Dwelling Place of Grand Rapids, Inc.

PAST, PRESENT AND FUTURE
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1977-1980
In the late 1970’s, church and nonprofit leaders in Grand Rapids, Michigan, were concerned about potential development to the south of the downtown area and the anticipated displacement of lower income people who lived in many of the area’s older buildings and hotels. There was also growing concern about the potential impact that deinstitutionalization was expected to have on downtown populations. At least one historical account of the origins of Dwelling Place attributes its creation, in part, to organizing actions by churches and social service agencies that were stirred from an incident in November of 1977 in which an elderly man died from injuries because he had been assumed to be intoxicated and was taken to jail instead of a hospital. That incident and the formation of the Heartside Neighborhood Association, also in 1977, both were important precursors to the formation of Dwelling Place. The Heartside Neighborhood was formed during a period in Grand Rapids history when local funding and support for the formation of neighborhood associations was significant. In the spring of 1978, the Heartside Neighborhood Association requested assistance from the City to prepare an assessment of the area and a plan for implementation to improve it. That plan, completed in September of 1979 was called the “Heartside Planning Taskforce Technical Report”. The plan offered numerous recommendations for the Heartside Neighborhood including a section on housing which recommended the creation of a “housing corporation to meet the immediate and future housing needs in the neighborhood”. A study group was formed to consider how this might be initiated calling themselves “The Center City Housing Task Force”. The Center City Housing Task Force’s study of the Heartside area immediately south of downtown eventually culminated in the formation of Dwelling Place of Grand Rapids, Inc., a nonprofit 501(c)(3) community development corporation, in February of 1980.

1980-1988
Through all of this process, historical documents describe extensive involvement from local churches and social service organizations. Westminster Presbyterian Church is notable in this regard as having played a major role in both the formation of the neighborhood association and Dwelling Place by providing office space for both in their early years, funding and assigned staff support. The first president of the Board of Dwelling Place was an Associate Pastor from Westminster Church named Dale Sewall who was also instrumental in forming and leading the earlier work of the Center City Housing Task Force.

The original bylaws for Dwelling Place required that the Board membership be structured with 8 seats for churches, 2 for non-profit organizations and 5 seats open to the general public. In 1981 the organizational entities with seats on the Board included Westminster Presbyterian Church, Central Reformed Church LaGrave Christian Reformed Church, 1st United Methodist Church, Park Congregational Church, St. Mary’s Hospital, Methodist Metropolitan Ministry, Guiding Light Mission and Degage Ministries. There were three at large Board members at that time including Gene Meyers, Jane VanderPloeg and David Gibbs. As time passed, membership on the Board changed but the institutional participation continued for nearly a decade. Similar to other newly formed organizations, the founding participants were a great source of passion and energy for the founding of the organization. The nature of housing and community development work in the 1980s was substantially different than it is today. The community development movement, an outgrowth of 1960s and 1970s
activism, was still in its infancy with few of the major tools for housing development that exist today in the Low Income Housing Tax Credit, HOME Program and New Markets Tax Credits, to name just a few. Real estate development and especially models for affordable housing development to serve homeless and disabled populations was also in early stages of development with many financial and operational risks that were not well understood. In spite of this, Dwelling Place was successful in the development of several affordable housing projects in those early years including Weston Apartments, Calumet Flats, Elmdale Apartments and the Dwelling Place Inn. It also acquired other property some of which was eventually sold to defray operating deficits that grew in several of the properties. In later years, a need arose to change from a membership corporation to a directorship corporation to recruit a broader range of skills, experience and talent for the organization as it was becoming increasingly more complicated and real estate focused.

Dwelling Place’s first director, Charles Calati, had extensive experience in human services management as well as experience in real estate development. Under his leadership, Dwelling Place acquired a number of properties in the Heartside area, several of which were renovated for housing for low-income people using a variety of government programs with philanthropic support from the community. Real estate in the early 1980s in the Heartside Neighborhood was relatively inexpensive so Dwelling Place acquired a number of properties early in its history, some of which could not be quickly redeveloped. Several of these vacant properties produced no income, and were expensive to maintain. Dwelling Place found itself struggling as it tried to survive on very slim profit margins from the few housing projects that it was operating and donations from neighborhood churches. About the same time, a partnership between Dwelling Place and Community Mental Health (CMH) was evolving to help address the impact of deinstitutionalization on increased homelessness. Dwelling Place also saw this partnership as an opportunity to defray some of the administrative and operational costs for the organization. Dwelling Place gradually became the largest mental health contractor in Kent County, providing housing to individuals being released from state hospital care by both owning and leasing group homes throughout the county. This was seen by some as a departure from Dwelling Place’s original mission that focused on the Heartside neighborhood specifically. However, it allowed Dwelling Place to generate administrative fees from the operation of these homes to maintain a development staff and offered an affordable housing option for mentally ill and developmentally disabled adults.

Calati left in 1985, and was replaced by Shirley LeVesconte, an individual who had substantial experience in the mental health field but with little experience in real estate. In large part, the selection of LeVesconte was caused by Dwelling Place’s growing focus on services to people with developmental disabilities and mental health needs. To some, it appeared that the original Dwelling Place focus on the Heartside Neighborhood was being lost by taking on such a large mental health program. Meanwhile, some of Dwelling Place’s properties were requiring increasingly larger amounts of discretionary funds to simply keep stable until they could be renovated.

Within several years, the CMH offices became concerned that Dwelling Place might be using mental health funds to defray at least a portion of its real estate activity. The problem, as seen by the Dwelling Place Board was that CMH provided inadequate financing for the mental health services needed to operate the group homes. At one point, Dwelling Place provided all the residential services for developmentally disabled and mentally ill adults in Kent County. The relationship between this new program and Dwelling Place’s original focus of housing the homeless in the community appeared obvious because many deinstitutionalized people were showing up in the community. However, the geographical focus required to provide mental health services was broader than the Heartside
neighborhood and involved managing group homes and providing clinical services throughout the county.

CMH continued to raise concerns about the possibility that mental health dollars that were being used to defray costs in Dwelling Place programs not directly related to mental health services. Dwelling Place’s fund accounting system, in which a variety of program funds were comingled, made it easier for CMH to charge that Dwelling Place was using mental health dollars to defray costs its existing low income housing projects in the Heartside neighborhood which were generally not financially stable. The primary concern of CMH was that dollars intended to be used for the group home operations were not being used exclusively for that purpose. The Dwelling Place Board disagreed with that perspective leading to a point where reconciliation of the perspectives between the two parties became impossible. The Board of Directors went through a difficult process of evaluating what its role should be in the community and decided to focus its energy on the original mission in the Heartside neighborhood. It agreed to assist CMH to form two new organizations as part of a transition, one to serve the residential needs of the developmentally disabled people, and one to serve the residential needs of mentally ill people.

Dwelling Place was blessed with some very passionate and dedicated Board members at the time that helped to negotiate settlement agreements with CMH. It was also in the best interest of CMH and Dwelling Place to resolve it amicably because of the ongoing disagreements that existed over the cause of the problem.

During this transition in 1987, Dwelling Place saw its staffing levels diminish from over 150 employees to just three employees. To make matters worse, the Executive Director resigned for personal reasons. Greg Robinson was appointed as an interim Executive Director through this transition period. The Board of Directors, seeing that the organization was in serious crisis and mired in debt, formally approached United Way to ask that they review the condition of Dwelling Place to determine, from the community’s point of view, whether or not Dwelling Place should close its doors or reorganize.

United Way formally conducted that study in 1988 with many leaders from the community, including representatives from foundations, business, and the public sector. The Dwelling Place Board understood and agreed that one of the possible conclusions from that task force might be to discontinue operations and close Dwelling Place, as an organization. The study, however, concluded with a recommendation that Dwelling Place re-organize; that it take time to consider a revision to its mission and that it contract out property management services until such time as it could complete an internal analysis and establish its goals for the future. The study also recommended that Dwelling Place recruit an Executive Director for the organization who was familiar with Grand Rapids, with many of the funding sources, and who had some experience with an organization in Dwelling Place’s condition.

1989 – 1991
In November of 1988, the Board offered the position of Executive Director to Dennis Sturtevant, who began his tenure in that role on January 1, 1989 and has held the position since that time. In 1989, Sturtevant was charged with preparing a management plan to implement the recommendations made from the United Way study. The Grand Rapids Community Foundation and Steelcase Foundation agreed to join the area churches in supporting Dwelling Place during the first two years of reorganization to fund the three remaining staff positions.
In Sturtevant’s first few months on the job, he proposed the development of a transitional housing program for women in a vacant Dwelling Place building. This proposal came in response to a need that had been identified in the community and the availability of federal funding for much of the capital and operating costs for the program. Liz’s House was being promoted by a group of local women who wanted to create a housing program for homeless women. The name “Liz’s House” was coined in honor of the late Liz Baker-Cooper, formerly the Director of Degage Ministries and a major advocate for the women’s shelter in Heartside. Because of the recent past experience with real estate development issues, however, there was concern raised by the Board over this new proposal. The Board was fearful that the community might be critical that Dwelling Place was again taking on more than it could manage. There was also concern about the potential that this new program might detract from the fundraising efforts of Dwelling Place’s other programs. A transitional housing program designed to serve women and children was seen as a far more attractive candidate for donor dollars than Dwelling Place’s single room occupancy hotels that serve primarily single men. Sturtevant explained to the Board that such a project was important to help reshape the image of Dwelling Place as a viable organization in the community. The Board eventually agreed to support the proposal, and the Liz’s House Transitional Housing Program was created.

The management plan, which was finalized in March of 1989, incorporated internal goals and objectives, external goals and objectives, and long-range planning goals. The internal goals and plans were established as the highest priority for the organization. These included:

- Review the organization’s mission to determine its relevance and clarity for the future.
- Determine the suitability and quality of the existing personnel policies and procedures, record keeping, and accounting systems.
- Review the Board composition to enhance the quality of agency governance.
- Review the bylaws to determine their perceived strengths and deficiencies for possible adaptations.
- Establish a format and goals for long-range planning.
- Develop a means to secure the financial integrity of Dwelling Place and a means to evaluate the quality and scope of its program services.

Because Dwelling Place owned a number of properties, it also established a goal to develop some form of utilization plan for those properties and to review the potential benefits for Dwelling Place to eventually take over management of its own properties.

The external goals that Dwelling Place adopted at that time were focused on restoring public confidence and the financial integrity of the organization. External goals also required that Dwelling Place evaluate where coordination and collaboration occurred well and where it did not. Finally, the external goals called on Dwelling Place to evaluate the potential and need for other forms of housing in the community.

The entire management plan was implemented in 1989. A status report was sent to all of the funding sources and organizations involved in the United Way study to report on progress being made towards achieving the goals in the management plan. In 1990, the Dwelling Place Board adopted a three-year strategic plan after nearly nine months of intensive planning and review.

**Part 2: 1992 – Present**
Dwelling Place eventually expanded the Liz’s House’s concept of transitional housing for homeless women by taking over an existing women’s program called “My Sister’s House” on Grand Rapids west side and by providing temporary staffing support for a similar program called “Hope Community”, founded and operated by the Grand Rapids Housing Commission. The initial concerns from the Board about the creation of the Liz’s House program appeared to be unwarranted. Programs like Liz’s House eventually generated more participation and involvement from the community in the examination of housing issues for the homeless and seemed to have no negative impact on other fundraising efforts for Dwelling Place.

Strategic planning has become an important component of Dwelling Place operations since 1990. Every three years the Dwelling Place Board and staff commit to a rather extensive process, usually covering six to nine months, to review its current condition, the current environment it works in, and to establish goals to address change that will occur for Dwelling Place over the following three-year period. That process has often incorporated resident surveys to benchmark changing resident attitudes toward Dwelling Place management efforts. It has also sometimes included focus groups with residents, funders and other stakeholders to collect feedback on the quality of its services and to seek creative ideas for organizational changes to better serve the community.

With clarity of direction due to the United Way study and subsequent management plan, Dwelling Place began to grow and its operating systems began to evolve. In the early 90’s Dwelling Place began to consider managing its own properties again. Sturtevant felt that it was important for Dwelling Place to move in this direction because of the limited control and involvement it had in each of its apartment communities through a management agent. In order to best serve residents in the building, he felt that Dwelling Place needed to manage its own properties. Dwelling Place administration felt that resident problems could be better managed directly by Dwelling Place than though a third party, property management firm. Yet it was difficult to make this transition at the time because Dwelling Place was still seen as too inexperienced to take on such a role. There were also concerns in the community about the desirability of Dwelling Place taking this responsibility on when, for several years, the management company had seemingly been managing those properties very well. Community members asked the question: “Why fix something that’s not broken?”

The process for the Board to reach the decision to assume self property management was difficult. Gradually, support grew in the community. Dwelling Place had recruited real estate and/or property management experience for its Board and staff. This helped raise the board’s comfort level with self-management. Outside organizations also vouched for Dwelling Place’s preparedness, including Local Initiatives Support Corporation (LISC).

Dwelling Place had spent nearly a year convincing the community that it had stabilized its operations, that it had rebuilt its internal infrastructure for management, and that it had competent staff to begin the process of assuming property management functions. Sturtevant decided that the best approach with the Board and the community was to proceed incrementally with self-management rather than assuming all property management functions at one time. Therefore, he proposed to the Dwelling Place Board that it assume responsibility for two of its more challenging properties that were not very attractive financially to the existing property management firm. The Dwelling Place Inn (today Verne Barry Place), which at that time was an 87 room Single Room Occupancy Apartment building, and a family residential property of 16 units called Calumet Flats were assumed by Dwelling Place for property management functions. Sturtevant hired Kim Cross, an individual with real estate and property management experience, to serve as the Director of Property Management for these two
properties. Ms. Cross presently serves as the Chief Operating Officer for Dwelling Place overseeing all Dwelling Place property management functions.

Today, Dwelling Place owns more than 1,100 housing units and more than 150,000 sq. ft. of commercial space including 48 commercial spaces. In addition to managing its own property, it also manages an additional 215 affordable housing units for Genesis Non-profit Housing Corporation. The amount of commercial space it controls is over 150,000 sq. feet with more than 40 commercial spaces. A timeline for that development is attached to this history. The housing it has developed, owns and/or manages is located across West Michigan including cities and villages such as Hesperia, Whitehall, Rockford, Holland, Wyoming, Grandville, Walker, Kentwood and Grand Rapids. In Grand Rapids, Dwelling Place offers housing in 8 neighborhoods but its primary focus remains in Heartside, where it owns nearly 800 affordable housing units. Dwelling Place’s long range vision in the Heartside Neighborhood continues to be one of a neighborhood where low and middle income residents can live together in the midst of a vibrant and diverse neighborhood. That vision continues to unfold with a growing mix of people, services, retail and educational opportunities becoming a hallmark of this area. Dwelling Place’s role in creating that environment is palpable, especially when examining the resurgence of development interest along Division Avenue and the fact that not a single unit of affordable housing has been lost in the neighborhood as a consequence of unprecedented development activity.

**Part 3: Future Plans**

In 2015, Dwelling Place celebrated 35 years of making a difference. It has an annual budget of over $10 million and it employs a staff of more than 60 people. The tenure of management staffing is long term. The combined tenure of the CEO, COO and CFO, alone, is more than 60 years with Dwelling Place. Dwelling Place maintains a highly skilled professional staff, licensed and certified in a variety of fields including real estate development, property management, finance and social work. The management team has continued its professional growth in order to build capacity that will further the organization’s and the individual employee’s goals. 2015 also represents a milestone year for Dwelling Place because it was approved for membership with a national community development intermediary called NeighborWorks. Affiliation with NeighborWorks offers numerous benefits that will contribute towards Dwelling Place’s long term sustainability including grants, other capital resources, training and technical assistance.

**Change, Growth and Conflict**

The process of change and growth for Dwelling Place has been ever evolving. Over its history, Dwelling Place has developed some real estate projects that have not performed well financially. It has learned that a good idea generates passion among the staff and Board, but that every good idea should be tested for feasibility by engaging experts, including attorneys, accountants, market analysts, tax specialists, bankers, and others experienced in real estate development, to ensure that the good idea will not burden the organization financially.

Most of Dwelling Place’s older properties with financial challenges have already been restructured and are now performing well. The several properties that have not been restructured are planned within the next 5 years. Few changes in this evolution occurred without some conflict. The development of Liz’s House transitional housing program in 1989 and the decision to take the property management function back in-house after several years of outsourced property management are just two examples.
The style of management that Dwelling Place has adopted is based on the inevitability of change. Dwelling Place does not expect to avoid conflicts or crises, but it does hope to have a system in place that can manage these crises and conflicts as they occur. Dwelling Place is now called on by other nonprofit and neighborhood associations throughout West Michigan for assistance in developing projects. The success of these new collaborations and Dwelling Place’s capacity to adapt to growth will undoubtedly be linked to its success in growing and supporting the people charged with carrying out Dwelling Place’s mission and vision.

The Dwelling Place Team
Dwelling Place has learned much over the years about the value of building a team of experts in real estate development and underwriting each new project with a full understanding of the current market conditions and utilizing the experience of more than 35 years. This awareness has allowed it to be responsive when new initiatives are announced by the federal, state and local government. It has also helped to ensure that all of the legal and financial risks in undertaking a project are well known before embarking on these projects.

From a strategic standpoint, Dwelling Place management has viewed the development of human resources within the organization as a challenge but also as a critical factor in its success in delivering quality housing services. To that end, as the organization has grown, a management team has been formed which includes all of those individuals who have significant control over finance, property management, social services, maintenance and/or security services within the organization. It has also placed a high priority on training and participatory management to ensure that all of the necessary incentives, in addition to salary and benefits, are present to help staff feel that they are in control of their work environment. Except in a crisis or emergency, the Chief Executive Officer rarely intervenes in a property management decision. That kind of authority and responsibility for decision-making is passed along to the various sites as well, limited only by legal and/or financial constraints. Each property manager is given significant latitude to make decisions for their own property so long as those decisions are within the parameters of the property budget and with the expectation that financial performance and resident satisfaction will be the primary measures of their performance.

No one really knows what the future will bring, but with an experienced staff and a dedicated volunteer Board, reasoned optimism suggests that the original vision of the founders of Dwelling Place to prevent displacement and to provide quality housing within the Heartside Neighborhood will not be threatened in the future. Further, the impact Dwelling Place has had across the City of Grand Rapids and West Michigan will also stand as a lasting tribute to those who were part of the original struggle and to their belief in an idea that quality affordable housing should be available to all who need it, regardless of their circumstances.

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