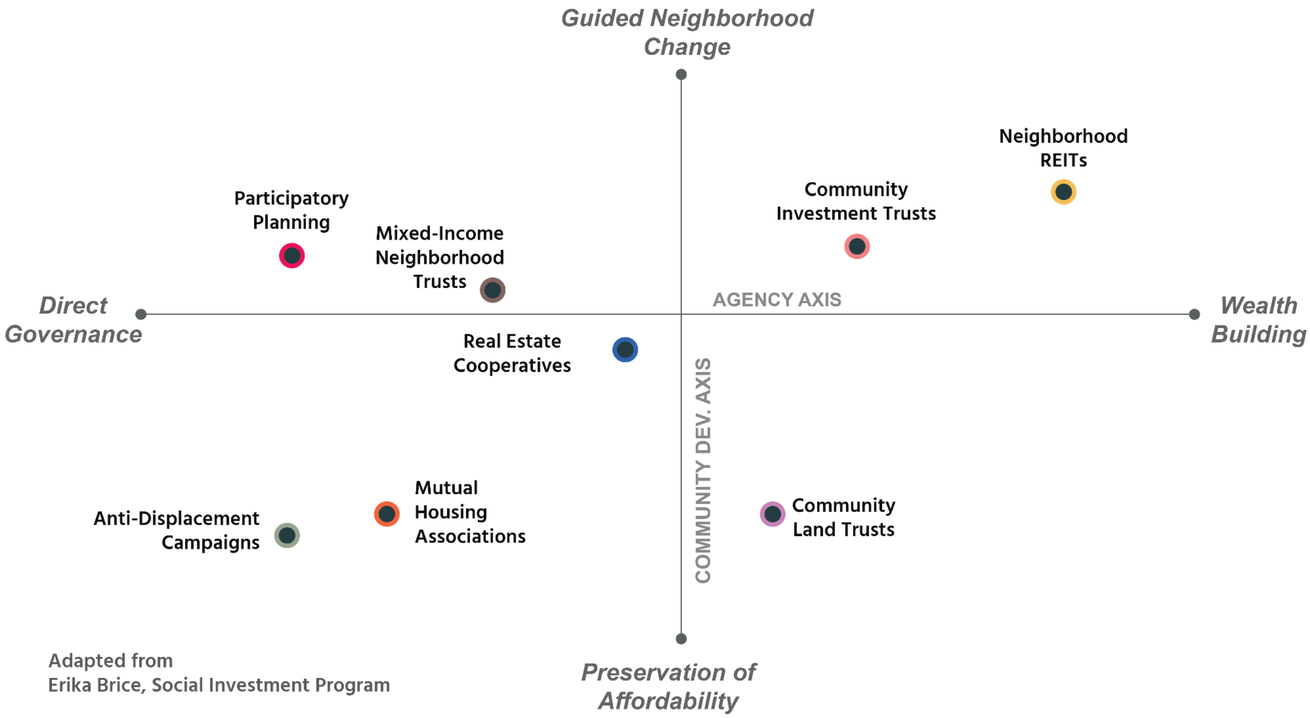


Figure 2 is meant to visually indicate where different community ownership models fall on the scale of Direct Governance vs Wealth Building, and Preservation of Affordability vs Guided Neighborhood Change. Despite the graph's indication, these axes are not inherently binary. This figure is meant to depict the outcome that is prioritized in each model. In addition to community ownership (distinctly real estate stakeholdership) mechanisms, this chart also includes Anti-Displacement Campaigns and Participatory Planning, which are central to community-guided change.

Mixed-Income Neighborhood Trusts (MINTs)

MINTs are tools developed by Trust Neighborhoods in 2020 to combat displacement in gentrifying neighborhoods and preserve affordability for existing residents. According to David Kemper, a co-founder of Trust Neighborhoods, “each MINT acquires, renovates, and operates a scattered portfolio of rental units. It caps rent on the majority of its units while allowing a minority to float at future market rates. This creates a perpetual cross-subsidy for the rent-controlled units” (Kemper, 2022).

A MINT constructs a scatter-site portfolio at a neighborhood scale. It buys and renovates naturally occurring affordable units, acquires and renovates vacant units, and builds new infill on vacant lots. MINTs are unique in their ability to pool capital that is not traditionally accessible to CBOs working to preserve affordability. The structure can effectively become a vehicle that aligns dollars from foundation program related investments with family offices and institutional investors (Trust Neighborhoods, 2020). Furthermore, it can fill a gap by creating affordability mechanisms for smaller units and single-family homes, which are not always included in state or federal programs.

Equity returns are split between investors and the MINT, which reinvests in the neighborhood. Since a neighborhood entity will control the trust, the neighborhood is able to direct the reinvestment to community infrastructure projects and support programs. The portion of the cashflow dedicated to reinvestment does not directly generate wealth for individual households. However, stabilized housing costs can allow long-term residents to stay in the neighborhood and benefit from these neighborhood improvements. Access to these improvements can increase resident opportunities for wealth building through education, better access to food, transportation, and proximity to jobs (Kemper, 2022).

Each MINT uses a perpetual-purpose trust that lasts indefinitely. Created by the Purpose Foundation in Germany in 2015, these trusts become the legal owners of these businesses, and the business owners then have a fiduciary duty to fulfill its purposes (Romeo, 2022). In the case of each MINT, community members define the purpose of the trust and hold 100% voting control over the assets (Purpose Team, 2020). This governance falls under a trustee committee that regularly checks that the MINT is serving its agreed upon purpose. Additionally, each MINT has its own general manager function carried out by an existing neighborhood-based organization and an operating board focused on the real estate capacity of the project (Kemper, 2022).

Fresno has the fourth MINT established with the assistance of Trust Neighborhoods, which has previously launched in Kansas City, Tulsa, and Boston. The Central Fresno Neighborhood Trust (CFNT) was launched in December 2022 through the collaborative efforts of the Lowell Community Development Corporation (CDC) and Trust Neighborhoods. Seed funding was provided by the Chan Zuckerberg Initiative and ARPA funds as part of the Mayor’s One Fresno Housing Strategy. The MINT focuses on acquiring properties with deferred maintenance and negligent ownership, ensuring these units are preserved for current renters earning up to 80% of the city’s AMI. CFNT has already made significant strides with its initial acquisitions. One of its first purchases was a vacant four-plex on Divisadero Street, which previously served as a single-family home and later as a care facility before falling into disrepair. Another acquisition, 2056 East White, consists of five units where existing tenants remained during renovations to avoid displacement (Garibay & Bergstrom, 2022).

CFNT's operational structure features a partnership with a professional property management company and renovation contractors. Governance is managed by a trust stewardship committee. The funding strategy combines grants, such as those from the Chan Zuckerberg Initiative, and city grants with bank debt and potential investments from other sources. This approach ensures a sustainable financial model capable of scaling to meet future housing needs. CFNT's goal is to acquire and renovate 50 units in the first phase, with plans to explore mixed-use development and homeownership models in phase two. It is also meant to complement the work of the Central California Land Trust (City of Fresno, Office of the Mayor, 2022).

Community Land Trusts (CLTs)

CLTs are democratically controlled nonprofit organizations designed to secure land and housing for residents who cannot otherwise afford them. These models separate the ownership of land and buildings, with the CLT maintaining ownership of the land while residents own the buildings and other capital improvements (McCulloch & Robinson, 2001).

CLTs typically use a ground lease to manage the relationship between the land and the building owners. This lease often lasts for 99 years and is inheritable, allowing residents to build generational wealth while maintaining the affordability of the housing for future occupants (Grounded Solutions Network, 2019).

CLTs can remove land from the speculative market and insulate it from rapidly rising property values. In a residential CLT, a buyer might purchase a home (at an affordable rate) on land owned by the CLT and agree to resale restrictions that keep the housing affordable for future buyers. The owner would build equity on their home, although their capital gains from selling would be capped by the resale restrictions. Although a seller does not earn as much as they could in the traditional market, the model ensures affordable homeownership opportunities and provides some opportunity to build wealth.

A CLT has a typical board structure of ⅓ leaseholder representatives (i.e., tenants), ⅓ as elected members residing in the CLT's service area and ⅓ civically-engaged individuals (e.g., local officials, nonprofit providers, CBO representatives). Roles and responsibilities of board members are typically specified in a CLT's bylaws (Bath et al., 2012).

The South Tower Community Land Trust, one of three CLTs in Fresno, is an example of how a CLT can operate. Founded by Kiel Lopez-Schmidt, the South Tower CLT emerged from grassroots activism to prevent the conversion of a local police station into a market-rate apartment complex. Instead, the community advocated for the creation of public spaces and affordable housing. In May 2024, the South Tower CLT successfully purchased its first home for $250,000, with an additional $50,000 to $60,000 allocated for improvements. By separating the land ownership from the home, the CLT can offer the home at an affordable price of under $200,000. This ensures long-term affordability and allows residents to build equity while keeping housing accessible for future buyers. The South Tower CLT also plans to add tiny homes to increase affordable rental options and address housing density sustainably. Additionally, the organization focuses on environmental improvements, such as installing air quality monitors to address local pollution concerns and guide environmental enhancements. It also places an emphasis on community education and empowerment by involving its board members and community stakeholders throughout decision-making processes (Zwebti, 2024).

Community Investment Trusts (CIT) – A Case Study

The CIT was established by Mercy Corps in Portland, Oregon, in 2017 to provide low to moderate-income tenants and nearby residents with a wealth-building opportunity through commercial real estate investment. Instead of developing new properties, CIT focused on acquiring underutilized existing properties. Mercy Corps purchased a $1.2 million foreclosed strip mall with 60% occupancy, selecting it based on pragmatic cost criteria. Shares were sold to residents of nearby zip codes who completed a financial education course titled "Moving From Owing to Owning." Investments ranged from $10 to $100 per month, offering residents a way to build equity in their local community while also leasing vacant units to local entrepreneurs (Hopkins, 2021).

Initial funding came from Mercy Corps' unrestricted assets and loans from impact investors. This capital was used to purchase and improve the Plaza 122 property. Additional support from foundations such as the Collins Foundation, JPMorgan Chase, and Meyer Memorial Trust helped cover operational costs, curriculum development, and training. The CIT is structured as an Oregon C corporation, known as the East Portland CIT Corporation, which can eventually transition into a REIT if enough investors are interested. However, the CIT's founder opted for a C corp due to uncertainty about recruiting the requisite 100 investors, making the CIT exempt from SEC regulations. There are still recognized benefits of a REIT conversion, namely in its transparency to investors and the pass-through tax advantages on the distributions of income (Haines, 2020).

Resident investors have seen significant returns with little risk. Northwest Bank provides a letter of credit to protect these small-dollar investors from downside losses. This makes a CIT share a fully liquid asset class that low to moderate-income investors can access in the event of a financial crisis. Investors also benefit from annual dividends and share price appreciation. The CIT Board is required to declare a minimum annual dividend of no less than 2% of the share price (Community Investment Trust, n.d.). In the first two years, CIT delivered three rounds of dividends averaging 9.3%, and the share price increased from $10 to $15.86, driven by mortgage debt reduction and property value appreciation (Hopkins, 2021).

After its first year, the CIT reported that 65% of resident investors reported becoming more civically involved in their communities, 33% reported an improved credit score, and 96% were using financial planning techniques to stay on track with their financial goals since graduating the Owing to Owning course. Given the demographics of these first-year investors – 59% BIPOC, 68% never had invested before, and 54% made less than $40,000 per year– these outcomes are promising for wealth building and economic mobility. The strip mall now has approximately 26 tenants and over 90% occupancy (Haines, 2020).

Mercy Corps, with support from the Kresge Foundation, also did a workshop with local leaders on a CIT in Fresno.

Market Creek Plaza in San Diego, CA – A Case Study

Market Creek Plaza, launched in 2001, represents an innovative model of community-driven development and ownership in southeastern San Diego. Spanning 20 acres, this mixed-use commercial and cultural center was established to revitalize one of the city's most ethnically diverse and economically distressed neighborhoods. The project was born from extensive community planning, involving 800 neighborhood surveys that identified key needs such as a major grocery store, restaurants, entertainment, and living wage jobs. The Jacobs Center for Neighborhood Innovation (JCNI) played a crucial role in this endeavor, facilitating resident engagement and local control from conception to execution (Hopkins, 2021).

Market Creek Plaza boasts a variety of assets that were collectively planned and designed to meet the community's diverse needs. Positioned in an ethnically diverse neighborhood– where 43% of residents were Latino, 30% African American, and 11% Asian at the time of the plaza's establishment– the resident members of the Art and Design Team spent months collaborating with the project architect on the development's basic design. Despite initial differences, the participation from these ethnic groups ultimately shaped an architectural style that represented their various cultures. This inclusive design approach helped community members "see themselves" in the development, fostering a sense of ownership and pride in the project. This method of participatory planning continued during the development and leasing process, during which JCNI and residents made difficult decisions together.

The plaza is anchored by a major grocery store, the first in the area in 30 years, which addresses a critical need for fresh food. Additionally, it includes a multiplex theater, multicultural restaurants, retail and office spaces, and a 500-seat open-air amphitheater (McCulloch & Robinson, 2001). Over time, the plaza has expanded to include a Walgreens and a 52-unit affordable housing development named Trolley Park Terrace.

The ownership model of Market Creek Plaza is distinctive due to its emphasis on community investment and control. The plaza is owned by Market Creek Partners, LLC, a limited liability corporation that facilitated a groundbreaking Community-Development Initial Public Offering (CD-IPO). This initiative transferred 20% ownership to 419 residents who collectively invested $500,000, while the resident-led Neighborhood Unity Foundation invested another $500,000, securing another 20% ownership stake (Hopkins, 2021). The Jacobs Center provided comprehensive support for this model, including training residents in investment economics to maximize their skills and knowledge (McCulloch & Robinson, 2001).

Residents, investors, and tenants of Market Creek Plaza benefit significantly from its unique structure. Local entrepreneurs are prioritized in hiring, family-run restaurants prioritized for storefront leases, and construction contractors are sourced locally to boost the community's economy. This model has fostered a sophisticated base of resident investors who actively participate in planning and decision-making processes. Moreover, the project had created numerous living wage jobs and had become a hub for cultural and recreational activities (Hopkins, 2021).

Since its inception, Market Creek Plaza has undergone various updates to adapt to changing needs and economic conditions. In 2016, southeastern San Diego was designated a "Promise Zone," making it easier to secure grants for further development. The Jacobs Center has actively sought government and private funding to sustain and expand the project (Hopkins, 2021). By 2017, the Jacobs family reduced their annual contributions from $6 million to $1.5 million, with a plan to sunset their contributions by 2030. This prompts the need for strategic adjustments, including the release of a new master plan to attract developments aligned with community desires (Halverstadt, 2017).

In recent years, the focus has shifted towards mixed-income development and scaling through the master plan. As of 2022, efforts to bring in mixed-income housing developments have been a priority (Hernandez, 2022). By 2023, discussions about decoupling Market Creek from the Jacobs Foundation's management emerged, aiming to ensure profitability for resident investors. Despite these challenges, Market Creek Plaza remains a pivotal project in community-driven urban redevelopment, with ongoing efforts to attract new investments and maintain its community-focused mission.

Neighborhood REIT – A Case Study

The Neighborhood Investment Company (Nico) in Los Angeles' Echo Park neighborhood was an innovative approach to community wealth creation by establishing the first Neighborhood REIT in the world. Nico, structured as a benefit corporation, aimed to balance social outcomes with profit optimization, securing $30 million in venture capital to acquire three large, affordable apartment buildings, including one with retail space. This move targeted the rapidly developing and gentrifying Echo Park area, aiming to allow tenants to build equity through common-stock share purchases starting at $10. Nico's vision allowed residents to invest incrementally alongside their rent payments (Levine, 2021).

Nico defined three asset classes. Tenants in buildings owned by the REIT could buy the most advantaged shares and were even granted "introductory" shares. Next, residents of the immediate neighborhood could purchase a second class of shares. Lastly, residents of the city at-large were able to buy a third class of shares.

The core theory of change behind Nico was to use market forces to promote community wealth creation. By structuring the REIT to include local investors and traditional real estate investors, Nico sought to democratize wealth and shift wealth creation from an individual to an act of community building and community wealth creation. Nico's long-term vision extended beyond community ownership as the end goal, and emphasized agency and wealth building (Levine, 2021).

Nico was composed of three interconnected entities: an asset management company, a property management company, and a resident engagement entity. This structure aimed to manage investments, oversee properties, and engage with residents effectively. Strategic priorities were influenced by local stakeholders, while a third-party organization managed the company, bringing expertise and resources to support multiple Neighborhood REITs (Hopkins, 2021). Future plans for Nico included expanding resident engagement and leveraging grassroots mobilization to increase participation, proving that a larger, diversified asset base is necessary to achieve sustainable returns (Levine, 2021).

The impact assessment framework of Nico REIT was robust, focusing on five key areas: increased financial inclusion and wealth creation, distributed power and stakeholder alignment, improved environment and quality of life, neighborhood diversity and stability, and supporting a strong local economy. In its early phase, Nico made significant strides in these areas. Among the 347 non-accredited REIT stockholders, 36.9% had annual incomes under $50,000, and 71.2% had incomes under $100,000, demonstrating substantial participation from lower-income residents. Additionally, 35.6% of those with incomes under $100,000 established automatic recurring investments. Nico's role in commercial stabilization was evident as 100% of its commercial tenants remained operational during the pandemic, aided by the $29,423 allocated through the Rent Assistance Program. Furthermore, 81% of vendors engaged for property management services were based in LA County, highlighting the entity's role in supporting local businesses (Levine, 2021).

In a document on preliminary learnings from the Nico REIT, Max Levine identified key learnings for future community wealth-building projects. Trust building was identified as essential, requiring a balance between patience and progress. The time needed to prove the model and build trust was longer than anticipated, suggesting that a minimum of three to five years is necessary to establish a track record of returns and gain community support. First-time investor hesitancy also emerged as a barrier, which emphasizes the importance of financial literacy and knowledge-building initiatives to encourage broader participation (Levine, 2021).

While Nico ultimately dissolved due to the financial pressures exacerbated by the COVID-19 pandemic and the rent moratorium, it succeeded in proving that a Neighborhood REIT could be viable and beneficial to local residents. Nico's approach set a precedent for future projects aimed at building wealth and fostering community agency. It provided key lessons for a larger, more highly capitalized Neighborhood REIT (Hopkins, 2021).

Mutual Housing Associations (MHAs)

MHAs are nonprofit corporations dedicated to constructing, owning, and managing affordable housing. Residents participate in the management and have the right to stay as long as they adhere to occupancy agreements. MHAs often involve non-residents as board members in order to benefit from external management expertise. Unlike in a CLT model, MHA residents do not hold equity or ownership in their homes, and therefore cannot sell their units for profit. Instead, the rents collected are reinvested into services and improvements that enhance the overall value of the MHA. MHAs are distinct from traditional affordable housing models because they integrate resident participation in decision-making processes for both current and future housing developments. Beyond housing provision, MHAs contribute to community revitalization through initiatives like community gardens, support for local businesses, and promoting neighborhood engagement and improvement (San Joaquin Valley COG, 2022).

Real Estate Cooperatives

Real estate cooperatives, or housing cooperatives, are democratically controlled corporations providing housing for their members. Each household owns a share in the corporation, entitling them to occupy a unit. Cooperatives are financed through a blanket mortgage covering the entire property, with members paying monthly carrying charges for mortgage payments and operating expenses. Co-op members do not own their individual units but own shares in the cooperative corporation (California Center for Cooperative Development).

In a housing cooperative, members buy shares in the cooperative, not individual units. This purchase gives them a stock certificate instead of a deed. The cooperative corporation owns the property and acts as the landlord. Members participate in governance through a democratically elected board of directors, which manages the cooperative, sets policies, and oversees operations. Monthly maintenance fees, determined by the board, cover property taxes, utilities, and other expenses.

The main form of return in the Cooperative is the constant improvement of its offerings and opportunities based on the owners' interests and needs. Additionally, owners may receive a small dividend at the end of each year based on what is remaining. The more one patronizes the Cooperative, the larger the dividend. These dividends are often called "patronage dividends" or "patronage refunds" (Sustainable Economies Law Center, n.d.).

The various types of cooperatives are summarized below:

Market Rate Housing Cooperatives operate in the private market, allowing members to buy and sell shares at market rates. Members may arrange private financing for share purchases, and the cooperative's bylaws may include restrictions on occupancy or rentals. Shares are sold at full market value when members move out.

Limited Equity Housing Cooperatives (LECs) aim to provide affordable homeownership for low and moderate-income households. Share prices are kept low, and resale prices are restricted to maintain affordability. These co-ops often use a mix of private and public funding. California legislation regulates LECs, ensuring long-term affordability by limiting share price increases and dedicating any profits from the sale to public or charitable entities– thereby limiting equity growth of cooperative members' shares. Nevertheless, LECs in particular provide lower-cost housing options and lower the barrier of entry for shared ownership.

Senior Housing Cooperatives are co-ops designed to accommodate aging-related needs and often include amenities like community rooms, fitness centers, and graduated care options. The cooperative model allows seniors to own their units and participate in community governance.

Manufactured Home Park Cooperatives consist of members who own their manufactured homes and share ownership of the land and facilities. This model provides price control and a say in park operations and maintenance (California Center for Cooperative Development).

Application of Harwood's Community Rhythms Model

The Community Rhythms framework, developed by the Harwood Institute for Public Innovation, outlines five distinct stages of community life that describe the evolution and health of a community. This theory provides a framework for understanding how communities can progress and thrive through what is called '5 Stages of Community Life'. The stages help communities recognize their current state and determine the most appropriate strategies of community ownership to move forward.

Stage one, the Waiting Place, is characterized by a pervasive sense of disconnection and fragmentation. People sense that things are not working right but cannot define the problem clearly, leading to a state described as a "felt unknown." There is noticeable fragmentation within the community, with minimal interaction between different groups. Discussions about common challenges are infrequent and often divisive, and people are passively waiting for someone else to solve their problems, often placing hope in a future leader to save the community.

Stage two, Impasse, occurs when the community reaches rock bottom and there is a clear recognition that the status quo is no longer acceptable. However, the community is stuck in an undesirable situation, with people focused on personal interests rather than the collective good. Despite the desire for change, the community lacks the capacity to act effectively.

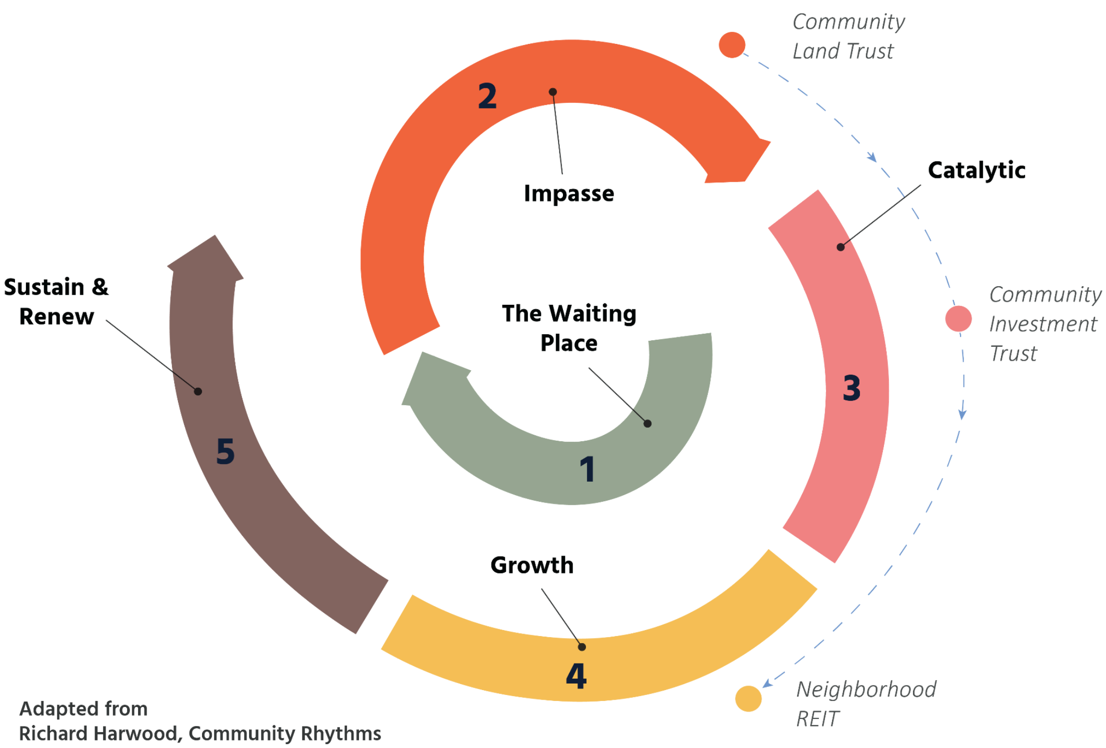
Stage three, the Catalytic stage, is when small groups of people and organizations begin taking risks and experimenting with new ways of working. Although small actions, these actions can yield visible results that instill a sense of hope and community spirit. A shared narrative and vision for the community begins to form.

Stage four, Growth, is marked by visible signs of forward movement. Leadership and collaborative efforts expand and deepen across all levels, leading to a renewed spirit of community and collective action. A network of relationships and shared purpose develops and the community gains confidence in its ability to make decisions and take risks.

Stage five, the Sustain and Renew stage involves tackling long-standing, complex issues that require sustained effort. The community focuses on maintaining momentum by continually bringing in new leaders and ensuring high levels of energy and participation. Efforts are made to ensure that all community members benefit from progress, particularly those who may have been left behind in previous stages (Harwood Group, 1999).

Each community ownership model, in a customized format, has potential to work for a given revitalizing neighborhood in the proper stage of Rockwood's model. Furthermore, it is possible for the structure of the mechanism to evolve over time based on community needs. For example, Fresno's Lowell CDC, which helps run the MINT, is exploring Community Investment Trusts. Meanwhile, East Portland's Community Investment Trust has considered becoming a REIT.

Figure 3. Application of community ownership models in the Five Stages of Community Life



Community Land Trusts can be useful mechanisms in the transition from the Impasse stage into the Catalytic stage, during which a small group of people (e.g., local residents, small-dollar investors) and nonprofits can begin taking risks and experimenting with new ways of working. When this is coinciding with neighborhood redevelopment, particularly if it occurs simultaneously to the consolidation stage of gentrification, a CLT could help insulate singular assets from the market and give a first indication of what could be possible in community ownership of the neighborhood.

A Community Investment Trust, which requires a network of entrepreneurs, businesses, and a shared vision for shared commercial ownership is possible between Catalytic and Growth stages. CITs can help expand community action into economic development and help create a broader network. Since a CIT entails the buy-in of resident investors and small businesses, as well as organized CBOs that are qualified for philanthropic funding, the model is more likely to be successfully launched and sustained during these later stages.

Neighborhood REITs require the most organized community infrastructure. Harwood's Growth stage highlights the community's ability to name leadership that is expanding and deepening at all levels. Such a robust financial vehicle as a Neighborhood REIT, which would potentially require some level of a Joint Powers Authority and certainly a partnership with a community anchor, would necessitate this clear community identification. Furthermore, there would need to be a common sense of purpose and direction that has taken root– which would allow for community members to play a decisive role in comprehensively planning the neighborhood. If the Growth stage coincides with the speculative stage of gentrification, it would be important for these pre-existing and strengthening networks to mobilize the community in a robust and expeditious manner.

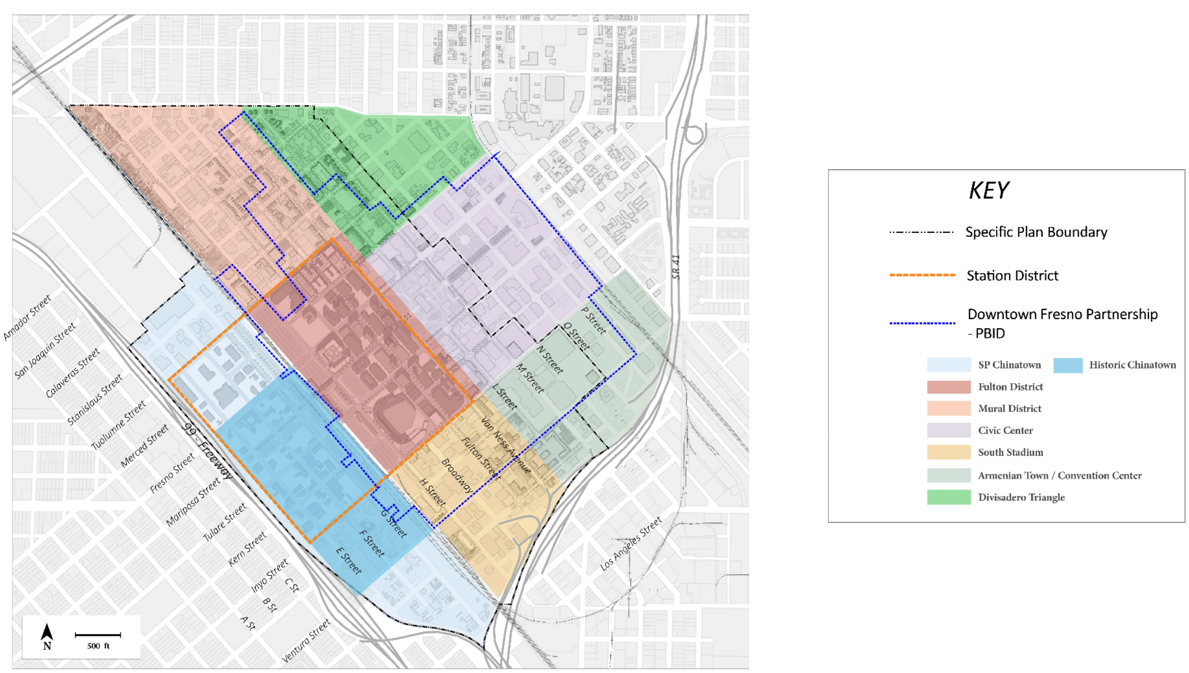
Analysis of Existing Plans

Chinatown Fresno's boundaries are typically understood as the boundaries designated as "Historic Chinatown" in Figure 4. Although the Fulton Corridor Specific Plan designates a larger area of land (in light blue), most interviews and community-driven planning around Chinatown have focused on the area from Fresno street to Ventura, and from the train tracks to the 99-freeway.

Based on insights from four qualitative interviews and publicly available plans, I assessed the following plans and to what extent they coincide to form a comprehensive vision of Chinatown:

1. Fulton Corridor Specific Plan
2. High Speed Rail Station District Plan
3. Fresno Transformative Climate Communities Collaborative
4. The Mayor's One Fresno Housing Strategy
5. EPA Brownfields / Coalition Grant
6. The Central Valley Community Foundation DRIVE Initiative
7. $250M Downtown Infrastructure Grant
8. $43M Catalytic Infill Grant

Figure 4. Boundaries Surrounding Chinatown Fresno



Fulton Corridor Specific Plan

The specific plan lays out goals for Chinatown's redevelopment and contextualizes it with seven other downtown subareas, as seen in figure 4. The first major goal includes the revitalization of Chinatown in conjunction with the proposed High-Speed Rail station. It also states the need to use infill development in Chinatown's many vacant lots to create sensitively scaled, mixed-use, pedestrian-friendly buildings. It aims to establish F Street as Chinatown's "Main Street," accommodating local serving shops and restaurants and providing a safe and pleasant environment for shoppers. The plan also states a goal of capitalizing on Chinatown's unique historic assets, including the former Fresno Buddhist Temple, the Bow On Tong Association Building, and its extensive underground basement network. It also mentions the creation of a new park along Mariposa Street near the proposed HSR station, as well as an intermodal transit center along G Street near the proposed HSR station.

Originally, Chinatown, established in 1872, comprised the area bounded by what is now State Route 99 to the west, Ventura Avenue to the south, H Street to the east, and Fresno Street to the north. The Fulton Corridor Specific Plan modifies these boundaries by extending them northward, southward, and establishing the eastern boundary at the Union Pacific railroad tracks.

The plan names some specific sites (e.g., the historical sites) and uses (e.g., the intermodal transit center). In its mention of historical sites, it does not suggest a strategy for how exactly those sites might be capitalized– for mixed-use, fully residential, or fully commercial. Given the neighborhood's ministerial zoning, this revitalization stated in the specific plan's first goal is almost inevitable. However, whether it will be a coordinated and master planned revitalization is still undecided. Although it is meant to help implement the goals of the General Plan, the Fulton Corridor Specific Plan's goals for Chinatown do not provide such a granular level of detail.

There is broad consensus beyond the specific plan about F Street being the commercial corridor. There is code that requires ground-floor activation on the street (C. Lauderdale, personal communication, May 14, 2024). This ground-floor activation is also laid out as a requirement in the Fresno's Downtown Neighborhoods Community Plan.

High Speed Rail (HSR) Station District Plan

Inquiry into the HSR Station District Plan was primarily based in the plan document published in 2018. During my conservations, some interviewees suggested that the station plan would be outdated soon given the progress in HSR station design, including plaza space, and ensuring that Chinatown and Downtown Fresno have equal treatment in terms of priority of station entrances. High Speed Rail Authority open houses in early 2024 emphasized the finalization of these station designs. These renderings and planning for the plaza will supersede what is in the master plan. There have been recent concerns, however, that the new HSR Station designs deprioritize connectivity to Chinatown. As shown in figure 4, the HSR district area equally encompasses both Chinatown and Downtown Fresno.

In late June 2024, the latest designs were published by Foster + Partners and Arup. The designers emphasized that the station will reconnect downtown and Chinatown via an elevated pedestrian crossing that restores the city grid along Mariposa Street. The crossing will be available to use throughout the day and night. Landscaped plazas on either side of the crossing will provide new community spaces for early activation. This coincides with the Fulton Corridor Specific Plan's articulated goal for a new park along Mariposa Street in the Chinatown subarea. Interestingly, the HSR District Station District Plan– which likely sets a precedent for the future plan update– is relatively specific about development plans. For example, it discusses how the historic Basque hotel, which can house community serving functions and provide an on-site café serving an outdoor terrace, would be incorporated into the park. More broadly, the eight subareas of the station plan each lay out development possibilities. For example, the plan identifies blocks of land that could be used for stand-alone parking structures, neighborhood mixed-use facilities, and educational facilities. Although these are not parcel-specific, they identify a vision that coincides with the specific plan.

During the waiting period during HSR's infrastructure redevelopment and initial activation, there have been difficulties in street closures. There is currently no crosswalk between Chinatown and Downtown. Tulare Street's closure poses a challenge in that regard (C. Espinoza, personal communication, May 20, 2024). Ventura Street is open after being closed for a significant amount of time. Consequently, street closures around HSR planning have negatively impacted Chinatown's integration into the rest of Downtown Fresno.

Fresno Transformative Climate Communities Collaborative

In November 2016, the California Strategic Growth Council selected Fresno as one of three cities for the Transformative Climate Communities Program (TCC). TCC funds are to be used for public investments that catalyze both public and private resources to achieve environmental and economic transformation. Fresno received $66.5 million in funds to achieve these goals through a community-driven planning process that is called 'Transform Fresno'. The Transform Fresno project area encompasses 4.9 square miles within the Chinatown, Southwest Fresno and Downtown areas of the City. 100% of the project area is categorized as low income census tracts as identified by AB 1550 (City of Fresno, 2020). Of the 24 TCC projects in Fresno, 3 of them are located in Chinatown.

The first TCC project in Chinatown was the Monarch– a four-story, net-zero, infill housing development that offers 56 units of affordable housing with an Area Median Income population mix of 30% - 60%. Originally, the site consisted of 0.60 acres of vacant land within one block of the proposed HSR station and across the street from a proposed city park. Although the housing development is considered a success, there is a perception that it has not generated additional economic activity. Additionally, the 4,700 square feet of ground-level commercial space is still sitting vacant, which leads to approximately $250,000 going into the red (V. Stumpf, personal communication, May 6, 2024).

The second TCC project focuses on Chinatown's urban greening. This entails paved pedestrian facilities, improved lighting, and improved active transportation with connections to the HSR station. In an effort to establish an urban tree canopy and provide more greenspace in Chinatown, 26 trees will be planted along F Street in a one block section from Fresno Street to Mariposa Street. One parklet will also be installed within these limits (C. Espinoza, personal communication, May 20, 2024).

The third project is meant to reconstruct China Alley (between Kern Street and Inyo Street) into a permeable green alley with strand lighting to increase feasibility. The City of Fresno will provide long-term operations and maintenance of the improvements. The major challenge with this project is the unforeseen consequences of digging so deep: the surrounding older buildings' basements have a brick foundation, so there now is an issue with water infiltration. The City is now working with the Strategic Growth Council and the construction company to mitigate the issues that this is causing. The project was supposed to be completed by June 2024, but they received an extension from the funding agency to complete construction by the fall of 2024.

TCC requires a robust community engagement process at all phases of the grant. In the initial stages, this consisted of the formation of a 165-person Community Steering Committee. It consisted of individuals who lived, worked, or owned property in the Transform Fresno Project Area. The most active committee members were later appointed to a 17-person Outreach & Oversight Committee. Four of these committee members represent Chinatown and one of them is in the leadership of Chinatown Fresno Foundation.

The Here to Stay report was written to satisfy requirements of the TCC grant. The Thrivance Group was commissioned by the City of Fresno to write a displacement avoidance plan. Overall, the plan is written to address calls by both the Transform Fresno program and the City's Housing Element to reduce or prevent displacement. It was later incorporated into the Mayor's One Fresno Housing Strategy. The funding requirements consist of key areas that include the production and preservation of affordable housing, as well as tenant protections and support. Recommended policies included CLTs, rent stabilization, and conversion restrictions. The grant did not mandate that these policies be implemented since Transform Fresno does not govern what is approved by Fresno's city council. The stipulation is that there should be work done toward implementing a number of the policies as best as possible.

As part of the Transform Fresno initiative, the City of Fresno leveraged $75,000 to fund research into a Chinatown Property-Based Improvement District (PBID). This project aimed to complement the TCC-funded infrastructure improvement projects in Chinatown. The PBID project had two main components: a feasibility study and the potential formation of the PBID based on the study's results. The goals included job creation, business attraction and retention, economic growth, new investments, and displacement avoidance. The City of Fresno hired Willdan Financial Services to assess property owners in Chinatown, set up a framework for the PBID formation, and create a draft Management District Plan. Despite holding several meetings with stakeholders and completing the feasibility study, the results indicated that a PBID in Chinatown was not feasible at this time due to challenges like homelessness, abandoned structures, and insufficient infrastructure (Turner et al., 2023; Willdan Financial Services, 2022). An interview with a stakeholder group indicated that efforts to a PBID are more often successful as relational grassroots efforts led by property owners (J. Minami, personal communication, June 29, 2024).

One Fresno Housing Strategy & the Housing Element

In April 2022, Mayor Jerry Dyer released the One Fresno Housing Strategy which included 47 housing policy recommendations and another 20 recommendations related to homelessness. The policy recommendations of the One Fresno strategy are in four categories: preserving housing, producing housing, preventing displacement and promoting equity. These parallel some of the categories of the Here to Stay report.

The strategy relies heavily on incentivizing the production and rehabilitation of affordable housing to to achieve desired housing production and affordability goals. It is meant to be complementary to the Housing Element– not to override or compete with it, but rather, comprehensively describe the approach Fresno plans to take to meet its housing objectives. The report is dense with strategies, so I attempted to highlight some of the strategies most relevant to community ownership, wealth building, and stabilizing residents of Fresno through the redevelopment of Chinatown.

One key initiative is the establishment of a land bank, which will allow the city to accumulate parcels of land for future development. This strategy aims to identify underutilized land and vacant properties, adding hundreds of units to the affordable housing pipeline over the next three years. This could be a key strategy in Chinatown Fresno. Additionally, the strategy includes the creation of a Pre-Receivership loan program, which will help integrate affordable housing permanency by coordinating local nonprofits with the City of Fresno.
Social impact bonds are another innovative financial tool proposed in the strategy. These bonds will help fund housing projects with social goals, where private investors are repaid based on achieving specific program outcomes. This approach encourages private investment in public housing initiatives, helping to expand the city's housing stock.

The city plans to implement CLTs by partnering with local organizations to build capacity and acquire land for affordable housing. Inspired by recommendations from the 2016 City of Fresno's consultant report on the '2020 Impediments to Fair Housing' and the Here to Stay report by the Thrivance Group. The One Fresno strategy also suggested the utilization of MINTs. It cited the Central Fresno Neighborhood Trust and Fresno's Community & Economic Development Partnership. ARPA funds were later approved to provide seed funding for the MINT.
One notable initiative is the promotion of prefabricated housing. By attracting prefab housing headquarters to relocate to Fresno, the city aims to reduce construction costs, waste, and time, while maintaining the quality of housing. The strategy also focuses on providing more options within single-family only zoning districts. Citing the '2020 Impediments to Fair Housing Choice' report, the city plans to update its zoning code to allow for more diverse housing types, including "missing middle." This initiative is supported by the city's planning department, which intends to bring forward a comprehensive package of updates to the zoning code. The Fair Housing Choice Act report and recommendations from the planning department emphasize the importance of these updates in promoting housing diversity and affordability.

The housing strategy also includes recommendations for broad ministerial approval processes throughout the city. By enacting these approvals, the planning process could be significantly reduced from nine to three months. The zoning code, which was updated in 2015 and came into place in 2016, removed a lot of conditional use permit requirements and emphasized form-based code. However, there are some elements of new development, such as ground-floor activation and window treatment on the buildings, which are sometimes still necessary. In Chinatown, ministerial approvals already exist and development in the neighborhood is mostly by-right. Based on an interview with Casey Lauderdale, a long-range planner at the City of Fresno, zoning is not a barrier in the neighborhood's development– rather, it is land speculation, construction costs, and lower rents. Without significant subsidies, it is difficult to make projects pencil. The housing strategy's emphasis on prefab housing construction, social impact bonds, and land banking may be fitting strategies to address these concerns. As it relates to Chinatown Fresno, however, the mechanisms laid out in the housing strategy are not spatially represented. Although it identifies quantitative goals (e.g., numbers of units), the strategy does not indicate where exactly most of these strategies could be implemented.

EPA Brownfields Grants

The City of Fresno has received a number of Brownfield grants from the U.S. Environmental Protection Agency. Most recently, the EPA granted the city a $600,000 Coalition Grant and an $800,000 Brownfields Remediation Revolving Loan Fund.

In 2019, the City of Fresno applied for and received a Coalition Assessment Grant from the EPA. The coalition is composed of the Chinatown Fresno Foundation, Saint Rest CEDC, and Fresno County, who later withdrew due to the impact of Covid-19 (D. Densley, personal communication, July 1, 2024). The grant period was initially set from October 1, 2019, to October 31, 2024. However, due to the ongoing need for brownfield assessments in Chinatown, an extension of the grant period is being requested to extend it to October 31, 2025. The extension is necessary to ensure there is sufficient time to complete the brownfield research required for Chinatown. The EPA has encouraged this extension, indicating that at least a few additional months, along with a reporting quarter, would be beneficial. It is likely that this extension will be granted. Recently, a review of priorities was conducted, with coalition members confirming their top choices. The Chinatown project has approximately $120,000 to $130,000 remaining in funds. The extension request also includes a proposal to reallocate budget categories to cover supply and personnel costs, converting these into contractual expenses to better support the project's needs.

The $800,000 Brownfield Remediation Revolving Loan fund is meant to identify properties and prime them for development through a community lens. The TCC area of 4.9 square miles is the boundary for this grant. Chinatown Fresno is one of the three focus areas of the grant. The first step is identifying the brownfields (there are five identified sites in Chinatown). Then, work is done with a community coalition to figure out which one of the sites could be used as a catalyst for development. A pro forma is built out to align with what the community desires. The grant can assist not only with initial testing to assess environmental issues, but it can also supplement community planning efforts and identify which projects would have strong financial returns. The Coalition Grant and Remediation Revolving Loan Fund work hand in hand. The latter is a unique method of funding cleanup, which would otherwise be difficult through traditional banking (D. Densley, personal communication, July 1, 2024).

Chinatown has a specific opportunity analysis tool. Using a colored heat map, it identifies the best areas for development based on factors such as significant square footage, only having one owner, and no contamination. This tool was delivered to core coalition members in the spring of 2024.

The specific parcel-by-parcel redevelopment/reuse is an ongoing conversation. Since the intended reuse of assessed parcels is unknown, it is difficult to know the level of remediation that will be required for the site. For example, remediation to develop multifamily housing is lengthier and more expensive than remediation for a parking structure. Since there is not a plan that specifies exactly how these parcels will be used, the city is hypothesizing use based on historic and intended best use. The City utilizes nomination forms and conducts eligibility determinations to ensure owners are supportive of these redevelopment plans and to obtain necessary approvals from the EPA (D. Densley, personal communication, July 1, 2024).

Fresno DRIVE Initiative

The Fresno DRIVE (Developing the Region's Inclusive and Vibrant Economy) Initiative, housed by the Central Valley Community Foundation, is a comprehensive 10-year Community Investment Plan designed to address economic and racial disparities in Fresno. Initiated with input from a 300-person steering committee representing over 150 organizations, DRIVE aims to transform the Greater Fresno Region by 2030 through strategic investments in economic development, human capital, and neighborhood revitalization. The initiative was developed with funding from the James Irvine Foundation and the Kresge Foundation.

DRIVE's investment plan calls for over $4 billion in public, private, and philanthropic funding. One of the notable programs under DRIVE is Downtown 2.0, led by the Downtown Fresno Partnership and the City of Fresno, focusing on revitalizing Fresno's downtown area. This program supports existing businesses, attracts new ones, expands cultural arts, hosts events, and develops housing. A significant aspect of Downtown 2.0 is organizing the voices of residents and business owners in downtown and Chinatown to synchronize with the development of the HSR station. The initiative has successfully renewed its PBID with local business owners, formed a strong relationship with the High Speed Rail Authority, addressed blight, and attracted over 40,000 community members to downtown events.

The Wealth Creation initiative, led by United Way-Fresno & Madera County and Vision View, has two main components: Shared Prosperity and CITs. Shared Prosperity involves investing in families through financial literacy, education, workforce development, and home ownership readiness. CITs allow community residents, along with an angel investor, to purchase and restore vacant buildings for commercial use, with dividends eventually benefiting both the investor and residents. A new version of a CIT is being explored with an existing business complex housing 29 small businesses, which will allow these businesses to buy shares in the building and profit from the rents.

$250M Downtown Infrastructure Grant

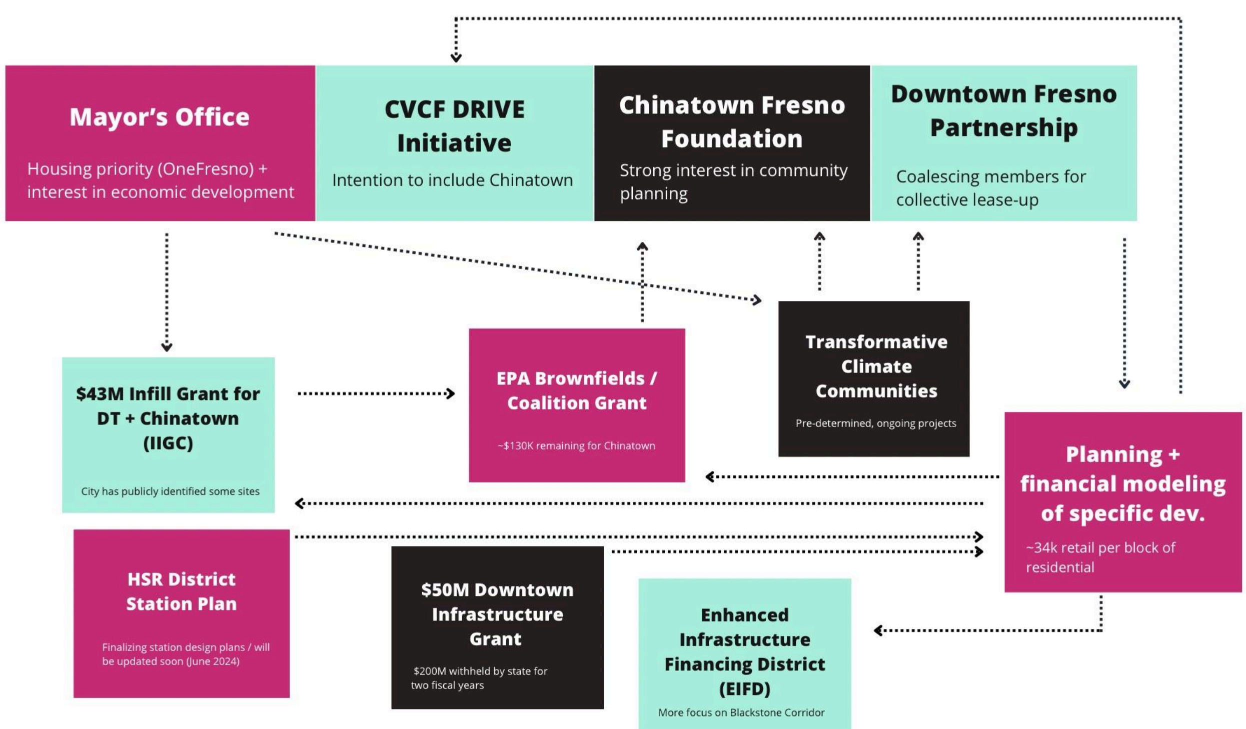
In the spring of 2023, the state of California had designated $250M in its state budget for infrastructure improvements in Fresno. Mayor Dyer's had planned to focus on Downtown Fresno and Chinatown. Initial plans included $20M for an intermodal transit center in Chinatown; $20M for improvements to streets, sidewalks, curbs; $15 million for the development of green space such as pocket parks or linear parks; $10M for sewer system upgrades along Fresno and Merced streets downtown; and $10M for a 16-inch water supply loop along H Street and F Street between Stanislaus and Mono streets (Sheehan, 2023). The infrastructure dollars were primarily for water and sewage infrastructure in Downtown and Chinatown.

Fresno had received $50M of the originally earmarked $250M and was going to receive additional installments of $100M each in the 2024-25 and 2025-26 budget years. However, the state budget's deficit in the spring of 2024 led to the state deferment of the $200 million for two fiscal years.

Infill Infrastructure Grant – Catalytics Qualifying Infill Area (IIGC)

IIGC is a $43.7M award designated to Downtown Fresno, intended to promote infill housing production that is both affordable and mixed-income. This was meant to supplement the aforementioned $250M of infrastructure funding. Chinatown is included in the 'Downtown Fresno' designation of the grant (C. Lauderdale, personal communication, May 14, 2024). The City has publicly identified some housing projects slated for support–including the former CVS site, Gottschalks building, Helm building, and JCPenney (Hensley, 2023). Although there is a citywide intention to revitalize Chinatown, these sites are concentrated specifically Downtown Fresno (as defined by the borders in figure 4) and not Chinatown.

Figure 5. Diagram of current planning efforts and their relationality



Tax Increment Financing

Tax Increment Financing (TIF) is a mechanism used to fund and finance public facilities and other improvements. This is most prevalent in infill locations, such as Chinatown Fresno, where up-front investments are needed to enable real estate development (Malvetti et al., 2023). The basic function of TIF is as a place-based revenue capture tool that uses property taxes on future gains in real estate to pay for new infrastructure improvements.

Of the TIF tools that have been made available since the dissolution of community redevelopment agencies, Enhanced Infrastructure Financing Districts (EIFDs) and Community Revitalization and Investment Authorities (CRIAs) authorize the broadest uses of tax increment financing allowed in California (Malvetti et al., 2023). Both are financed through tax increments generated from the growth in property taxes within a designated boundary. Pursuant to California's Proposition 13, the assessed value of the property can increase up to a maximum of 2% per year. If a property's market value increases at a faster rate than 2%, its assessed value will be below its market value. The limit on property tax increases is to 1% of its value. Thus, in a neighborhood slated for major redevelopment and increased property values, such as in Chinatown Fresno, the revenue capture will likely be even slower than it is in other states using TIFs.

Enhanced Infrastructure Financing Districts (EIFDs)

An EIFD in Chinatown Fresno could serve as a financing tool for large-scale community-wide benefit projects such as roads, parks, libraries, transit stations, as well as sewage and water facilities. An EIFD can also help finance urban in-fill projects, including affordable housing and transit oriented development projects.

When established through a Joint Powers Authority, EIFDs do not require voter approval to form. Originally, a 55% voter approval was required for the EIFD's issuance of bonds. However, SB 780 removed the 55% threshold in 2022. Instead of petitioning and reaching out to property owners within that district, bond issuance goes to a vote with the public finance authority, although there is a protest period. This was done because many jurisdictions were hesitant to move forward with adopting EIFDs because of uncertainty with being able to leverage it with bond financing (M. Polhemus, personal communication, April 12, 2024).

When compared to a typical IFD, the EIFD allows for private commercial rehabilitation, permissions for eminent domain under AB 2, does not require voter approval for formation, and is longer-lasting– with EIFD tax increment available for up to 45 years from the first bond issuance.

Although EIFDs require a "community wide benefit," there is no mention that low-income communities specifically must be included in this benefit. Similarly, there is no requirement to address local businesses concerns that they may be affected by an EIFD. Overall, there is no consensus on what community-wide significance means and such a determination is subjective to each locality.

An EIFD also requires the release of a ceding authority from the legislative body to the state financing authority. In essence, this takes away local jurisdictional oversight and moves it to the state. Although the local jurisdiction is responsible for the outcomes achieved, it has ceded authority to the state– so it is unclear who is actually in charge. Lastly, administration of an EIFD, which includes administrative funds, project oversight and funding, can be cumbersome and costly.

EIFDs and CRIAs have the greatest potential for success where multiple layers of taxing authorities (e.g. both the City of Fresno and Fresno County) are highly motivated to move projects forward and have strong community support. In this regard, West Sacramento's EIFD in particular has an advantageous structure (M. Polhemus, personal communication, April 12, 2024). Due to Prop. 13, which chopped up the revenues of the 1% raise across departments– with counties being allocated the largest share because they have a larger obligation in authorities. Additional legislation, AB 8, created an allocation structure that allows cities to be granted their share of the tax dollars based on the average taxes they levied in the three years prior to Prop. 13's adoption (1977–78). For West Sacramento, this means that they can be allocated 50% of the property tax of the allowed 1% increase. Consequently, the city does not have to work with the county as much. However, this is not the case for most other jurisdictions.

Freno's EIFD

Established in 2020, Fresno's EIFD encompasses approximately 4,237 acres, which is about 5.8% of the City's total area of approximately 73,400 acres. This district is designed to serve as a catalyst for private sector investment and essential infrastructure improvements. The areas included in the EIFD are the City's Downtown Planning Area and the southern portion of the Blackstone Avenue Bus Rapid Transit (BRT) Corridor, as outlined in the City General Plan. This district also overlaps with the Tower District Specific Plan, Fulton Corridor Specific Plan, and Fresno Chandler Downtown Airport Specific Plan areas, chosen for their potential to benefit from infrastructure improvements that provide community-wide and regional benefits (Kosmont Companies, 2020).

The southern portion of the Blackstone Avenue BRT Corridor is a significant focus due to its potential in terms of mobility and accessibility improvements. The EIFD's financial projections estimate a total allocation of approximately $346,000,000 of incremental tax revenues over its lifetime. The incremental assessed value and property tax increment projections for the district show significant growth, with the City's share of these increments anticipated to provide substantial funding for the planned improvements. The maximum portion of the City's property tax increment dedicated to the EIFD is set at 33% throughout the district's duration, which is projected to last for 45 years from the date of the first bond issuance or loan acquisition (Kosmont Companies, 2020).

The primary goals of the Fresno EIFD include supporting the City's General Plan, enhancing regional connectivity through multiple transportation modes, and providing the foundational infrastructure necessary for the development of critically-needed housing. The district aims to implement state policy goals related to housing supply and sustainable infrastructure investment, particularly in disadvantaged community census tracts as identified by the CalEPA CalEnviroScreen tool (version 3.0). The EIFD is expected to generate a net fiscal impact of approximately $9.9 million for the City over 50 years (on a present-value basis), over 10,000 units of housing, and over 1,000 jobs (Kosmont Companies, 2020).

Community Revitalization and Investment Authorities (CRIAs)

Established in 2015 with AB 2, a Community Revitalization and Investment Authority (CRIA) can invest property tax increment revenue to relieve conditions of unemployment, reduce high crime rates, repair deteriorated or inadequate infrastructure, promote affordable housing, and improve conditions leading to increased employment opportunities. A CRIA is distinct from an EIFD in three fundamental ways. First, while an EIFD can be established virtually anywhere, a CRIA can only be established in disadvantaged communities that meet certain blighted conditions. Second, CRIAs have a mandated 25% affordable housing set aside. Third, an EIFD is for improvements that have a 15-year lifespan, whereas a CRIA can fund programs (e.g., small business incubation). Chinatown Fresno would likely be qualified for a CRIA.

The City of Victorville established the first CRIA in California and it can serve as a useful case study for an exploration into CRIA formation in Chinatown Fresno. In order to identify key takeaways from Victorville's CRIA, I conducted a qualitative interview with Hitta Mosesman, the Vice President of Community Development and Housing at Harris & Associates, which helped establish the district in Victorville.

Victorville had closed its air force base just before the Great Recession. Consequently, property values tanked, there were many foreclosures, and the community became even more distressed when California's Community Redevelopment Agencies were dissolved. Given the city's level of distress, Victorville's planning office initiated the inquiry about the suitability of a CRIA. The establishment process took 1.5 years and involved interest from the Governor's Office of Business and Economic Development. The CRIA was officially established in December 2023.

Per state law, the CRIA Board was established with three City Council members and two community figures, following four public hearings. The primary responsibility of the Board is to oversee the implementation of the CRIA plan, which includes managing the allocation and expenditure of funds based on projected revenue. The board is also responsible for meeting any reporting requirements associated with the CRIA, although initial reports may be minimal if no significant activity has occurred yet. The frequency of board meetings is not strictly defined by law, allowing flexibility for the board to meet as needed to address issues and make decisions. Legal counsel may be sought to ensure that the board's actions align with the law, given that some aspects of CRIA governance are not explicitly detailed in legislation. Unlike traditional JPAs, CRIAs are managed by a single entity but can partner across jurisdictional boundaries (H. Mosesman, personal communication, June 25, 2024).

The base year value for the Victorville CRIA is set for 2023-2024, with the equalized role determined in September, based on the assessed value for the fiscal year from July 1 through June 30. Calculations of funds can only commence in the following fiscal year, which means initial funding assessments are delayed. To stimulate development, the City Council waived development impact fees for all projects within the CRIA Project Area in June 2022.

County participation is essential to the CRIA (as well as an EIFD), as counties need to be incentivized to relinquish a portion of their tax revenue. This typically requires formal agreements directed to the Auditor Controller's Office. Without county approval, the city only receives the funds it would typically receive.

Victorville is still negotiating with the county to finalize participation, leveraging data analysis on property values within the CRIA to project potential increases in assessed value. One potential route to show the promise of CRIA revenues is through a concerted engagement with private equity and investment firms, which are drawn to high employment centers with initially lower costs of housing (H. Mosesman, personal communication, June 25, 2024). These early investments often yield significant returns as property values rise. Such a strategy can be particularly effective in the case of Chinatown Fresno and within a Neighborhood REIT structure.

Affordable housing set-asides in a CRIA are allowed to include sites not directly within the geographic bounds of the project area if the sites are identified in the Housing Element (Mosesman, 2022). In the case of Fresno, this means that sites identified in the Housing Element can be incorporated into the CRIA's affordable housing set-aside. Therefore the 25% set-aside would not need to be fully allocated within the geographic boundaries of Chinatown, which could alleviate potential community hesitancy to accept more affordable housing development in the neighborhood.

Taxing entities, and particularly counties, must be persuaded to opt into the CRIA, as their participation is not mandatory. This typically requires formal agreements directed to the Auditor Controller's Office. Without county approval, the city only receives the funds it would typically receive. County involvement is often driven by the presence of significant benefits, such as affordable housing, community shelters, or transit projects. This is exemplified by county participation in Placentia and La Verne, which had the value proposition of major transit projects with OCTA in Orange County and LA Metro in LA County, respectively. This is auspicious for how taxing entity collaboration can be incentivized in Chinatown Fresno, where there is a historic transit investment being made through high speed rail.

Takeaways for a CRIA in Chinatown Fresno

Although it is possible to form a CRIA or EIFD without county approval, it would not be possible to be allocated new revenue without an agreement between taxing authorities. Therefore it would be useful for cities and counties to have preliminary conversations about shared revenues from TIFs before engaging in a formal exploratory process.

Chinatown Fresno consists of approximately 70 acres, whereas Fresno's existing EIFD consists of over 4,237 acres. The focus area for tax increment revenue is the Blackstone Corridor. Given the relatively small geographic area of Chinatown, its current economic conditions, and the distinct plans to revitalize it, the development of a Chinatown-specific TIF would likely be more beneficial to the neighborhood's redevelopment. However, Chinatown is technically within the geographic area of the existing EIFD. The overlap of a CRIA on an EIFD can complicate tax collection and revenue distribution. Therefore, the City or Public Finance Authority would have to amend the EIFD and carve out the subject area of Chinatown, establishing a CRIA in its place (M. Polhemus, personal communication, April 12, 2024).

Establishing a Neighborhood REIT

As previously mentioned in the Project Scope, a Neighborhood REIT assembles a mixed-income real estate portfolio in a neighborhood that lies on the path of redevelopment. The prerequisite for establishing such a large neighborhood-based portfolio would be the organizing of community members — in the case of Chinatown, property owners — through a common vision and structure. Such an organized entity can be a conduit for an aligned bundling of public dollars and incentives. In Chinatown Fresno, this could mean the alignment of EPA grants, state infrastructure dollars, and ministerial approvals. This would help attract developers and align the interests of community stakeholders with those of the private sector.

The establishment of a Neighborhood REIT in Chinatown Fresno would likely be based on a classification that EMDC has coined as "Catalyze & Capitalize." In more blighted neighborhoods, speculators and long-term property owners may be holding onto vacant lots or brownfields, waiting for values to rise. Here, a public sector initiative may be needed to catalyze large-scale development. Local government (e.g., the City of Fresno, the Mayor's Office) might conglomerate properties through direct acquisitions or partnerships with existing owners. Philanthropic players (e.g., the Kresge Foundation) can provide impactful investment capital or act as guarantors for small-dollar local investors.

Certain criteria need to be met in order to establish a "path to launch" for a Neighborhood REIT in Chinatown Fresno. There are five tracks that could be pursued in order to ensure the feasibility of this mechanism in Chinatown Fresno.

Track 1: Designating the Property Portfolio

This stage is critical to disrupting traditional patterns of private development, in which properties are sold in one-off transactions or held by speculators, there is uncoordinated development and ultimately displacement. The city could get ahead of this process. First, they would have to assess the feasibility of large-scale land assemblage and put in place necessary levers of control to manage investors and developers. This would entail a formal introduction of community members to the Neighborhood REIT structure through a series of property owner briefings. This might entail discussions about an "UPREIT" structure, a vehicle in which owners contribute their property in exchange for a proportional ownership stake in the entire neighborhood's redevelopment. An expanded series of interviews would also help identify an exact list of interested property owners. Additionally, the City could identify any cultural asset properties it may wish to buy directly using public and philanthropic investment— which could catalyze interest among market players. Simultaneously the city could work with the

Fresno Housing to identify properties that are already under site control and could be included in the prospective portfolio. Lastly, a map could be prepared to show an exact assemblage of parcels. Agreements can be negotiated between the City and property owners to hold the properties for a time-limited period.

Track 2: Undertaking Public Engagement

A new community engagement process that taps into Fresno's various ethnic associations, Chinatown's homeless service and advocacy groups, and existing property/business owner networks. This would empower the community to move from Harwood's stage three— the catalytic stage— into the fourth stage of growth, during which leadership and collaborative efforts expand and deepen, leading to a renewed spirit of community and collective action. Ultimately, this could help create a sense of local ownership, which is necessary social fabric for a Neighborhood REIT's success. Community organizers could be hired to complete a complete list of area households and business owners and facilitate direct communication to residents. Outreach sessions could be held with multiple associations that represent distinct populations. Such sessions could yield general consensus on the mix of affordable and market-rate development and a list of Chinatown's historic assets that should be preserved. In order to breathe life into the concept of an international culinary district, Fresno's ethnic associations (e.g., African-American, Chinese, Armenian, Basque) could be consulted and partnered with. Furthermore, community organizers can lead an initial round of financial education workshops to explain ownership opportunities to community members. As illustrated by the various community ownership case studies, this educational process is both time consuming and critical for community involvement.

Track Three: Creating Pro Formas

Useful guidance is offered by the Fulton Corridor Specific Plan, Housing Element, One Fresno Housing Strategy, HSR Station District Plan, as well as planning efforts tied to TCC, the EPA grant, and state infrastructure funding. There also seems to be general consensus around a vision of a commercial, mixed-income community with ground-floor activation. Although a new land use plan would not be useful, a project proposal with a financial model could enable planned, cohesive development. A "master plan" that suggests specific uses for every parcel and incorporates development assumptions (interest rates, absorption rates, ground lease terms, acquisition costs) can help assess feasibility for a balanced mixed-income portfolio. Furthermore, a financial model can be used to attract capital.

Track Four: Establishing a Joint Powers Authority

The establishment of a JPA could help create predictability for institutional investors, accelerate development, and enhance the Neighborhood REIT's performance. As discussed previously, Chinatown Fresno is likely a strong candidate for a CRIA. As part of the CRIA, there needs to be a community revitalization and investment plan, which could be informed by the aforementioned pro forma / financial modeling.

Track Five: Incorporating a Neighborhood REIT

Similar to the MINT, each entity must make localized decisions at the outset. In a Neighborhood REIT, this would include the definition of investor share classes— as exemplified by the three share classes defined by the Nico REIT. An organization that provides downside loss protection should also be solidified in this stage. In the case of East Portland's CIT, this organization was Northwest Bank. In Chinatown Fresno, it could be the Kresge Foundation or any number of entities.

The incorporation stage would also entail the identification of a designated partner or anchor organization to guide the Neighborhood REIT's governance. The Central Valley Community Foundation's DRIVE Initiative has done substantial work in convening partners and is fertile ground for building a governance structure. Similarly, the TCC program included a community-led oversight committee that could serve as an exemplar. The defining of this organizational structure, which includes governance, geographic boundaries and share classes, would all be necessary for the articles of incorporation and application to the SEC for REIT authorization.

Conclusion: A Path to Launch

Key Findings

Although individual plans in Fresno highlight strategies that could be used in neighborhood development and tenant stabilization, there is not a spatially-specific and investible strategy. For example, the Fulton Corridor Specific Plan lays out broad goals for the capitalization of Chinatown's unique historic assets and the uplifting of major commercial streets. Other ongoing projects– such as the EPA's Brownfields Program in Fresno– are building out various proformas for the redevelopment of Brownfield sites in Chinatown. However, a lack of planning on specific land uses for these parcels' redevelopment could render the findings as inconsequential. By modeling for an assumed use rather than the city's intended use, it is not possible to identify the level of remediation necessary for site redevelopment to be feasible.

A cohesive and equitable scaling of Chinatown's redevelopment would require cross-sector and visionary leadership. There are various stakeholders that have interest and varying capacity to play leadership and collaborative roles in the path forward, namely the Office of the Mayor, the Kresge Foundation, the Central Valley Community Foundation, Chinatown Fresno Foundation, and the Downtown Fresno Partnership.

Many of Chinatown's property owners are deeply invested in the neighborhood's long-term growth and wellbeing. This includes projects that bolster the business economy and celebrate the neighborhood's rich cultural history. Business owners are currently focusing on day-to-day operations and addressing homelessness in the neighborhood.

Key Recommendations

1. **Create a detailed set of pro formas indicating what would be developed and where**

   There has been extensive planning around zoning and land use, but there is not a cohesive plan that is specific enough to run financial pro formas for overall development and assess feasibility of market rate cross-subsidizing affordable development.

   This is where scale matters, because one-off projects would be swallowed up. In a discussion with Elliot Balch, the CEO of Downtown Fresno Partnership, there was mention that for one block of residential it is necessary to have approximately 34,000 square feet of commercial for it to be viable (E. Balch, personal communication, May 21, 2024). This could be neglected without a detailed level of planning. Furthermore, with more comprehensive planning, lease-ups could be packaged to attract commercial tenants at scale and solve a vacancy crisis.

2. **Create a mechanism to align public resources through a Joint Powers Authority**

   In order for development and community ownership to be scaled throughout the neighborhood, there needs to be a Chinatown-specific mechanism that aligns public resources, manages the bidding process, creates predictable conditions for investment, and provides guidelines for inclusive development. This could take the form of a CRIA.

3. **Identify partners and an anchor organization**

   The Central Valley Community Foundation's DRIVE Initiative has done substantial work in convening partners and is fertile ground for building a governance structure. Similarly, the TCC programming included a community-led oversight committee that could serve as an exemplar.

4. **Incorporate a Neighborhood REIT**

   Supplementing the aligning powers of the JPA, the Neighborhood REIT would be the actual vehicle for blending institutional and local investments and distributing returns to residents. Therefore, the final recommendation is the legal incorporation of a Neighborhood REIT and approval from the SEC in order to create a vehicle for community wealth building in Chinatown Fresno.

This report has been an exploratory investigation around the applicability of community ownership ideas in a particular neighborhood. Along the way, my client and I have not only tested the feasibility of the idea, we have built interest in it among leaders, interest that is now moving into a next stage.

Although these recommendations are specific to Chinatown Fresno, the generalized findings about community ownership models and tax increment financing might be applicable to other neighborhoods on the path of redevelopment across California and the United States.

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Observed Conversations & Interviews

Elliot Balch, President & CEO, Downtown Fresno Partnership, May 21, 2024

Courtney Espinoza, Business Manager - Grants Management Unit at City of Fresno, May 20, 2024

David Densley, Projects Administrator - Planning & Dev. Dept. at City of Fresno, May 20, 2024

Jerry Dyer, Mayor of Fresno, June 26, 2024

Sidra Fatima, Program Officer - American Cities Program at the Kresge Foundation, April 23 + May 22, 2024

Casey Lauderdale, Supervising Planner- Long Range Planning at City of Fresno, May 12, 2024

Jan Minami, Project Director at Chinatown Fresno Foundation, June 26, 2024

Hitta Mosesman, Vice President of Community Dev. and Housing at Harris & Associates, June 25, 2024

Mark Polhemus, Sr. Program Manager - Econ Dev. & Housing Dept. at City of West Sac., April 12, 2024

Jordan Sanchez, Deputy Chief of Staff to the Mayor at City of Fresno, June 26, 2024

Veronica Stumpf, Real Estate Broker, May 6, 2024

Ashley Swearingen, President & CEO at Central Valley Community Foundation, March 22, 2024

Chantel Rush Tebe, Managing Director - American Cities Program at the Kresge Foundation, May 22, 2024

Jennifer McElyea Keith, Managing Partner at Ethos Real Estate, March 22, 2024