

FREY FOUNDATION

# HOUSING

— CALL FOR IDEAS —

# INNOVATION



A call for innovative solutions to ensure housing for all in Kent County

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## HOUSING INNOVATION

### CALL FOR IDEAS

The Frey Foundation’s mission is investing collaboratively in West Michigan to create a better place to live by strengthening its communities, protecting its natural environment, enhancing the arts and transforming the lives of individuals and families. The foundation encourages creativity while expecting excellence and accountability in itself and others.

With this initiative, we seek to focus and mobilize talent in the community to generate **innovative ideas** that will accelerate access to sustainable, quality **housing opportunities** in Kent County, with an emphasis on Asset Limited, Income Constrained, Employed—**ALICE**<sup>1</sup> populations. The ultimate goal of this initiative is to catalyze creative place-based solutions that help position Kent County and West Michigan among the best in class for housing affordability.

### THE CHALLENGE

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In hundreds of communities across the nation, rents and purchase costs are rising, while many wage categories remain stagnant. Working people are finding it increasingly difficult to afford safe, quality housing for themselves and their dependents. According to national data, more than half a million people are homeless on any given night. A much larger group—over 19 million households—pay more than half of their monthly income for a place to live, leaving insufficient resources remaining for food, transportation, childcare and other basic services. Among working families, a limited housing supply that has yet to catch up from construction shortfalls during the 2008–2009 economic downturn is at least one factor preventing entry into homeownership and the opportunity to build wealth through equity. Further, quality rental units are increasingly scarce, driving up rental rates.

The local Kent County market reflects similar dynamics. Countywide population totaling 648,594 (2017 estimated) has grown by nearly 8 percent since 2010; however, the number of housing units has increased by just over 3 percent, less than half the population growth.<sup>2</sup> Limited supply, in existing single-family homes and rental units, has driven costs upward. Increasing construction and land costs affect both the supply and price tag of new development.

In addition, for families described by ALICE metrics, forces beyond the market impact housing opportunities. Eviction and damaged credit are frequent results of changes in employment, divorce or death of a family member, illness, emergency transportation or other unanticipated household expenses. All of these factors combine to interfere with the ability to afford rent or access a mortgage. Even when repaired, a poor or no credit rating presents an obstacle to housing lasting several years.

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<sup>1</sup> Asset Limited, Income Constrained, Employed defined by the [United Way](#) as workers who earn more than the Federal Poverty Level, but not enough to afford basic necessities of housing, child care, food, transportation and health care.

<sup>2</sup> American Fact Finder: Kent County, MI.

## THE AWARD

An award of up to **\$150,000** will be granted to an agency *or* partnership submitting an innovative, actionable plan, concept or collaboration to effectively reduce the number of ALICE families spending more than 30 percent of their monthly income on housing. Submissions will be accepted from **September 21 through October 29** and will be evaluated by an external, multi-sector advisory panel coordinated by the Grand Valley Metro Council.

This solicitation is issued within one of the Frey Foundation's key grantmaking areas—*Building Community*—and is intended to bring focus and generate innovation to address one or more of the important challenges facing the community in the following three focus areas.

### AREAS OF FOCUS



#### FINANCE

Damaged/limited/no access to credit or financing;  
Patient capital for sustainable development;  
Gentrification and forced displacement



#### CREATIVE DEVELOPMENT

Scarce housing supply near centers of employment, transportation and childcare;  
Barriers to re-use of vacant properties;  
Prohibitive costs for new construction;



#### POLICY

Persistent community impact of foreclosures;  
Policy barriers that hinder or discourage sustainable housing choices by ALICE Households;  
Drivers of high costs that lead to limited affordability

The Frey Foundation recognizes that innovative ideas often require a reframe of key issues and finding ways to leverage social change and economic trends. With that in mind, the foundation hopes to elicit **fresh, actionable, scalable approaches** to address these challenges, which would ultimately improve community systems, workforce dynamics and economic well-being throughout Kent County.

## TARGET BENEFICIARIES

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The term “ALICE” relates to persons and households whose circumstances fall within the following parameters: Asset Limited, Income Constrained, Employed. In profile, this economic category falls at or near Kent County’s median income of \$54,340<sup>3</sup> for a family of four and represents 25 percent of the county’s population. In these 160,000+ households, all or some adult members are employed and earn more than the Federal Poverty Level, but less than the basic cost of living: the ALICE Threshold.

The number of ALICE households changes over time, as family circumstances improve or worsen. While ALICE measures income rather than wealth, these households generally lack significant wealth assets such as home equity, savings, or retirement accounts and rarely have ready access to a financial support system in case of household emergencies.

## CALL TO ACTION

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Housing stability, or the lack thereof, is a fundamental component of family well-being. Far beyond a simple requirement for shelter, sustainable housing impacts personal health, the potential for educational success, access to jobs and services, and the myriad related factors that make up our quality of life.

Informed by a local history of inequitable access, race, class and restrictive social policies, we seek bold new thinking on a centuries-old problem. While there are seldom silver bullet solutions to complex and ever-dynamic challenges like housing, we are confident that there are innovative ideas that might help change things for the better. We want to hear about them.

## APPLICATION<sup>4</sup>

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Please describe the submission idea in the [online application](#). The application form provides space to address the following questions:

- **IMPACT: WHAT YOU EXPECT TO ACHIEVE**

Describe the target population, how the target population will be engaged and what benefits will be achieved. Focus on explaining the concept and its potential impact on housing access and affordability. Discuss the factors that will change the current situation and how it will be improved upon implementation.

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<sup>3</sup> 2015 Point-In-Time Data: American Community Survey.

<sup>4</sup> Note: All submissions will be considered property of the Frey Foundation and will not be shared publicly or with other applicants.

■ **STRATEGY: HOW YOU PLAN TO DO THE WORK**

Outline the actions to be carried out and why you believe it will work. Include a timeline and main objectives.

■ **PARTNERSHIP: WHO WILL BE INVOLVED**

Identify desired and committed partners, if any, and describe their role(s) and their value-add in the work.

■ **RESOURCES: WHAT IS REQUIRED TO EXECUTE**

Identify estimated costs to execute your idea on the budget form provided in the application. Please include any anticipated sources of financial, infrastructure or other support that you would plan to bring and/or attract to the work. While the award is capped at \$150,000, it is our intent to attract a range of ideas in scope and scale. If your idea would require resources beyond the award, please include other potential sources of support on the budget form.

Your application may focus on new approaches or existing strategies, promising experiments to be advanced, opportunities to disrupt the market, or the innovative application of contemporary methods used in other sectors.

## EVALUATION

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Ideas will be evaluated based on the following criteria:

- Degree to which foundation and community values of collaboration, public-private partnership, equity and inclusion, and sustainability are reflected;
- Potential to increase access to affordable housing by ALICE households;
- Potential for credible, actionable idea to drive positive change;
- Potential to engage and attract broader resources;
- Measurable objectives toward stated goal(s);
- Potential for timely and scalable implementation.

## TIMELINE

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**CALL FOR IDEAS**  
September 21



**APPLICATION DEADLINE**  
October 29



**IDEA ANNOUNCED**  
December 28