

Homekeep.

Designing a world without landlords and tenants.

INVEST IN HOMEKEEP BY DUO

**Preserve housing affordability and make the
landlord/tenant model obsolete**

LEAD INVESTOR



Adam Barsella

The Homekeep Project is an exciting innovation in the housing sector. As a proof of concept development, this investment will give power back to the people who have called this place home for so long. Building equity is especially difficult in this time, but Duo is bringing the tools to the table for all to share. I have great confidence in the Duo Team to coordinate this effort and to do so in an informed way. Project after project they have proven that they are dedicated to integrating the needs of the community into their developments.

Invested \$5,000 this round

duodevelopment.org Chicago Illinois

Fintech & Finance

Minority Founder

Real Estate

Highlights

- 1 Secure affordability in gentrifying neighborhoods
 - 2 Shift our common narrative around housing rights and neighborhood ownership
 - 3 Do away with the power dynamics of the landlord/tenant model for the benefit of society
 - 4 Earn a return on your investment
 - 5 Trusted Chicago team with direct experience in real estate development and innovation methodologies
 - 6 Support from Communities United, a trusted Chicago grassroots org focused on housing affordability
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Our Team



Rafa Robles Co-founder

Multicontextual designer with experience across mediums and scales to create services, businesses, digital, and real estate assets. Former Doblin (a Deloitte Business), Licensed Managing Broker; Architecture, University of Illinois Chicago.



Carlos Robles-Shanahan Co-founder

Systems-based strategist/researcher. Experience delivering strategies for non-profit, Fortune 500 and government, resulting in \$5+ billion in value. Former Deloitte Consulting, public school teacher, and Master of Public Policy, University of Michigan.



Sarah Kaplan Legal Counsel

10+ years serving entities that empower community ownership.

Designing a world without landlords and tenants 🏠

Deep down we all know being a tenant or even a landlord comes with a slew of problems. So why do we put up with it? Surely, if we thought more about it we could find a better way.

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Working together with people closest to the problem opens up a world of possibilities. Homekeep can explore those possibilities to make them a reality.

The main problem

Let's start with the basic problem: housing affordability. In 2021 most middle- and low-income households in Chicago were considered rent burdened, meaning that more than 30% of their income went toward paying for rent.

Source: <https://www.housingstudies.org/releases/state-rental-2021/>

The infographic is titled "The problem" and features a central heading: "The landlord/tenant model destroys housing affordability". Below this, two columns describe the conflicting interests of landlords and tenants. The landlord's perspective is that they want as much passive income as possible, leading to a cycle of rising rental prices. The tenant's perspective is that they need comfortable and affordable housing, but are stuck in an exploitative relationship until a path to ownership opens. The infographic is branded with "Homekeep" and "A project by Duo/."

The problem

The landlord/tenant model destroys housing affordability

Landlords want as much passive income as possible.
Creating a never-ending cycle of rising rental prices.

Tenants need comfortable and affordable housing.
Putting up with an exploitative relationship until a path to ownership opens.

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This problem is directly connected to the landlord/tenant model, something we often just accept as "that's just how things are." But if we look at the incentives of this model, continuing down this path will only make affordability worse. Landlords have to keep as much passive income as possible, and tenants have to put up with whatever is on the market to find a place to live.

There's simply no way to reach affordability using this model.

The solution

Through Homekeep, we have the opportunity to design new models of ownership.

We need to design new models of ownership that ^① preserve affordability, ^② provide ethical investment opportunities, and ^③ protect residents' rights.

So that...

- ① Residents have manageable housing expenses
- ② Owners' passive income is not exploitative
- ③ Human Rights are honored through housing

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And part of it relies on pooling money with like-minded investors, so that the expectations of financial returns are a "nice to have" from the start (instead of a "must have"), and we are all in this together to preserve affordability as the main mission.

The solution

Where to start?



WE ARE HERE!

1 
Pool money from like-minded investors (you!) to buy buildings and preserve their affordability now.

2 
Partner with unit residents to design new and ethical models of ownership.

3 
Share responsibility and financial rewards from the housing being occupied.

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The Project

We plan to start small with a very healthy set of buildings that are already occupied, so that we can preserve their affordability now.

Proposed project

Let's start small...

- Purchase 3 buildings (8 units)
- Plan to preserve 100% of units affordable at below 80% AMI
- Potential to sell units to current residents in the future
- Potential to build an ADU

<p>HERMOSA</p>  <p>2537 N. Lowell 2 Units 2 bed 1 bath</p>	<p>BELMONT CRAGIN</p>  <p>2904 N. Linder 2 Units 2 bed 1 bath</p>	<p>ALBANY PARK</p>  <p>4510 N. Central Park 3 Units 3 bed 2 bath 1 Units 2 bed 1 bath</p>
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We'll then partner with the residents of these buildings to try out new ideas that turn the landlord/tenant model on its head. These are some early ideas:

Proposed project

...and think big

We will **maintain affordability and explore new models** of housing ownership that **extend more protections and choice to the people** who live in the units.

Initial ideas to explore

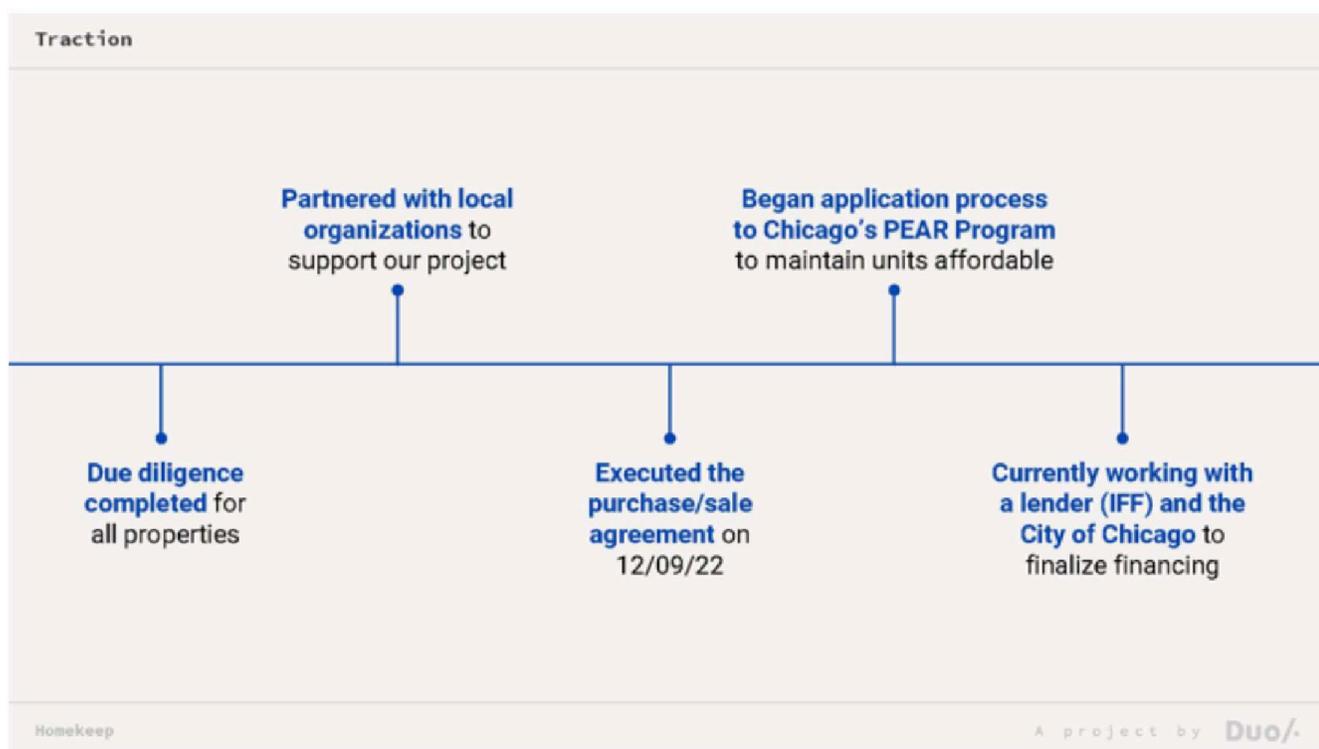
Turn tenants into investors	Count tenants' principal portion of monthly payment as their equity on the property.
Graduation model	Ask tenants their hopes for their housing and provide support toward achieving their goals.
Free housing pilot	We believe all housing should be free. We can partner with philanthropies to prove this.

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Just to put this into perspective: how would you react if your landlord had ever asked you "hey, would you be interested in counting part of your rent as equity in this property?" (we checked, and it is possible, it really only requires a special kind of lease, and some shared responsibility. This is part of the design challenge we are proposing).

What we've done so far

We've set the wheels in motion over the past 6 months, and are currently undergoing the financing application with the City of Chicago and our lender.



Why will this work?

All these reasons point toward the fact that it is the right time to try what Homekeep has to offer:



Our working-class neighbors have enough assets to buy as many buildings as we want, collectively.

We can provide high-quality housing and pay back investors even after covering all costs.

We have a strong network to support emerging ideas and make them a reality.



Experience in innovation

Duo has a record of delivering innovation in the built environment.



Quality buildings

The buildings are fully leased and recently renovated, with no immediate need for repairs.



Sharing is care

Pooling our resources brings us closer, leading to long-term commitment and care for our neighborhoods.

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Expected financials

For these three buildings, we expect to have about \$7K in profit at the end of the year. There are opportunities to increase this by appealing property taxes given that we will be preserving affordability, and reducing operating costs by trying some of the models we described earlier.

Again, we are not promising a quick road to riches here. The main point is to preserve affordability and have sustainable enough operations to try out new models as we find ways to scale them. The fact that the properties are self sustaining is a great start.

Annual Pro-Forma

$$\begin{array}{ccccccc} \$132K & - & \$83K & - & \$42K & = & \$7K \\ \text{Revenues} & & \text{Operating Expenses} & & \text{Debt payments and reserves} & & \text{Cashflow per year} \end{array}$$

Each year, cashflow will be split as follows:
70% to investors (you!), 30% to portfolio managers



Forward looking projections cannot be guaranteed.

Why invest

This is a very unique opportunity to be part of tackling housing affordability, one of the biggest issues in urbanization, and to help design a completely new model of renting/owning property.

Why invest with us?



Protect housing

Secure affordability in gentrifying Chicago neighborhoods for 8 families.



(and yes) Earn a return on your investment

Each year, 70% of profits will be distributed to investors.



Take action

Be part of shifting our common narrative around housing rights and neighborhood ownership.

There is potential to earn higher returns. In some cases, we may be able to sell the property to its residents. If this happens, we pay off the mortgages and you, as an investor, get a proportion of the remaining cash from sales.



Make the old system obsolete

Help prove that it is possible to do away with the power dynamics of the landlord/tenant model for the benefit of society.



Passive involvement

Your investment gets you non-voting membership units in an LLC, which means you are not responsible for the day-to-day operation of the business or its liabilities.

All while earning a return passively. Even though annual distributions for these initial three buildings are modest initially, in the event of a mission-aligned sale, there is a potential for higher earnings.

The Team

We hope you will join us! This is the team who will have your back:

**Our entire team has experienced first-hand the need for stable and ethical housing.
Our professional backgrounds give us a unique and diverse skillset to make this a reality.**



CARLOS ROBLES-SHANAHAN
Co-Founder
Strategy & Research

- Former Deloitte Consulting and Monitor Institute | strategy, financial modeling and user research
- Systems-based design | direct experience in non-profits, government, education, and for-profits
- Master of Public Policy, University of Michigan



RAFAEL ROBLES
Co-Founder
Design & Innovation

- Former Deloitte Consulting and Doblin | human centered-design, strategy and innovation
- Licensed Real Estate Managing Broker
- Development experience: 125 housing units
- Architecture, University of Illinois Chicago



KARLA ROBLES
Advisor

- Deloitte Consulting and Doblin | user research and human centered-design
- Former public high school teacher
- Former AmeriCorps Vista fellow



ALLISON CLARK
Advisor

- Legal Associate at Katten Muchin Rosenman
- Northwestern School of Law | J.D.
- Commercial and employment litigation with a focus on environmental, social, and corporate governance trends



ALICE ROBLES-SHANAHAN
Advisor

- Founder, Cor-Counseling Chicago
- Licensed clinical social worker
- Therapist
- Trauma informed approaches to design

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The ask

We are looking for \$120K to finalize the acquisition and initial operation of these three buildings. This is enough to get us started.

What we need

\$120,000

From individual investments as low as \$200.

Uses for this money

- Loan down payment and closing costs*
- Operating costs and building maintenance
- Reserves to operate the buildings

*As a member of the LLC, Duo Development will pay initially for the for the down payment and closing costs, expected to be at \$90K. Then, with your investment Duo will be repaid \$70K to only keep \$20K as an investor in the LLC.

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We hope you will join us and/or spread the word!

Thank you!

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