COMMUNITY INVESTMENT TRUST

CIT Sponsor Organization Overview

MODEL ALIGNMENT

The CIT model is designed to transfer ownership of **commercial real estate** to members of the immediate community through a **low-dollar**, **loss-protected investment opportunity** open to all residents. Organizations pursuing a CIT should have a commercial/retail focus or be interested in adding commercial real estate to their development agenda, with an emphasis on promoting **wealth building**, **financial inclusivity**, or **ownership** within their communities.

STAFF CAPACITY

Organizations must be able to commit to **10 sessions** at a consistent weekly day and time, with **2-3 hours per week of work outside of sessions**. They should have a **strong team committed to the project** with background in **technical skills** (*real estate, finance & accounting, legal, economic development*), **community engagement** (*nonprofit expertise, outreach & marketing, government liaisoning, minorities*), and **operations** (*fundraising, property management, human resources, education & training*). The skills and capacity required during the feasibility study will also be needed for ongoing work in order to successfully implement a CIT after completing the study.

TARGET AREA/COMMUNITY

Organizations should have a **target area identified** and an idea of what communities they are working with. It is beneficial to have a **track record of working in this area and with members of these communities**. The area you select (designated by zip codes) should match or surpass the following population demographics: **> 20% impoverished**, **> 40% renter**, **median income < 80% city average**, **> 25% racial/ethnic minority** (especially Black and African American, Hispanic, immigrants and refugees).

PROPERTY IDENTIFIED/SECURED (optional)

While not required, organizations that already have a suitable commercial property on their balance sheet, or have identified a potential property in their community, will be able to hit the ground running from the start of the feasibility study. Single properties should be **accessible**, have a post-renovation **market value of $1M to $5M**, at least **10,000 sqft** of leasable space, and be **multi-tenant friendly**. If considering **multiple smaller properties as a CIT necklace**, the **sum of their value and sqft** should fall within the ranges listed above. If a property has existing tenants, consider the **economic and cultural diversity of the tenants** currently leasing space.

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FUNDRAISING CAPITAL PROJECTS

Implementing a CIT requires a **significant financial lift by the sponsor organization** in order to effectively capitalize and operate the property. An ideal sponsor organization should have some **available financial resources to put towards the project** and **be prepared to fundraise** the necessary capital to acquire property through **grants and impact loans**. At least **40% of the property's value** will need to be capitalized through patient and/or forgivable capital sources.

PROJECT LEAD SELECTED

In order to successfully progress through the feasibility study and into CIT implementation, it is **necessary for a member of the organization to take ownership** of the process. Organizations should have a **CIT project lead** with **capacity to be involved with all sections of the feasibility study** and **organize their team's work and engagement** with the CIT.

ORGANIZATIONAL LONGEVITY/TRUST

For CIT implementation to be successful, it is important for the sponsor organization to have a **history** of work with, **trust** in, and a **plan for ongoing engagement with the community** in which they are trying to establish a CIT. Having **partnerships and pre-established relationships with individuals and organizations** in the community will help ensure CIT implementation is supported, and being **trusted by members of the community** is essential for their ability and desire to participate in the CIT.

FINANCIAL/PROGRAMMATIC CAPACITY

The capacity to **leverage significant amounts of capital** and **organize the development of a CIT** requires an **organization with a strong existing foundation**. While there is no "one-size fits all" for identifying the right type of organization to lead the development of CIT, we've found that **place-based Affordable Housing Developers**, **Community Development Corporations** (CDC), **Community Land Trusts** (CLT), and **Community Development Financial Institutions** (CDFI) are typically well-positioned to undergo and sustain the necessary work.

Visit the resources page of our website to review our case study and gather more information on the uniqueness and complexities of the CIT model.