

Community Ownership Strategies for Keeping Small Businesses In Place



CASE STUDIES

San Francisco | Philadelphia | Miami | Brooklyn | Minneapolis | Los Angeles



About SBAN

The [Small Business Anti-Displacement Network](#) is a network of more than 175 organizations across the United States and internationally that work to prevent displacement of small businesses in gentrifying neighborhoods. Housed at the University of Maryland's [National Center for Smart Growth](#), SBAN includes policymakers, nonprofit advocates, technical assistance providers, real estate developers, financial institutions, scholars, and small business owners who share knowledge and advance policies and practices that keep small businesses in place.



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CONTRIBUTING ORGANIZATIONS

Mission Economic Development Agency

San Francisco, California

Women's Opportunities Resource Center

Philadelphia, Pennsylvania

The Miami Foundation

Miami, Florida

Mangrove Flatbush Central

Brooklyn, New York

Partnership in Property Commercial Land Trust

Minneapolis, Minnesota

Little Tokyo Community Impact Fund

Los Angeles, California

EDITORS

Reemberto Rodriguez

Katy June-Friesen

Willow Lung

Dejuan Johnson

COPYEDITOR

EpsteinWords

DESIGNER

Ideal Design Company

Cover photos (clockwise from top right)

1. El Corazón Café owner Jesus Witzil, whose cafe is located at El Mercadito, the Mission Economic Development Agency's microbusiness incubator in San Francisco's Mission District. *Photo: Malcolm Wallace*
2. Ibrahim G, who used a loan from the Women's Opportunities Resource Center to acquire property for his corner store in Philadelphia.
3. The Little Tokyo Community Impact Fund Board of Directors in front of their first property acquisition in Little Tokyo, Los Angeles.
4. Anthony Martin operates his hair studio Kashh Kartel in a property owned by Partnership in Property Commercial Land Trust in North Minneapolis. *Photo: Andrea Ellen Reed*
5. Miami Open for Business Collective Real Estate Ownership Fund clients Mario Smith and Claudienne Hibbert, founders of TRU Prep Academy in Miami, Florida.
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Authors

Maggie Clark Bachiri is an urban planner and researcher dedicated to building community and economic opportunity in neighborhoods. As director of research and program design at Urbane, she uses participatory research to codesign user-centered programs, services, and spaces that promote community wealth. In previous work, Maggie has led citywide housing needs assessments, created strategies to scale financial empowerment tools, and supported independent media projects in Bosnia and Herzegovina.

Juan Diego Castro is national partnerships director at the Mission Economic Development Agency. A native New Yorker, he has been passionately working in the affordable housing realm for over two decades with experience in community organizing, financial coaching, affordable housing development, project management, and the provision of technical assistance. From New York City to San Francisco, Juan Diego has developed deep partnerships through fellowships, learning exchanges, and cross-sector collaborations. His family's journey toward the American dream of homeownership mirrors the experience of many MEDA clients. This personal connection fuels his passion for building nonprofit capacity and serving communities by creating opportunities for economic mobility.

Sandra Collins is vice president of development and communications at the Mission Economic Development Agency. She joined MEDA in 2021 after two decades of leadership positions in nonprofits and higher education. She leads the development and strategic communications team and raised over \$23 million in critical funding in 2024. She holds a bachelor's, master's, and doctoral degree from the University of Chicago and has published extensively on Japan in the Olympic movement.

Megan Hartman Diaz has led the Behavior Science Research Institute since 2012, serving as an executive leader in evaluation, facilitation, operations, and organizational strategy. She designs and implements systems and projects that advance social change, specializing in collective learning, strategic planning, systems thinking, and mixed-methods evaluation. Over her tenure, she has directed more than 30

federally, state, and locally funded initiatives focused on community health and well-being. Megan oversees BSRI's operations and designs systems using a human-centered, culturally responsive, and collaborative approach. She deeply believes in the power of community partnership to drive equitable impact and lasting social change.

Abdullah Elias is an artist and socially engaged designer who has worked in Philadelphia, New York, Bangkok, and London. Abdullah uses community engagement and codesign to support the development of holistic platforms that promote sustainable economic and cultural growth. As Director of Mangrove Flatbush Central, he led programming and partnerships and spearheaded the facility's technology integration and space program. Abdullah has also facilitated community-led projects like the Peckham Palms Afro Hair and Beauty Hub, Peckham Food Hall, the Greater London Authority's Tomorrow's Market vendor program, and a community garden installation for the Tate Britain.

Sofia Flores is development manager for grants and strategic analytics at the Mission Economic Development Agency. They bring over 4 years of comprehensive nonprofit experience spanning direct service and strategic operations. Since joining MEDA in 2021 as a workforce development coach, they have coordinated a job training program and facilitated job placements. Their frontline experience enables them to craft compelling, data-driven proposals that authentically reflect client needs. Sofia oversees a \$1 million grant portfolio and analysis that translates program outcomes into meaningful funder narratives.

Luis Granados is chief executive officer of the Mission Economic Development Agency. He has proudly led the organization since 1999, expanding opportunities for San Francisco's low- to moderate-income Latino families. Under his leadership, MEDA has grown into a nationally recognized community development organization, launching a continuum of asset-building services, producing and preserving more than 2,500 affordable housing units, creating a Community Development Financial Institution (CDFI), and embedding policy and advocacy to drive systemic

change. His influence extends nationally as a board member with leading institutions and initiatives, where he shapes strategies that advance prosperity and strengthen leadership across the country.

Miya Iwataki is vice president of the Little Tokyo Community Impact Fund Board of Directors. She is also vice president of the Little Tokyo Historical Society and a columnist for *Rafu Shimpo*. Miya's lifelong commitment to community is reflected in roles ranging from director of the first Asian Women's Center to public media producer at KCET-TV and KPFK-FM. She was the press secretary for U.S. Rep. Mervyn Dymally (D-CA) and a leading member of National Coalition for Redress/Reparations, which helped win reparations for Japanese Americans. She retired as director of diversity at the Los Angeles County health system, where she led the establishment of a cultural and linguistic infrastructure.

Dejuan Johnson is the case study liaison for the Small Business Anti-Displacement Network. He is pursuing a dual Master of Architecture and Master of Community Planning degree at the University of Maryland. His academic and professional work explores the intersection of design and planning, with a focus on inclusive development in historically disinvested communities. Dejuan has interned with the Prince George's County (Maryland) Planning Department in the Community Planning Division, Creative Placemaking Section. He also serves on the UMD provost's graduate student advisory council and the School of Architecture, Planning and Preservation dean's student advisory council.

Domonique Jones is executive director of Partnership in Property Commercial Land Trust, where she has led the organization to national recognition as a provider of permanently affordable commercial real estate. She is also a real estate developer at DC Legacy and founder of Jones, Scott & Edwards, a consulting firm. With prior leadership roles at Next Level Logistics, City of Lakes Community Land Trust, and the Metropolitan Economic Development Association, Domonique brings extensive experience in strategic growth, community development, and economic empowerment. She holds a Master of Business Administration from Metropolitan State and a bachelor's from Hamline University.

Katy June-Friesen is associate director of communications and research for the Small Business Anti-Displacement Network. She has more than 20 years of experience at nonprofits, higher ed institutions, and news outlets producing stories, editing diverse publications, conducting and managing research projects, and writing for documentary and public history projects. Her journalism has appeared in national outlets such as *Smithsonian* and *Humanities* magazines. She is a PhD candidate in journalism studies at the University of Maryland's Philip Merrill College of Journalism, where her research focuses on news coverage of redevelopment and gentrification.

Sameer Khetan is development manager at the Women's Opportunities Resource Center, where he drives fundraising strategy and proposal completion, as well as strategic planning, data systems, and program evaluation. Sameer brings more than 10 years of experience in the community development arena, having worked at nonprofits like The Enterprise Center and Finanta as well as racial and social justice organizations like the Philadelphia Community Bail Fund. Sameer holds a bachelor's degree in both economics and international studies from the University of Pennsylvania, and a Master of Social Science from Bryn Mawr College.

Jon Kozesky is the grants manager for Partnership in Property Commercial Land Trust. He is an experienced leader in nonprofit funding and government relations, with expertise in grant writing, grassroots organizing, legislative affairs, and resource development. He is the founder of Jon Thomas Consulting, a full-service firm specializing in government affairs, grant strategy, association management, and marketing. Dedicated to improving communities, Jon has supported civic groups, schools, hospitals, human service organizations, and arts and cultural institutions. His work connects organizations with the resources and strategies needed to grow, ensuring long-term sustainability and impact across diverse sectors.

Willow Lung, PhD, is director of the Small Business Anti-Displacement Network. She is also associate professor of urban studies and planning at the University of Maryland, College Park, where she serves as director of community development at the National Center for Smart Growth Research and Education and director of the Urban Equity Collaborative. Dr. Lung's research focuses on suburban poverty, racial segregation, immigration,

gentrification, redevelopment politics, and neighborhood opportunity. She is the author of *The Right to Suburbia: Combating Gentrification on the Urban Edge* and *Trespassers? Asian Americans and the Battle for Suburbia*. Dr. Lung holds nonresident fellowships at the Urban Institute's Metropolitan Housing and Communities Policy Center and the Brookings Institution's governance studies program.

Arthur Martin supports Partnership in Property Commercial Land Trust with expertise spanning executive administration, construction project management, and creative fields. A graduate of the University of Minnesota–Twin Cities, he brings a global perspective shaped by living in Taiwan, Japan, Spain, Hawai'i, and Minnesota, which has fueled his passion for cultural exchange, diversity, and community impact.

Santiago Martinez Xonthe is national partnerships program manager for the Mission Economic Development Agency. In this role, he shares the organization's place-based frameworks with partners across the country. Santiago has over 7 years of experience in the nonprofit and financial industry. In 2022, he joined MEDA's in-house CDFI, Fondo Adelante, where he supported small businesses in the Mission District and the greater Bay Area. He holds a bachelor's degree in business administration with a focus on marketing and communications.

Mark T. Masaoka is treasurer for the Little Tokyo Community Impact Fund Board of Directors. Mark worked in construction, at a Ford auto plant, as an electrician and elected union officer at a GM plant, as a SEIU union representative, and then for nonprofits including the Asian Pacific Policy and Planning Council until retiring in 2017. Mark is now active in Nikkei Progressives, Democratic Socialists of America, Asian Pacific American Labor Alliance, and the Alliance for Reparations, Reconciliation, and Truth. He also helps advise the local campaigns of Starbucks Workers United and California Rideshare Drivers United. And he helps watch his three grandchildren.

Natalie Masuoka is a member of the Little Tokyo Community Impact Fund Board of Directors. She contributed to LTCIF in recognition of her family's long roots living and working in Los Angeles' Little Tokyo. For her family and many others, it is a place to build community, remember history, and come together to practice faith and culture. Natalie is a

professor of political science and Asian American studies at UCLA. Her scholarship is dedicated to studying the role of race in American politics, and she teaches courses that highlight the contributions of the Asian American community.

Juan Mesa is director of marketing and communications for the Mission Economic Development Agency, where he leads strategic storytelling and brand building. Since joining MEDA in 2021 as community communications officer, he has helped showcase the voices, contributions, and socioeconomic impact of working-class families in the Mission District. Originally from Colombia, Juan has worked as a journalist and content creator for over 20 years, focusing on Latino communities across the United States. He holds a bachelor's in communications and journalism from Pontificia Universidad Javeriana.

Brittany Morgan is senior director of economic resilience at The Miami Foundation. She joined the foundation in 2022 to launch the \$20 million Open for Business fund and support underserved entrepreneurs in Miami-Dade County with asset building. She pioneered a commercial down payment assistance fund for small business-owned, shared equity real estate and is developing a place-based impact investing fund focused on housing, small business, and climate. With 15 years in community economic development, she holds degrees from the University of Chicago in international studies and public policy.

Peter Papadopoulos is senior policy analyst for the Mission Economic Development Agency. His work focuses on creating structural equity outcomes to stabilize San Francisco's Mission District through a variety of cultural placekeeping and prosperity strategies that support low- to moderate- income Latino families, small businesses, and nonprofits. These strategies, developed in conjunction with community partners and across teams at MEDA, have been shared with National Association for Latino Community Asset Builders, Non-Profit Housing Association of Northern California, Housing California, and in other forums.

Reemberto Rodriguez oversees case studies for the Small Business Anti-Displacement Network. He is an affiliate professor at the University of Maryland's National Center for Smart Growth, where he also provides support to the the Purple Line Corridor Coalition and the Partnership for Learning

and Sustainability. Additionally, he teaches a study abroad course in Havana, Cuba. Before joining UMD, Reemberto was Montgomery County's Silver Spring (Maryland) Regional Director for 12 years. Previously, he spent 20 years with NeighborWorks America, culminating in the role of Curriculum Director for Neighborhood Revitalization and Community Organizing. He holds a degree in architecture from Georgia Tech and in community development from Georgia State University.

Glenn Sanada is a member of the Little Tokyo Community Impact Fund Board of Directors. He initially worked for a nonprofit community development organization focused on affordable housing and income generating business activities. He then spent 13 years at Bank of America's new Community Development Bank, ultimately serving as a senior vice president and regional manager for affordable housing lending while specializing in community-based lending and investments. In the last 16 years, Glenn has initiated and managed training and technical assistance programs for the California Community Economic Development Association. He has a degree in urban planning and advanced training from the Development Training Institute and the Pacific Coast Banking School.

Maura Shenker is an economic development strategist, fundraiser, and program designer with over 20 years of experience in small business support, community finance, and impact investment. She currently serves as a development manager at the Women's Opportunities Resource Center. She began her career as an entrepreneur and went on to lead the Temple University Small Business Development Center, launch award-winning microlending programs, and manage an \$8 million national competition for the U.S. Small Business Administration. Her work centers on creating equitable pathways to asset building, particularly for Black, immigrant, and women entrepreneurs. Currently completing her PhD in political science, Maura's research focuses on institutional barriers to economic and political participation for historically excluded communities.

Dean S. Toji is a member of the Little Tokyo Community Impact Fund Board of Directors and is active in climate justice advocacy with AAPI community and Long Beach, California, organizations. He got involved in Little Tokyo in the 1970s to help resist displacement by redevelopment and later served on the Little Tokyo Service Center Board of Directors. He was also part of *Gidra*, the Asian American Movement magazine. Dean has worked in television news, on a study of the immunological effects of the atomic bombs, and at the Japanese American National Museum. He taught Asian American Studies at California State University, Long Beach and has a PhD in geography from UCLA.

Jack Vertovec is a senior research associate at Behavioral Science Research Institute in Miami. He has over a decade of experience conducting community-based and participatory research across the United States and the Caribbean. His work bridges qualitative and mixed-methods approaches, with projects ranging from entrepreneurship and community development to public health, education, and social equity. As part of this work, Jack has also facilitated participatory photography initiatives in Miami, New York, Cuba, and Puerto Rico, and he regularly partners with community organizations, coalitions, and foundations to generate research that informs decision-making and supports community well-being. Jack has a PhD from Florida International University.

Bill Watanabe is president of the Little Tokyo Community Impact Fund Board of Directors and was the founding executive director of the Little Tokyo Service Center. For 32 years, he helped guide LTSC's growth from a one-person staff to a multi-faceted social services and community development program with 150 paid staff, many of whom are bilingual in any of eight Asian Pacific languages and Spanish. He has also helped establish multiple other organizations that serve the Asian American community locally and nationally. Bill retired from LTSC in 2012 and does volunteer work in historic and cultural preservation. He has a Master's in Social Welfare from UCLA.

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The Small Business Anti-Displacement Network (SBAN) thanks the authors for your commitment to the case study process and to sharing the important work you do. It has been an honor to learn from you. The efforts reflected in these case studies have strengthened SBAN's resolve to continue supporting community ownership efforts, and we know your work will inspire readers to take action.

A special thanks to those who hosted us in their communities for SBAN site visits. We saw the care you have for small businesses and residents, and we were impressed by your commitment to stand with and support them.

Many people made this report possible. Case Study Coordinator Reemberto Rodriguez, Case Study Liaison Dejuan Johnson, and Associate Director of Member Engagement & Programs Jamie Shanker-Passero have guided the process, working closely with authors to develop their case studies and providing feedback, insights, encouragement, and resources along the way. Our senior leadership team of Dr. Willow Lung, Dr. Gerrit-Jan Knaap, Bobby Boone, and Manuel Ochoa reviewed case studies and provided authors with valuable feedback on early drafts. Our Associate Director of Communications & Research Katy June-Friesen was lead editor on the publication, shepherding case studies through the editorial production process and working with our stalwart designer Kristen Argenio of Ideal Design Company.

Finally, we thank our network of members and other SBAN family who contributed to our broader project to research and uplift community ownership as a small business anti-displacement strategy. If you participated in our working group, site visits, or 2024 SBAN Summit on Community Ownership, thank you for being part of the conversation, sharing your expertise, and helping us ask the right questions.

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Introduction

● Katy June-Friesen & Willow Lung

Small businesses are vital to the social, cultural, and economic health of neighborhoods. They foster community connectedness, create jobs, provide culturally relevant goods and services, and keep dollars in the neighborhood. Small businesses are also highly vulnerable to displacement when neighborhoods gentrify. For businesses whose owners are Black, Indigenous, and people of color (BIPOC), gentrification adds to existing challenges, such as limited access to capital and technical assistance. This makes it difficult for these entrepreneurs to weather the economic and social changes that gentrification brings, such as rising rents and loss of longtime clientele.

Community ownership is a long-term solution for preventing small business displacement, supporting neighborhood stability, and maintaining diverse local economies. It gives community members and stakeholders control of their neighborhood assets and removes property from the speculative market, preserving it for community benefit. Historically, community ownership has been a strategy most actively deployed to preserve or create affordable housing, and most examples of community ownership are residential. However, it can also be used to preserve commercial property and provide space for community-serving small businesses. The six organizations featured in these case studies model how commercial community ownership can be done—and done well.

At the Small Business Anti-Displacement Network (SBAN), we research and share anti-displacement strategies that allow small businesses to benefit

from new neighborhood investments, stay in place, and build greater financial health, wealth, and long-term stability—for them and the communities they serve. As part of our research, we talk with SBAN members and other organizations and cities about what they are doing on the ground to keep small businesses in place. In the last few years, we have

seen an increasing number of communities explore community ownership as a strategy to preserve affordable commercial property. We have fielded requests from organizations, policymakers, municipalities, and foundations for resources on community ownership anti-displacement models that benefit small businesses.

While we know there is interest in this strategy, we also know there are significant gaps in the research about community ownership of commercial assets. So in 2024, SBAN began a multifaceted project to learn more. We formed a

member working group of organizations engaged in early-stage community ownership projects, began researching new tools and examples to add to our toolkit, and put out a call for case studies. We awarded grants to six organizations to reflect on, study, and write about their distinctive community ownership approaches, all of which are featured in this volume. Their case studies offer insights into a variety of tools and practices, including commercial land trusts, community investment funds, commercial property loans, land use policies, nonprofit property acquisitions, and small business incubators that provide affordable vending space.

Case study authors were part of our November 2024 online [SBAN Summit on Community Ownership](#), which



Community ownership is a long-term solution for preventing small business displacement, supporting neighborhood stability, and maintaining diverse local economies. It gives community members and stakeholders control of their neighborhood assets and removes property from the speculative market, preserving it for community benefit.



brought together a national audience of small business advocates, community development organizations, funders, and policymakers working on community ownership solutions. We also visited two case study awardees in San Francisco and Minneapolis to get a first-hand look at how they were combating displacement through community ownership.

In early 2025, the Mission Economic Development Agency (MEDA) hosted SBAN members and local leaders in the Mission District of San Francisco, one of the fastest gentrifying areas in the country. MEDA has been supporting the Latinx community for more than 50 years with housing programs, job training, financial services, and other programs to support families. Their site visit offered a deep look at their innovative, multipronged approach to preserving

and producing new community-owned commercial spaces, including how they partner with the city on land use and real estate policies.

In North Minneapolis, we visited the Partnership In Property Commercial Land Trust (PIPCLT), one of the first commercial land trusts in the country. PIPCLT is supporting BIPOC entrepreneurs not only with opportunities to rent affordable space or to purchase it, but also wrap-around tenant support programs and responsive property management.

What we have learned over the last year is that community ownership of commercial space and assets is vitally needed, it is possible, and it is happening in impactful ways. Communities and organizations across the United States and abroad

MEDA takes SBAN site visit attendees on a tour of San Francisco's Mission District. *Photo: Malcolm Wallace*





SBAN site visit attendees in front of the headquarters of host Partnership in Property Commercial Land Trust. *Photo: Andrea Ellen Reed*

are developing innovative models that are specific and responsive to local needs. These leaders are adapting residential community ownership models, such as land trusts, for commercial purposes. They have created programs, policies, and financial mechanisms to support local entrepreneurs, safeguard community economic and cultural assets, and build wealth.

This collection showcases the work of six organizations that work in six different cities—the [Mission Economic Development Agency](#) (San Francisco), [Women's Opportunities Resource Center](#) (Philadelphia), [Miami Foundation](#) (Miami, Florida), [Mangrove Flatbush Central](#) (Brooklyn, New York), [Partnership in Property Commercial Land Trust](#)

(Minneapolis), and [Little Tokyo Community Impact Fund](#) (Los Angeles). Their work highlights the numerous ways to conceptualize and enact commercial community ownership. They demonstrate how this approach provides stability for small businesses, helps avoid gentrification pressures like rapid rent increases, and benefits low wealth communities through both individual and collective property acquisition.

All of these organizations do their work in cities experiencing significant gentrification. Many do extensive community and economic development work, of which commercial community ownership programs are only one part. They are community development financial institutions (CDFIs), land

trusts, community investment funds, foundations, small business technical assistance providers, and a community market and incubator. Some have been around for decades, and some are new. The case study authors are full-time staff within organizations, board members, consultants, and academic researchers, all with different approaches to documenting the organization's community ownership efforts.

In San Francisco's Mission District, the Mission Economic Development Agency has been a leader for nearly a decade in the city's Mission Action Plan.

The plan was created in partnership with city agencies and other local nonprofits to address high levels of displacement from the predominantly working-class, Latinx neighborhood. MEDA's case study examines how the plan was implemented through cultural placekeeping and how small businesses have benefitted from key community ownership strategies. These include: 1) land use policies, such as legacy business protections, preserving light industrial spaces, office space restrictions, and requirements that new development include commercial space; 2) acquiring and developing mixed-use developments that combine residential and commercial spaces to create permanently affordable spaces for small businesses and nonprofits; and 3) providing technical assistance and affordable capital to help small businesses stay viable, including through MEDA's CDFI, Fondo Adelante. As of June 2025, MEDA owns 50 commercial spaces that house small businesses and nonprofit community organizations.

In Philadelphia, the Women's Opportunities Resource Center (WORC) is addressing barriers to commercial property ownership and creating pathways to community-controlled commercial space through its Commercial Real Estate Acquisition Loan (CREAL) program. As a CDFI, WORC offers a range of financial

and training programs to its microenterprise clients, most of whom operate in food retail, personal services, and child care sectors. In partnership with the Philadelphia Department of Commerce, the CREAL program targets legacy businesses in high-risk corridors and prioritizes those most at risk of displacement. It offers capital, closing cost support, intensive technical assistance to prepare borrowers for acquisition, and flexible underwriting that prioritizes character and community ties over traditional metrics like credit scores. WORC's case study explores commercial real estate acquisition as a viable and replicable wealth-building and anti-displacement

strategy for low- and moderate-income entrepreneurs, especially Black, immigrant, and women small business owners. Since 2020, WORC has closed 14 CREAL loans.

In Miami, The Miami Foundation's Collective Real Estate Ownership (CREO) fund is supporting historically marginalized entrepreneurs and neighborhoods that face rising rents, speculative investment, and the loss of cultural and economic anchors. The fund provides a new commercial real estate down

payment assistance product—a 5-year, fully forgivable subordinate mortgage loan up to \$500,000 to help local organizations acquire commercial property through a shared equity ownership model. To be eligible, groups must pursue a collective ownership arrangement, including joint ventures, co-ops, and community land trusts, so that more than one owner stands to gain equity in the property and collaboratives can compete in Miami's expensive commercial property market. The goal is to keep community organizations rooted in place and provide underserved entrepreneurs with a pathway to property ownership. The Miami Foundation's case study examines the impact of the CREO fund and community perceptions of displacement and anti-displacement strategies in five neighborhoods across Miami.



Case study organizations are community development financial institutions (CDFIs), land trusts, community investment funds, foundations, small business technical assistance providers, and a community market and incubator.



In Brooklyn, Mangrove Flatbush Central—a vendor market, food hall, and incubator—is preserving the cultural legacy of the Flatbush Caton Market, which provided a business home for Caribbean street vendors in the heart of the neighborhood’s Caribbean community. The redeveloped Mangrove Flatbush Central facility on the same spot as the previous market provides permanently affordable space for legacy vendors, as well as incubation programs for the next generation of local businesses. Mangrove’s case study examines the impact of its key business preservation and community ownership strategies: 1) supporting legacy vendors through and beyond redevelopment of the market building; 2) establishing long-term affordable space coupled with technical assistance to launch neighborhood businesses; and 3) exploring additional channels for community asset ownership. In its first 2 years, Mangrove helped sustain 24 legacy vendor operations and support 153 new entrepreneurs through affordable production and retail space.

In Minneapolis, the Partnership in Property Commercial Land Trust (PIPCLT) is pioneering one of the first commercial land trusts in the country to preserve affordable commercial property for BIPOC business owners. North Minneapolis, where PIPCLT concentrates its efforts, is experiencing rising rents and predatory landlord practices that jeopardize small businesses, undermining economic stability and cultural continuity. PIPCLT acquires and holds commercial property “in trust” indefinitely to ensure lasting affordability and give entrepreneurs the chance to build generational wealth through stable and secure occupancy arrangements. Entrepreneurs can: 1) rent at an affordable rate; 2) rent-to-own a property; or 3) buy property in partnership with

PIPCLT, which pays a portion of the purchase price. PIPCLT’s case study explores racial disparities in business ownership in the Twin Cities and introduces how the CLT works to help fill the gap.

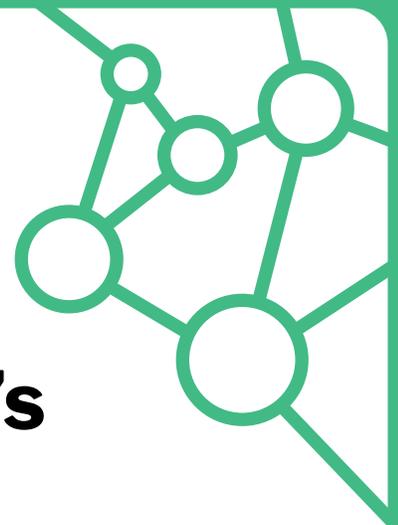
In Little Tokyo, a 140-year-old neighborhood in downtown Los Angeles, a group of elder community leaders created the Little Tokyo Community Impact Fund (LTCIF) to stem the displacement of community-serving legacy small businesses. LTCIF’s founding members are volunteers who have been involved in local community activities and organizations for more than five decades. The fund’s assets come from small-dollar community investors who accept below-market returns, which enables LTCIF to acquire commercial real estate and lease spaces at stable, below-market rents. LTCIF’s case study discusses the decisions the board of directors had to make and the action they took to implement their community ownership strategy. This includes their incorporation as a social purpose corporation, designing the shareholding structure for broad ownership and decision-making power, and extensive community outreach. As their case study went to press, LTCIF had just purchased their first commercial property.

SBAN plans to further synthesize the takeaways from these case studies and our research in a forthcoming strategy guide to community ownership. This guide will lay out what advocates should be doing to support commercial community ownership and offer key lessons for building community ownership programs. We are excited about the growing interest and action around community ownership strategies that allow vulnerable small businesses to thrive in their communities.

To learn more about community ownership, visit our [***Small Business Anti-Displacement Toolkit***](#). If you are engaged in a community ownership program that benefits small businesses, we want to hear from you! How did you do it, and what lessons do you have to share with our network? Please be in touch at [**sban@umd.edu**](mailto:sban@umd.edu).

Chapter 1

Cultural Placekeeping Through Community Ownership in San Francisco's Mission District



- **Luis Granados**, Chief Executive Officer
- **Peter Papadopoulos**, Senior Policy Analyst
- **Sandra Collins**, Vice President of Development & Communications
- **Juan Mesa**, Director of Marketing & Communications
- **Sofia Flores**, Development Manager – Grants & Strategic Analytics
- **Santiago Martinez Xonthe**, National Partnerships Program Manager
- **Juan Diego Castro**, National Partnerships Director

Mission Economic Development Agency

For more information, contact Juan Diego Castro, nationalpartnerships@medasf.org

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develop the community ownership models highlighted in MAP2020.

We extend special thanks to the local businesses that shared their stories and experiences of operating a business in the Mission District. These include Bissap Baobab, Café de Olla, Chely's Beauty Salon, El Rio Bar, Inca Juices, Luz de Luna, Factory 1 Design, and a member of the Small Business Commission.

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Executive Summary

Between 2000 and 2010, more than 12,000 residents were displaced from San Francisco's Mission District, which threatened the stability of the neighborhood's predominantly Latino, working-class community and culture amid rapid gentrification. Fueled by the growth of the city's tech sector, influx of venture capital, and real estate speculation, private development intensified the competition for land and property, driving up rents and shrinking the availability of affordable housing. These pressures not only impacted long-term residents but also threatened the small businesses, cultural institutions, and community-based organizations that historically anchored the neighborhood.

In response, the Mission Economic Development Agency (MEDA) partnered with local nonprofits and city agencies to launch the Mission Action Plan 2020 (MAP2020) in 2015. This community-driven initiative addressed the root causes of displacement through place-based solutions that prioritized community ownership and joint community-city decision-making. At its core, MAP2020 operated under the principle of community ownership: that neighborhoods are most resilient when residents have control over the assets that shape their daily life, from housing and commercial spaces to access to capital and quality jobs.

MAP2020 explicitly framed its goals through the lens of cultural placekeeping, emphasizing that preserving community identity requires not only resisting displacement but also ensuring that residents retain stewardship over the cultural, economic, and physical environment of their neighborhood.

To address these displacement challenges, MAP2020 proposed a set of interrelated strategies that aimed to stabilize the neighborhood and preserve its cultural and economic fabric:

- Develop land use policies to protect small businesses and preserve blue-collar jobs that were increasingly at risk.
- Pursue the acquisition and development of properties to create permanently affordable, mixed-use spaces for housing and commercial purposes, while also retaining key community assets in the face of speculative market forces.
- Improve access to affordable capital and business technical assistance for local entrepreneurs who historically lacked access to traditional financial systems.
- Identify funding strategies to include public, private, and philanthropic investments to implement MAP2020, to accompany the City and County of San Francisco's significant investments

to support the planning and implementation of MAP2020's interrelated strategies.

This case study examines how these strategies were implemented in practice, offering specific examples of how the MAP2020 framework impacted small businesses, with a particular focus on community ownership. These collective efforts aimed to ensure that local policy-making efforts reflected the lived experiences of residents, disrupting top-down decisions and shifting power back to the community.

MAP2020 built nonprofit capacity for community strategies,

including affordable housing development, small business lending through a community development financial institution (CDFI), and policy advocacy that continues as Mission Action Plan 2030 (MAP2030). This framework requires patient capital, sustained advocacy, and structural change. Community ownership goes beyond asset transfer to include wraparound support and organizational development, empowering residents to shape neighborhoods, assert collective rights, and build shared prosperity beyond preventing displacement.



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Introduction

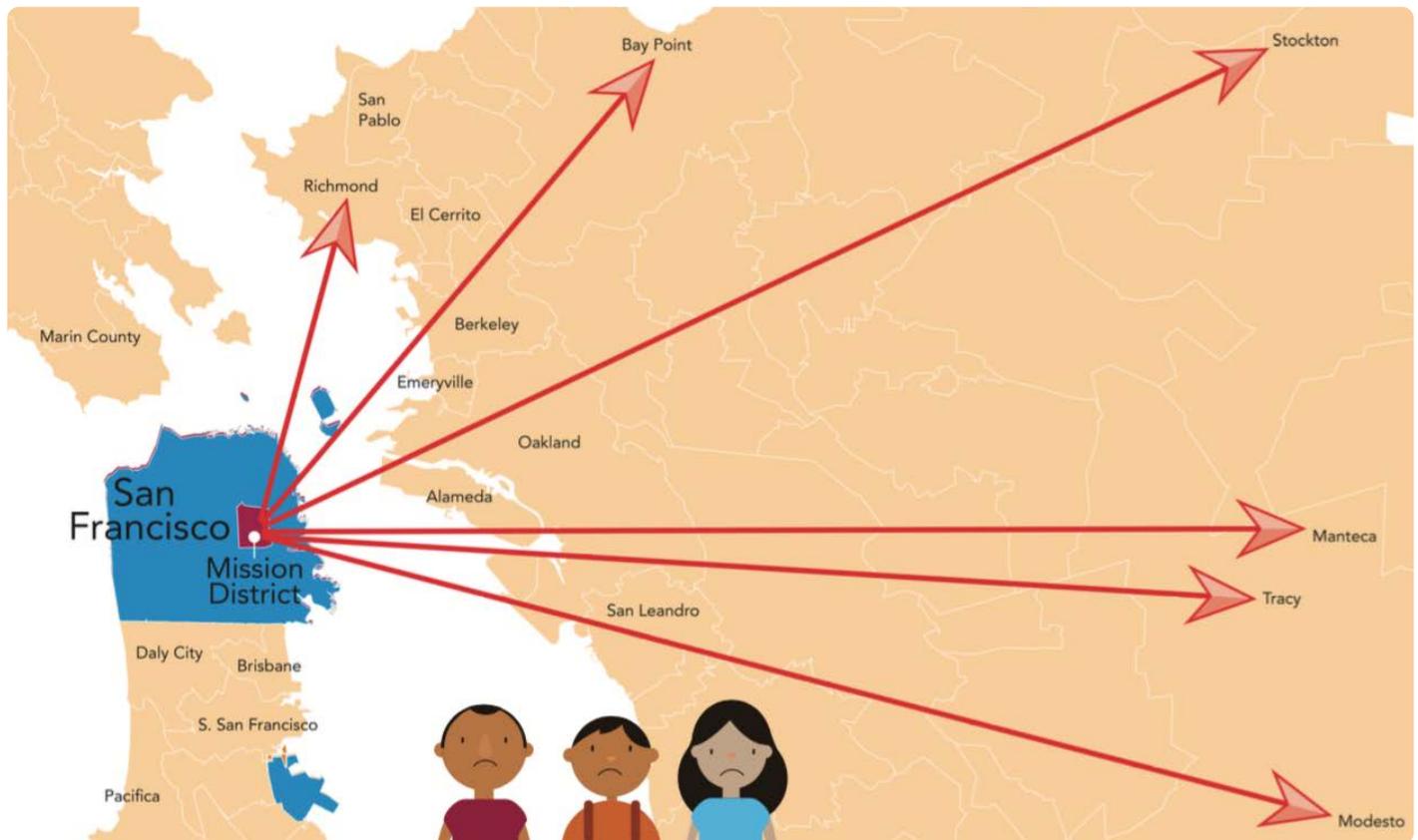
San Francisco's Mission District is renowned for its cultural heritage and the community-led initiatives that have emerged in response to gentrification and the displacement of its long-term residents. Between the 1950s and 1970s, the neighborhood experienced an influx of Latin American immigrants, solidifying itself as a Latino cultural hub in the Bay Area. The dot-com boom of the late 1990s and the Great Recession of 2008, however, led to gentrification, destabilizing the Mission District's low-income, working-class residents. Between 2000 and 2010, the neighborhood's Latino population declined significantly, with over 8,000 residents displaced, often to cities 2 or 3 hours outside of San Francisco.

Local advocates and community organizers built bridges across issues and sectors, forming coalitions and mobilizing residents, artists, small business owners, and community organizations to protest, march, and challenge City Hall's decisions. In 2000,

the Mission Anti-Displacement Coalition (MAC), a broad alliance of Mission District organizations that would later include the Mission Economic Development Agency (MEDA), emerged as a powerful force in the anti-displacement movement. MAC effectively mobilized residents to push back against speculative development that was displacing thousands of tenants and small, family-owned businesses. The coalition employed several land use tools, including interim controls on market-rate housing, a community-driven area plan and rezoning process, and a multi-year organizing campaign that culminated in the People's Plan for Jobs, Housing, and Community.

Working alongside a new generation of homegrown Latino organizers, the coalition developed deeper policy expertise and greater political influence. Their sustained efforts ultimately compelled the city to acknowledge the crisis and commit to a formal city-community partnership. The pace and scale of displacement through the early 2000s required coordinated and integrated strategies to preserve

Figure 1.1: Latino Displacement From San Francisco's Mission District, 2000–2010



the neighborhood's character and retain the long-time residents who have shaped it.

Previous community organizing victories laid the groundwork for the next phase of a city and community partnership, the [Mission Action Plan 2020 \(MAP2020\)](#). This initiative focused on developing tools and pathways to curb gentrification while advancing community-driven development strategies.

During the ensuing wave of gentrification, MEDA, in solidarity with several community-based organizations, began planning MAP2020 in 2014 with an internal governance structure; a process to coordinate with the city; a timeline that spanned several phases to include planning, community engagement and implementation, and concrete targets to monitor progress; and accountability for the different implementation pathways (administrative, legislative, zoning codes, ballot measures, and charter amendments).

From 2014 to 2019, MAP2020 championed innovative place-based community ownership strategies designed to protect and expand affordable housing, small businesses, blue-collar employment, and nonprofit spaces in the face of intensifying gentrification pressures throughout the Mission District. The initiative's core principle was that neighborhoods thrive when residents possess genuine ownership stakes and decision-making power within their communities.

Case Study Approach

This case study examines the community ownership and anti-displacement strategies of MAP2020, which were developed collaboratively among residents, community organizations, advocates, and the City and County of San Francisco from 2015 to 2019. Our research drew on several sources of data:

- **Qualitative interviews** with those involved in MAP2020, including MEDA staff, community organizers, small businesses, and city partners. Small business owners who were interviewed also participated in both MEDA's business program services and [San Francisco's Small Site Program](#).
- **Local government published reports, planning documents, data sets, and maps.** These include data and reports from the City and County of San

Francisco's database, the San Francisco Planning Department, community reports, and MEDA policy staff meeting minutes.

- **Community research and data**, including community memos and analyses of data from the American Census Bureau, to create socioeconomic profiles of the changing demographics of the Mission District (age, income, language spoken, rent burden, etc.).

Leading Organization

[Mission Economic Development Agency](#) is a 501(c)3 nonprofit organization based in San Francisco's Mission District. Founded in 1973 as a place-based organization, MEDA focuses on comprehensive community development through integrated direct services, wrap-around referral support, and community leadership programs that foster policy advocacy.

Rooted in San Francisco's Mission District, MEDA is advancing a national equity movement by building prosperity, community ownership, and civic power. In 2024, MEDA directly served over 18,000 clients through its broad array of cross-sector services: Asset Building Programs (VITA/free tax, housing counseling, financial capability, below-market-rate application support, eviction defense), Community Real Estate (affordable housing and property management), Fondo Adelante community development financial institution (CDFI) and business development technical assistance, Mission Promise Neighborhood, National Partnerships and Policy & Advocacy. Since its founding in 1973, MEDA has continuously expanded into new service areas and formed new partnerships to address the growing challenges facing its community.

From 2001 to 2005, MEDA joined the Mission Anti-Displacement Coalition, a group of grassroots, tenant, and community organizers, to advocate against the first wave of gentrification and displacement. MAC developed the 2006 People's Plan after a decade of community advocacy, and the San Francisco Planning Department later incorporated some elements of the People's Plan into the Eastern Neighborhoods Plan. Shortly thereafter, the Mission Anti-Displacement Partnership (MAP) formed,



Figure 1.2: Plaza Adelante, which houses MEDA’s headquarters and El Mercado, a special incubator program for small businesses and local nonprofit organizations.

coordinating community advocates for a community-level planning process based on MAC’s 2006 People’s Plan, and MEDA served as the fiscal sponsor.

In 2012, MEDA launched Mission Promise Neighborhood (MPN), uniting 15 organizations to address family economic success and student

achievement. MPN’s survey found 82% of families severely rent-burdened, threatening educational outcomes. By 2014, MPN implemented a two-generation approach linking family stability with student success through co-located services at four schools, expanding to nine by 2018.

MEDA’s 2014 Community Real Estate program laid the groundwork for MAP2020’s community ownership model. In 2015, San Francisco launched MAP2020, a pioneering city-community partnership with MEDA and community organizations. As a community-driven planning process, MAP2020 actively engaged with the Planning Department, the Mayor’s Office of Housing and Community Development, and the Office of Economic Workforce Development to assess existing policies and later to monitor new initiatives for neighborhood stabilization (Gil & Feng, 2017). This data-driven plan set measurable goals for housing stabilization, community business spaces, and job creation across income levels. Unlike previous incremental solutions, MAP2020 offered a comprehensive strategy to preserve the Mission District’s character and demographics through collaborative planning between community organizations and city agencies.

Figure 1.3: Mission Anti-Displacement Coalition Logo



Table 1.1: MAP2020 Participating Organizations

COMMUNITY-BASED ORGANIZATIONS		SAN FRANCISCO GOVERNMENT
Phase 1: Planning MAP2020, 2015–2016		
<ul style="list-style-type: none"> Mission Economic Development Agency (MEDA) Calle 24 Latino Cultural District Dolores Street Community Services/Mission SRO Collaborative (MSROC) Cultural Action Network (CAN) 	<ul style="list-style-type: none"> Causa Justa: Just Cause Pacific Felt Factory San Francisco Tenants Union (SFTU) People Organizing to Demand Environmental and Economic Rights (PODER) 	<ul style="list-style-type: none"> San Francisco Planning Department San Francisco District 9 Supervisor The Office of the Mayor (Lee) Mayor’s Office of Housing and Community Development (MOHCD) Office and Economic and Workforce Development (OEWD)
Phase 2: Implementation & Monitoring MAP2020, 2016–2017		
<ul style="list-style-type: none"> Mission Housing Development Corporation (MHDC) San Francisco Organizing Project (SFOP) Dolores Street Community Services/ MSROC The Day Laborer Program and Women’s Collective 	<ul style="list-style-type: none"> MEDA Calle 24 Latino Cultural District Pacific Felt Factory SFTU CAN Individual members from Plaza 16 Coalition 	<ul style="list-style-type: none"> San Francisco Planning Department San Francisco District 9 Supervisor The Office of the Mayor MOHCD OEWD San Francisco Health Services Agency San Francisco Department of Building Inspection San Francisco Rent Board
Phase 3: Implementation & Monitoring of MAP2020, 2018–2019		
<ul style="list-style-type: none"> MHDC San Francisco Housing Action Coalition (SFHAC) Dolores Street Community Services/ MSROC The Day Laborer Program and Women’s Collective MEDA Calle 24 Latino Cultural District Pacific Felt Factory United to Save the Mission (USM) Mission Neighborhood Centers People Organizing to Demand Environmental and Economic Rights (PODER) San Francisco Bay Areas Planning and Urban Research Association (SPUR) 	<ul style="list-style-type: none"> Mission Dolores Neighborhood Association Mission YIMBY Central Mission Neighbors Association Northeast Mission Business Association Hispanic Chamber of Commerce Homies Organizing the Mission to Empower Youth (HOMEY) Mission Merchants Association Support San Francisco Manufacturing (SFMADE) The Brewers Guild The Golden Gate Restaurant Association San Francisco Latino Parity and Equity Coalition (SFLPEC) CAN Individual members from Plaza 16 Coalition 	<ul style="list-style-type: none"> The Office of the Mayor (Lee, Farrell, Breed) San Francisco District 9 Supervisor San Francisco Planning Department MOHCD OEWD San Francisco Health Services Agency San Francisco Department of Building Inspection San Francisco Rent Board San Francisco Metropolitan Transportation Authority San Francisco Arts Commission
Phase 4: MAP2020/MAP2030, 2024		
<ul style="list-style-type: none"> MEDA USM Mission Merchants Association Calle 24 Latino Cultural District American Indian Cultural District (AICD) Clecha SFLPEC Individual members from Plaza 16 Coalition Mission Housing Development Corporation 	<ul style="list-style-type: none"> Friendship House Youth Art Exchange Chile Lindo 	<ul style="list-style-type: none"> The Office of the Mayor San Francisco District 9 Supervisor San Francisco Planning Department MOHCD OEWD San Francisco Health Services Agency San Francisco Department of Building Inspection San Francisco Rent Board San Francisco Metropolitan Transportation Authority San Francisco Arts Commission

Neighborhood Context

In 2008, MEDA was displaced from its offices in the Mission District. The organization explored several options and ultimately purchased its current building at Plaza Adelante by using new market tax credits. Today, the building houses the office space for MEDA headquarters and El Mercadito, a special incubator program for small businesses and local nonprofit organizations. Plaza Adelante exemplified for MEDA the effectiveness of community ownership strategies articulated through MAP2020, including revising land use policies; creating permanent affordable spaces for residents, nonprofits, and small businesses; and providing access to affordable capital.

The success of MAP2020 stems largely from San Francisco's long history of grassroots organizing and popular education movements, dating back to the 1960s Civil Rights era and the Mission District's strong support for the Farmworker movement of the same era. More specifically, it builds on the legacy of the anti-redevelopment and anti-displacement movement in the Mission, which took root in the mid-1960s when predominantly Latino communities mobilized to resist the San Francisco Redevelopment Agency's plans for urban renewal.

This resistance gave rise to the formidable Mission Coalition Organization, which laid the foundation for future community-led planning and advocacy efforts. Between 2001 and 2009, the Mission Anti-Displacement Coalition, a coalition of over a dozen Latino-serving organizations, including MEDA, effectively combined grassroots mobilization and political advocacy to drive small business development and affordable housing policy. In 2014, Mission District neighborhood organizations leveraged the earlier success of MAC's grassroots mobilization and political advocacy to form new coalitions, including Mission United, Plaza 16, and later, United to Save the Mission.

MAP2020 emerged as a neighborhood-level planning process that identified tools for combating displacement in the Mission District. MAP2020 drew on decades of neighborhood organizing through grassroots organizations and channeled these

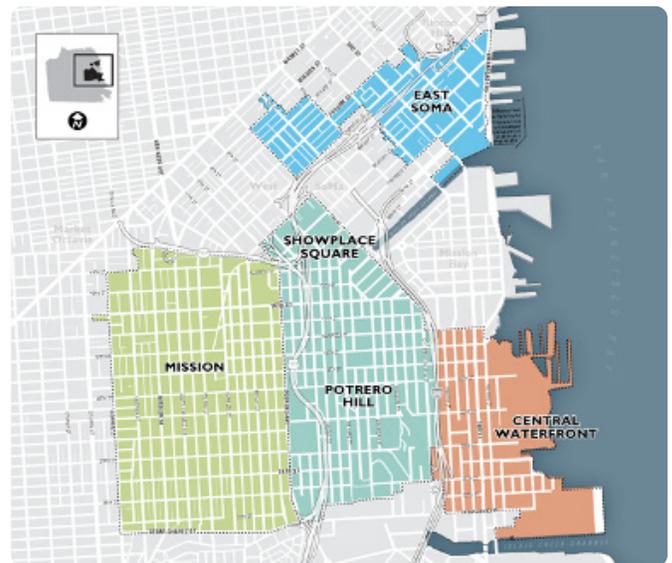


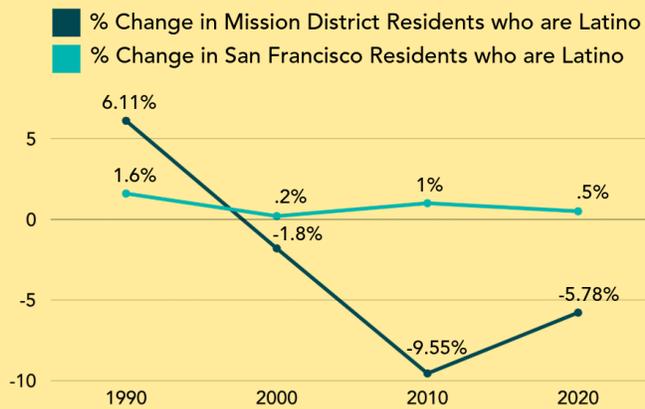
Figure 1.4: San Francisco Eastern Neighborhoods (Source: San Francisco General Plan)

efforts into a new process focused on concrete outcomes, such as affordable housing production, small business stabilization, and revising land use policies to counter intense gentrification challenges. A majority of the organizations participating in the initial phase of the MAP2020 process were former members of MAC, and many were current members of United to Save the Mission (USM), which hosted a forum to enable grassroots community experts to vet legislative strategies. USM's forum played a crucial role in the success of MAP2020. It created a city-backed policy platform that allowed community members and government officials to collaborate using partnership principles and participatory community planning.

MAP2020 focused on economic stability across a wide range of income levels because the decline in the area was closely linked to changes in income levels (Table 1.2). Since 2000, low- to moderate-income households have remained relatively stable; however, there has been a significant increase in high-income earners, largely due to a series of tech booms and subsequent gentrification.

Between 2000 and 2022, middle-income households (120%–150% AMI) in the Mission District increased from 8% to 21%, while upper-income households (over 150% AMI) rose from 17% to 22% (see

Latino Displacement in the Mission District



The Dotcom Boom and the Great Recession brought gentrification, high unemployment, and wealth loss for Mission District Latinos. **By 2010, 9.55% of Mission District Latinos had been displaced.**

In response, economic and housing stability became key priorities for local organizations.

The 2020 census revealed progress toward reversing displacement.

Figure 1.5: Latino Displacement in the Mission District, 1990–2020

Appendix A: San Francisco 2025 AMI Chart). Most low-income households rent (72%), with 31% spending more than 30% of their income on housing. Not surprisingly, the bulk of community needs identified by MAP2020 focused on maintaining and creating affordable housing and commercial spaces, along with economic stabilization programs, to protect working-class jobs for low-income residents, artists, and small business owners in the Mission District.

Community Ownership Strategies

San Francisco’s Mission District has been actively addressing the issue of displacement by implementing strategies that promote effective community ownership. A variety of policies and programs have been introduced to address these challenges and support local businesses, ensuring the area remains both vibrant and accessible. Key community

Table 1.2: Percentage of Households by Area Median Income in the Mission *Source: American Community Survey*

PERCENT OF HOUSEHOLD BY AREA MEDIAN INCOME IN THE MISSION										
AMI – Income Category	2000	2010	2015	2016	2017	2018	2019	2020	2021	2022
< 30%	20%	21%	23%	24%	25%	24%	23%	20%	20%	19%
30% - 50%	13%	15%	13%	13%	11%	10%	8%	9%	10%	10%
50% - 80%	20%	17%	14%	13%	12%	13%	12%	13%	13%	14%
80% - 100%	12%	9%	7%	7%	8%	9%	9%	7%	7%	7%
100% - 120%	10%	8%	7%	8%	8%	7%	7%	6%	6%	7%
120% - 150%	8%	9%	9%	8%	8%	10%	11%	10%	10%	21%
150% +	17%	22%	27%	27%	27%	27%	30%	33%	34%	22%
Total Households	100%									

ownership strategies implemented are land use strategies, permanent affordable spaces, and access to capital. These strategies are not possible without the collaboration of local organizations, city partners, and community members having a community-led initiative.

KEY LAND USE POLICIES

Early Mission District community advocacy highlighted the effectiveness of land use policies, zoning laws, and permits as effective tools for anti-displacement as early as 1998 (Casique, 2013). As a community-level planning process involving community organizations, advocates, and city agencies, MAP2020 underwent several iterations of land use strategies. These included the implementation of interim controls from 2015 to 2017, which were completed as the process itself achieved formal endorsement and adoption in 2017. In 2024, the San Francisco Planning Commission endorsed continuing community stabilization efforts that began with MAP2020 and will extend through [MAP2030](#).

The initial concern for the community was preventing Mission Street—the city’s largest Latino commercial corridor—from following the path of neighboring Valencia Street, which had transformed from a working-class Latino area into a high-end shopping destination over several decades due to gentrification. By the time MAP2020 was launched in 2015, Valencia Street had lost most of its lower-income-serving businesses, with commercial rents doubling or tripling compared to the \$25–\$35 per square foot range on Mission Street.

Key Land Use Policies and Programs to Prevent Displacement in The Mission District

Light Industrial Controls (May 2017) [Ordinance 170156](#)

Purpose: Protect blue-collar businesses that provided higher-wage jobs for immigrant workers without college degrees.

- Prohibits the establishment of new gyms and massage parlors in light industrial zones.
- Limits retail uses in northeast district corridors in light industrial spaces.
- Modifies building height codes to encourage ground-floor blue-collar businesses in mixed-use buildings.

Mission Street Commercial Protections (January 2018) [Ordinance 171173](#)

Purpose: Address displacement from large-scale housing developments.

- **Large Development Review:** Projects over 6,000 square feet on Mission and 24th Streets must obtain conditional use (CU) permits, ensuring public hearings and community input.
- **Small Space Mandate for Businesses and Nonprofits:** New buildings over 10,000 square feet must include at least one small commercial space (2,500 square feet or less) with street frontage.
- **Office Use Restrictions:** Prohibited general office uses on upper floors of Mission Street to prevent further displacement of small businesses and nonprofits by tech and real estate offices. Allow art activities and catering within the Mission Street Neighborhood Commercial Transit District.

Legacy Business Protections (November 2018) [Ordinance 180803](#)

Purpose: Protect longtime community-serving businesses.

- Requires CU permits for new uses replacing [San Francisco Legacy Business](#) Program participants.
- Creates public oversight to discourage the displacement of established businesses.
- Extends protections to parts of the Bernal neighborhood.
- Prohibits commercial storefront mergers over 1,500 square feet (later relaxed to require CU permits for these mergers during COVID-19).
- Requires small commercial and nonprofit spaces on the ground floor for large projects.
- Later expanded citywide in 2024 in an 18-month interim control.

San Francisco Legacy Business Program (November 2015) [Resolution 141038](#)

Purpose: Protect longtime community-serving businesses.

- Established in the early days of MAP2020 by the Mission’s District 9 supervisor.
- Supports businesses operating 30+ years (20+ if threatened) by creating a legacy business registry.
- Provides payments to landlords who offer long-term leases and to businesses based on the number of employees.

(See Appendix C: Map of Legacy Businesses & Land Uses)

Calle 24 Latino Cultural District

The [Calle 24 Latino Cultural District](#) was established in 2014 to address the challenges of gentrification in San Francisco's Mission District, with a focus on preserving Latino culture and local businesses ([Ordinance 170028](#)). The cultural district now covers roughly the southern third of the Mission District. The [San Francisco Cultural Districts Program](#) was established in tandem with MAP2020, with shared support from city agencies and community involvement. It implemented culturally driven land use controls and small business requirements through the use of special use district designations.

The Calle 24 district helps create zoning rules, develop building design guidelines, and preserve historic sites to protect community identity. While the cultural district designation does not guarantee legal protection, Calle 24 has formed a council to ensure businesses meet specific requirements and promote Latino culture. Council efforts include increasing business visibility, organizing community



cultural events, and assisting long-standing businesses with landlords. Calle 24's approach has inspired similar initiatives nationwide, fostering discussions on urban planning, affordable housing, and the importance of community in preserving cultural heritage.

While disagreements among stakeholders in the MAP process occasionally necessitated additional community advocacy, the MAP2020 process encouraged those with diverse perspectives to find common ground and develop collaborative solutions to protect the Mission District's character and small business ecosystem. MAP2020 established three new major sets of land use policies and two new programs that the City and County of San Francisco approved, and also created public investment frameworks that the city would support (see Appendix B: San Francisco Business Assistance Special Programs).

A key component behind the success of each area of land use policies was community organizing and advocacy. Advocacy was crucial for driving small business and affordable housing land use policies. While MAP2020 was born out of community advocacy in the Mission District, with each passing year of the program and despite the increasingly strong partnership with city departments that developed, community-based advocacy was required at different intervals as new challenges arose between 2015 and 2019.

PERMANENT AFFORDABLE SPACES

MAP2020's second strategy focused on ensuring that small businesses and nonprofits can afford long-term leases through financial assistance, business technical assistance, and the utilization of mixed-use developments that combine residential and commercial spaces. MEDA launched its Community Real Estate program in 2014 to maintain and expand affordable housing in the Mission District. As MAP2020 land use policies addressed the need and guidelines for mixed-use development, MEDA began to create and preserve both residential and commercial affordable spaces, as did its MAP2020 partner, Mission Housing.

MEDA helps businesses and nonprofits find stable locations by navigating the real estate market and developing affordable housing that serves seniors, families, and transitional youth. These developments include integrated spaces for childcare, affordable retail, nonprofits, and arts programs. Highlights include:

- **Integrated development:** Combining affordable housing with community-serving commercial spaces

Legacy Business Spotlight

BISSAP BAOBAB

Bissap Baobab is a renowned restaurant and cultural gathering spot situated in San Francisco's Mission District. The business has established a reputation for its friendly atmosphere and diverse customer base, making it a vital part of the local community. Marco Senghor, the owner of the business, faced numerous challenges as a minority business owner, including struggling to get loans and navigating strict local laws that can make running a business tough.

On July 24, 2024, Bissap Baobab received the Legacy Business Award from the City of San Francisco, which honors its cultural and historical significance. The restaurant has demonstrated resilience in the face of rising costs and changing neighborhood dynamics, thanks in part to support from local organizations like MEDA and the surrounding community.



- **Community ownership model:** Small businesses and nonprofits can eventually own their rental properties within affordable housing buildings
- **Technical support and capital access:** Improved resources to help small businesses secure leases and later purchase their buildings

Small Sites Program

San Francisco's Small Sites Program, launched in 2014, protects smaller mixed-use buildings (typically 4–25 units) that house low- to moderate-income residents and local businesses. MEDA is the city's largest partner in the program, having stabilized more than 500 tenants and 43 small businesses and nonprofits through building acquisition and renovation (see Appendix D: Property Acquisition Guide).

Target properties: Buildings with existing tenants at risk of displacement, particularly in the Mission District.

Tenant protection: Current residents and businesses are retained at rates affordable to low- to moderate-income residents and small businesses.

City funding: San Francisco contributes \$275,000 to \$550,000 per residential unit to maintain affordable rents and cover necessary repairs.

Fair market purchases: MEDA offers competitive prices to property owners.

Program Results:

- 96% completion rate on housing projects
- 20+ property owners have sold buildings to MEDA
- Focus on families with children and properties needing repairs or safety upgrades
- Emphasis on tenant engagement and housing rights education

Community Ownership Model

By partnering with local nonprofits, MAP2020 has made community ownership of commercial spaces achievable, which is particularly important as rising property prices make it difficult for small business owners to purchase their own spaces. Through the MAP2020 process, the city and community began to define community ownership as a comprehensive approach that extends well beyond simple capital ownership. Not only was the governance structure of MAP2020 community driven, but the ultimate goal was to create affordability for diverse income groups of residents and small business owners.

Small Site & Legacy Business Spotlight

EL RIO BAR

El Rio Bar, established in San Francisco in 1978, is a part of the LGBTQ+ community, known for its live music and vibrant events. Originally located in the South of Market area, it moved to the Mission District to connect with the local Latin music scene. The space has become a community focus board, hosting over 200 fundraising events annually for local organizations.

Unfortunately, the bar faced challenges related to high living costs and stringent zoning laws, which complicated its operation, particularly in light of rising rents and shifts in patron demographics. One of the business owners, Lynne Angel, stated that for 10 years, El Rio was on a month-to-month lease, and the building was put on the market without the business owner's knowledge. The bar's future was secured when MEDA purchased its building through San Francisco's Small Sites Program, allowing for a long-term lease. El Rio continues to advocate for better financial resources and simpler regulations to help small businesses thrive.



True community ownership requires the integration of technical assistance, organizational infrastructure, supportive policy frameworks, and financial resources. Both the city and community recognized that this concept encompasses a multifaceted strategy involving land use planning, process enhancements, street-level activation, community space development, and place-based ecosystem building to retain the neighborhood's character, aligning it with community identity and goals. This holistic understanding proved especially crucial in rapidly gentrifying areas, such as the Mission District, where traditional property ownership remains financially out of reach for many long-term residents and local small businesses.

What emerged were interrelated strategies for community ownership that focused on initiatives to stabilize the Mission District community; enable community-led investment decisions; and build

wealth for residents and small businesses through investments in supportive programming, such as eviction counseling, tenant protections, below-market-rate housing counseling, small business supportive grants, and rental assistance. The prioritization of stabilizing and strengthening local organizations, community networks, and community cultural assets was central to the community ownership and place-based solutions generated by MAP2020, which aimed to stimulate the recirculation of wealth within the community, build neighborhood resources, and promote economic mobility.

As of June 2025, MEDA maintains 50 commercial spaces of 85,545 square feet and houses small businesses and 12 nonprofit community organizations. This creates long-term stability for both residential and commercial tenants while preserving the neighborhood's character and affordability.

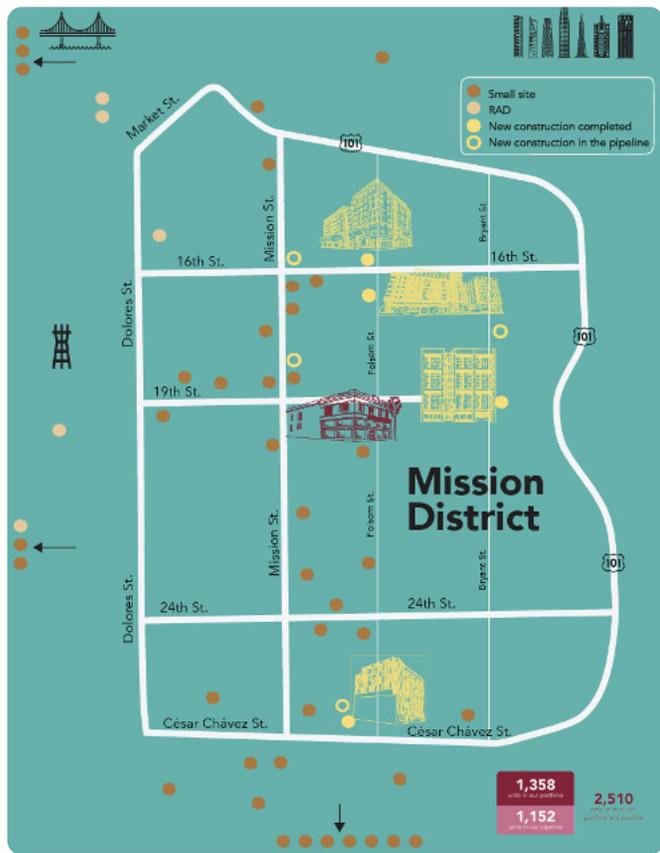


Figure 1.9: MEDA's Commercial Real Estate Units in the Mission District, 2025

ACCESS TO AFFORDABLE CAPITAL

MAP2020's third strategy involved providing financial resources and business technical assistance to help small businesses stay viable for the long term. In response to MAP2020, MEDA established Fondo Adelante, its CDFI, in 2015 to provide access to affordable capital for small businesses that are often overlooked by traditional financial institutions. Fondo Adelante provides capital to business owners who face barriers to traditional financing by using a more inclusive and holistic application review process. This includes adopting the [New 4Cs of Credit](#) to better assess each client's unique circumstances, which enables the evaluation of the borrower's creditworthiness through more community-centric methods of analysis (see Appendix E: New 4Cs of Credit).

In 2024, Fondo Adelante's loan fund had a very low default rate, with a 98% repayment rate. Since 2015, Fondo Adelante has deployed \$18.2 million in loans to 600 small businesses.

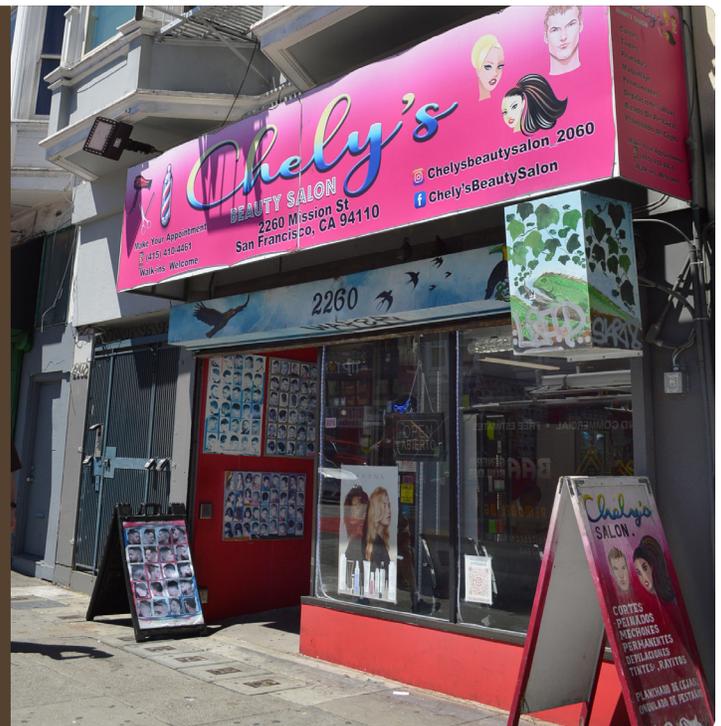
This comprehensive evaluation process encompasses integrated technical assistance and business coaching through its Business Development program. MEDA also introduces small businesses that need additional technical advice to a referral network through

Small Business Spotlight

CHELY'S BEAUTY SALON

Chely's Beauty Salon is located in one of MEDA's Small Sites locations. For more than 10 years, business owner Jenny Aguirre rented a chair from a local salon, which eventually inspired her to open her own business. With support from MEDA's Business Development Program, the Community Real Estate team allowed the business to open in the Mission Corridor.

The business also obtains funding from Fondo Adelante, MEDA's Community Development Financial Institution (CDFI), and Aguirre emphasizes the importance of access to funding. In her experience with various banks, she notes a difference between obtaining and managing a loan from a bank versus a CDFI.



TYPES OF TECHNICAL ASSISTANCE OFFERED

Business Planning Training	Digital Solutions Training
Marketing	Commercial Lease Negotiation Assistance
Financial Projections	Business Registration
Business License Renewal	CA Sales Tax Returns
Legal Entities Registrations	Grants Application Assistance

Table 1.3: MEDA Small Business Development Program Technical Assistance (TA)

El Mercadito

El Mercadito is an incubator program of MEDA at Plaza Adelante that helps small businesses by offering small retail space, ongoing coaching, and support with the launch of the new business. The Mercadito opportunity is typically offered to individuals who have completed a business development course through MEDA and received other free MEDA services. These small business owners then have the opportunity to turn their dreams into reality and open a business that helps the local economy—generating job opportunities and ultimately keeping the community vibrant.

MEDA has established robust programming to support entrepreneurs in the Mission, Bernal, and Excelsior districts. Through structured resources, one-on-one high-quality coaching, and technical assistance, MEDA helps local business owners start and grow their enterprises—ultimately contributing to job creation and economic vitality in the Mission District.

El Mercadito Graduate: Café de Olla

Café de Olla is a local coffee shop that serves as a community hangout where local artists and residents come together. The business opened in late 2019 as part of MEDA’s Mercadito business incubator program. Unfortunately, the business faced unanticipated challenges during the ensuing shelter-in-place orders resulting from the pandemic. The high cost of operating a coffee shop during such unprecedented times made it difficult for the business to obtain financial help.

With the support of Fondo Adelante, Café de Olla was able to take advantage of a government relief program and grants, ensuring its continued operation. Despite the difficulties, the business owners, Eduardo and Jose, remained hopeful about the business’s future. In 2023, Café de Olla outgrew the incubator space at Plaza Adelante. With the support of a business coach, additional small business loans, and technical assistance during the transition, the business relocated to its own commercial space nearby on the Mission Street Corridor.



Analysis and Recommendations

The Mission Action Plan 2020 demonstrates how community ownership strategies can combat displacement in rapidly changing neighborhoods. The Mission District’s combined initiatives—land use policy; permanent affordable housing, commercial, and nonprofit spaces; and increased access to capital—have created a replicable framework that can be applied in other neighborhoods. Because MAP2020 originated as a community-driven anti-displacement movement that sought to amplify community voices, it was not a top-down, municipal-led planning process. It was a community-initiated collaboration, forged over many years of trial and error. And it ultimately required the significant buy-in and hard work of the city and its key staff.

From the beginning, there were challenges to overcome. Trust between the city and community partners had to be built, and at times, between community partners themselves. This was perhaps most significantly achieved through forging agreements on how to prioritize solutions to address the size and scope of the gentrification and displacement crisis at hand, and committing to implementing those strategies together. Data had to be collected by the city and analyzed so that the group could make these prioritizations. The community also wanted the city to select a planning department planner from the Mission District who could be trusted to lead the effort from the city, a Mission resident who deeply understood the needs of the neighborhood. The shared, lived experience with the community led to the selected planner being a trusted messenger and advocate who diligently kept the planning process moving forward despite countless hurdles, closely tracked its results, and maintained the city’s commitments to its community partners.

To replicate this work, cities must understand that community ownership is a long-term strategy. MAP2020 emphasizes that community ownership strategies must go beyond financial support. Access to capital by itself is insufficient; it must be paired with technical assistance, organizational infrastructure, and policy alignment. Authentic community

engagement fosters the trust necessary for long-term change, ensuring that outcomes reflect the needs of those most affected.

On the community side, it may be similarly important to understand that organizing and assertively advocating are likely going to play a significant role in the program’s success—whether it be regarding the overall process, particular issues that are not being addressed, or even the critical choice of which city staffer will lead the process.

RECOMMENDATIONS TO LOCAL JURISDICTIONS (CITIES, TOWNSHIPS, COUNTIES):

- Collaboration between the community and city partners is crucial for shared decision-making and effective implementation.
- A holistic approach to community development, integrating housing, culture, and economic investments, nurtures a thriving neighborhood ecosystem.
- Transparent and accessible information allows for precise progress tracking and adaptive strategy adjustments. Commit to continual data gathering, sorting, and analyzing to detail the challenges; expand the community’s understanding; and provide deep context for what the solutions might be through legislation or process, and funding shifts.
- Pilot the MAP2020 approach with one neighborhood first and plan for it to serve as a baseline template for other neighborhoods in the city. The program should be designed with the necessary legal, financial, and organizational infrastructure to support its scale and scope.
- Land use policy must be aligned with a commitment to a community-first approach, where zoning codes are used to protect community-serving and long-standing businesses, as well as the larger ecosystem.

RECOMMENDATIONS TO LOCAL COMMUNITY ORGANIZATIONS:

- Strengthen community capacity through building a coalition of grassroots organizations to enable effective advocacy, service, and affordable housing delivery.
- Adopt a “collective impact” framework to include all stakeholders to enable buy-in.

- Build organizational capacity for policy advocacy in the local jurisdiction ecosystem.
- Develop initiative momentum through prioritizing low-hanging fruit strategies with city partners that achieve meaningful results without having to overcome significant policy hurdles or funding obstacles.
- Create coalitions of related and adjacent organizations for collective advocacy with local jurisdictions.
- Ensure that key city staff are appointed to the project who are deeply committed advocates and can help keep the process moving internally, despite process challenges.
- Engage actively with the community, including residents, small businesses, arts organizations, and nonprofits, to understand their needs, gather ongoing feedback, and provide the information and access needed for them to become empowered advocates.

RECOMMENDATIONS TO INVESTORS AND PHILANTHROPY:

- Invest in multi-year, place-based development to provide community-led approaches to neighborhood housing and economic stabilization.
- Work to establish community land trusts, invest in CDFIs, or establish a commercial property acquisition fund as place-based investments.

MAP2020 was designed to create a comprehensive planning process and implementation with community organizations, residents, and the city. Notably, the city shared the community's understanding that community ownership was a broad strategy that went far beyond capital or buildings. Community ownership was based on land use and strategies, process improvements, street-life activation, community spaces, and place-based community building through ecosystem development. This was particularly important for a rapidly gentrifying neighborhood like the Mission District, where direct ownership would remain challenging for most residents and small businesses.

As the Mission and other communities emerged from the most direct impacts of COVID-19, MEDA and its community partners approached the city about revisiting the success of MAP2020 through a second round of joint community-level planning for Mission

District economic stabilization, as outlined in Mission Action Plan 2030 (see Appendix F: MAP2030 Goals to Action Tracker).

Conclusion

The Mission Action Plan 2020 provides an inclusive planning approach that supports economic stability through community ownership. The plan provides an equity-based blueprint for developing neighborhoods where long-term residents, nonprofit workers, artists, and small business owners can maintain stability as communities evolve and change.

The Mission District remains a vibrant hub for the Latino community in San Francisco. The neighborhood is home to numerous nonprofit organizations, cultural institutions, small legacy businesses, and working-class jobs. While challenges persist due to rising rents and shifting demographics, community-led initiatives continue to actively support residents and their small businesses by offering essential services, providing an advocacy platform, and working toward solutions for affordable housing and community spaces.

MAP2020 serves as a prime example of resilience, emphasizing community ownership in mitigating a trend of large-scale displacement. This plan demonstrates that cultural placekeeping can be effectively achieved through strategic measures, such as land use policy, the establishment of permanent affordable housing and community spaces, and improved access to capital. By applying these strategies, the plan outlines a transformative approach that uplifts long-time residents, supports local businesses, and helps preserve the unique cultural identity of the Mission District.

The insights provided in this report extend beyond the boundaries of San Francisco, serving as a guide for communities nationwide facing similar challenges. It acts as both a road map and a call to action for meaningful change. When community members, advocates, and policymakers collaborate with a unified vision, they have the potential to reshape the future, ensuring economic sustainability and the preservation of cultural identities. Community

ownership is a vital method for safeguarding cultural heritage and laying the groundwork for a more equitable future. Residents, nonprofit workers, artists, and small business owners have adopted locally driven strategies to protect their cultural identity and encourage ownership within the community.

This case study aims to raise awareness and disseminate important information nationwide on how different neighborhoods can address displacement. The core belief driving this initiative is that neighborhoods flourish when the community takes an active role in planning their ongoing development.

References

Casique, F. (2013). *Race, space and contestation: Gentrification in San Francisco's Latina/o Mission District, 1998–2002* [Doctoral dissertation, University of California, Berkeley]. UC Berkeley Electronic Theses and Dissertations.

Gil, C., & Feng, K. (2017). Mission Economic Development Agency—Combatting displacement in San Francisco's Mission District, family by family and block by block. *Journal of Affordable Housing & Community Development Law*, 26(2), 239–247. <http://www.jstor.org/stable/26427354>

APPENDIX A: SAN FRANCISCO 2025 AMI CHART

The San Francisco 2025 Area Median Income (AMI) Chart provides information on the combined average income for the San Francisco metropolitan area. The chart is a tool to track income eligibility and rent limits. For more details, please visit <https://www.sf.gov/find-your-area-median-income-ami-level>.

APPENDIX B: SAN FRANCISCO BUSINESS ASSISTANCE SPECIAL PROGRAMS

San Francisco's Business Assistance Special Programs provide detailed information and resources about various programs available to small businesses within the city and county of San Francisco. These programs focus on land use policy strategy that supports cultural districts and commercial corridors.

APPENDIX C: MAP OF LEGACY BUSINESSES & LAND USES

The Map of Legacy Businesses & Land Uses illustrates the various land uses within the Mission District. Please refer to the legend for further guidance and please visit <https://www.sf.gov/legacy-business-program> for more information.

APPENDIX D: PROPERTY ACQUISITION GUIDE

The Property Acquisition Guide details MEDA's efforts in community real estate since its beginning. Additionally, the guide outlines MEDA's objectives for 2030 and promotes economic mobility.

APPENDIX E: NEW 4CS OF CREDIT

The New 4Cs of Credit provides a framework aimed at supporting small businesses by transforming traditional loan processing. This framework uses a new set of credit criteria, which includes character, commitment, conditions, and capacity.

APPENDIX F: MAP2030 GOALS TO ACTION TRACKER

The MAP2030 Goals to Action Tracker is a matrix designed to track community-driven priorities among members, city agencies, and stakeholders. This matrix serves as a tool to identify necessary changes within the community.

Chapter 2

Commercial Real Estate Acquisition Lending as an Anti-Displacement Strategy

Community Ownership Along Philadelphia's Neighborhood Business Corridors

- Sameer Khetan, Development Manager
- Maura Shenker, Development Manager

Women's Opportunities Resource Center

For more information, contact Lynne Cutler, President, lcutler@worc-pa.com

Acknowledgments

This case study is a point-in-time snapshot of a broader and evolving journey toward community ownership and equitable economic development in Philadelphia. It represents the viewpoints of the authors at the [Women's Opportunities Resource Center \(WORC\)](#), informed by internal data, interviews, surveys, and the lived experiences of our clients and partners.

We recognize that the development and implementation of the [Commercial Real Estate Acquisition Loan \(CREAL\)](#) program is the result of many hands. This work would not be possible without the City of Philadelphia Department of Commerce, which has been a key partner and funder in this effort. We are especially grateful to our clients for their candor and courage in sharing their journeys, from property search and zoning frustrations to business expansion and advocacy. Their insights, gathered through surveys and in-depth interviews, grounded our understanding of how commercial real estate ownership can serve as a powerful tool for community stabilization and asset building.

Finally, we hope this case study serves as a resource and a starting point. We look forward to continued opportunities to hear and share stories of organizing, entrepreneurship, and shared progress—in Philadelphia and across communities nationwide.

Executive Summary

Commercial real estate (CRE) acquisition is a viable strategy for low-income microenterprises, small business owners, to avoid displacement from gentrifying areas of large cities, while simultaneously creating a sustainable path to asset building and the creation of generational wealth. This case study explores the work of the [Women's Opportunities Resource Center \(WORC\)](#) to implement and scale CRE lending as an anti-displacement tool for BIPOC and immigrant entrepreneurs in the Philadelphia region.

Founded in 1993, WORC is a 501(c)(3) nonprofit and certified community development financial institution (CDFI) serving the greater Philadelphia area. WORC offers an integrated suite of asset-building services, including business lending, self-employment training, and incentive-matched savings programs. WORC's microenterprise clients are predominantly low- and moderate-income (LMI) women and people of color, operating in sectors like food retail, personal services, and child care, often in commercial corridors.

Recognizing the increasing threat of displacement through rising commercial rents and gentrification, WORC launched its CRE Loan Program in 2020, offering loans up to \$350,000, plus up to \$35,000 in grant support for closing costs. The CRE loan enables small business owners to purchase owner-occupied commercial properties, transitioning them from tenants to owners. As of FY24, WORC has closed 14 CRE loans totaling \$3.38 million, with an average loan size of \$241,000.

The [Commercial Real Estate Acquisition Loan](#) (CREAL) was created by the Commerce Department of Philadelphia to help small businesses in LMI areas buy property. The Commerce Department issued a request for proposals due January 2020, which was awarded to WORC in June 2020 to manage the programming (see Appendix A). The award, for just under \$1 million, included both Community Development Block Grant funds to establish a revolving loan fund and additional funds to be used for grants directly to the small businesses. The first loan closed later in 2020.

CRE lending is inherently complex, requiring intensive one-on-one support and highly contextualized underwriting. WORC's community ownership approach includes outreach through trusted local partners, technical assistance to prepare borrowers for acquisition, and flexible underwriting that prioritizes character and community ties over traditional metrics. WORC's model addresses barriers such as low credit scores, limited collateral, and high upfront costs, particularly for New American and BIPOC entrepreneurs unable to access mainstream financial systems.

Recommendations to replicate this work include (1) expanding flexible CRE financing for LMI BIPOC businesses, (2) aligning public grant and loan programs with real market needs, (3) simplifying zoning and permitting processes, and (4) ensuring policies and funder requirements reflect on-the-ground realities.

WORC's experience offers a road map for community lenders, governments, and advocates seeking to

promote small business ownership and prevent commercial displacement in rapidly changing urban neighborhoods.

Introduction

This case study explores commercial real estate (CRE) acquisition as a viable and replicable wealth-building and anti-displacement strategy for low- and moderate-income (LMI) entrepreneurs, especially Black, immigrant, and women owners of small businesses in Philadelphia. It highlights the work of the Women's Opportunities Resource Center (WORC)—a nonprofit community development financial institution (CDFI)—in addressing barriers to property ownership and creating pathways toward community-controlled commercial space.

This case study seeks to address two problems:

1. The systemic exclusion of BIPOC entrepreneurs from commercial property ownership due to barriers such as credit score thresholds, capital access, and underwriting bias; and
2. The rapid pace of gentrification is increasing commercial rents, destabilizing business operations, and accelerating the displacement of legacy businesses in historically marginalized neighborhoods.

In many Philadelphia neighborhoods—especially North, West, and Southwest Philadelphia—long-standing small businesses are being priced out of communities they helped build. Despite strong community ties and business viability, entrepreneurs are losing access to affordable commercial space due to speculative real estate trends and structural inequalities in the lending system (Turner & Snow, 2021).

“WORC's model addresses barriers such as low credit scores, limited collateral, and high upfront costs.”

The case study also identifies major challenges to advancing community ownership, including

- A lack of tailored financing products that meet the needs of LMI borrowers
- Zoning and permitting barriers, particularly for mixed-use and owner-occupied properties in aging commercial corridors

- Limited access to trusted legal, architectural, and technical assistance, especially for first-time property buyers
- Institutional funding structures that favor large-scale developers over neighborhood-scale, community-led models
- Fragmented coordination between stakeholders—including CDFIs, real estate agents, city officials, legal experts, and business advisors—which often leaves small business owners navigating conflicting or siloed guidance from in-house and external professionals

These challenges are further compounded by a shifting political climate in which anti-displacement tools like CRE ownership must contend with changing local priorities, regulatory inconsistencies, and funding constraints. By documenting WORC’s design, implementation, and lessons learned from its Commercial Real Estate Acquisition Loan (CREAL) program, this report offers a real-world road map for CDFIs, policymakers, funders, and community development practitioners seeking to replicate or adapt similar approaches in their own cities and corridors.

SIGNIFICANCE TO ADVANCING COMMUNITY OWNERSHIP POLICY AND PRACTICE

Community ownership of commercial real estate is a powerful tool for disrupting intergenerational cycles of poverty and marginalization. In cities like Philadelphia—where gentrification has been driven by major anchor institutions, speculative investment, and uneven public infrastructure spending—CRE ownership offers an immediate opportunity for entrepreneurs to

- build equity through appreciation;
- stabilize monthly occupancy costs;
- retain control over their storefront, customer base, and business future;
- reinvest in neighborhood institutions and cultural identity.

WORC’s CREAL program advances community ownership policy and practice by centering ownership in the hands of those who are often excluded—namely Black, Brown, immigrant, and refugee entrepreneurs. In doing so, it supports

the development of shared prosperity corridors rather than revitalization through removal.

The importance of this work extends far beyond Philadelphia. In cities like Detroit, Atlanta, Los Angeles, and Washington, D.C., similar forces of displacement are at play. Programs like CREAL can be adapted to protect and preserve cultural corridors, local economies, and community leadership in the face of redevelopment pressures (Gaskin & Baird, 2021; Prosperity Now, 2022).

Case Study Approach

This case study was developed by WORC, the lead implementing organization for the program. The authors are internal to WORC and include lending, technical assistance (TA), and program evaluation staff directly involved in the program’s design, delivery, and documentation.

As such, this is a practitioner-led case study, grounded in real-time data, field implementation experience, and direct engagement with clients. The goal was not to conduct a detached academic evaluation, but rather to offer a comprehensive, on-the-ground perspective of how a community-based CDFI operationalized a commercial real estate strategy to prevent displacement, support business resilience, and promote community ownership.

The research process was designed to both document what has been done and extract lessons that can inform similar efforts across other cities, CDFIs, and public agencies.

DATA COLLECTION AND SOURCES

The case study draws on both quantitative and qualitative data sources, collected between 2020 and early 2025. Data sources are listed below.

Internal Program Data

- Loan files, underwriting documents, and servicing records for all 14 CREAL loans closed between March 2020 and January 2025.
- Closing cost grant records and disbursement logs.
- Client demographics, loan performance data, and business characteristics.

CRE Client Survey (2024)

WORC designed and distributed a structured survey to all current CREAL borrowers.

The survey included a mix of Likert-scale, multiple-choice, and open-ended questions about borrower experience, motivations for property acquisition, perceived barriers, financial outcomes, and personal reflections on ownership.

In-Depth Interviews (2024–2025)

- Semi-structured interviews were conducted with selected CRE borrowers to gather rich narrative insights.
- Interviewees were selected to reflect diverse business types, geographies, and backgrounds (including New American entrepreneurs).
- Interviews were transcribed and coded thematically around key categories: confidence, operational stability, community engagement, and ownership outcomes.
- Consultations were conducted with stakeholders.
- Internal interviews were conducted with WORC lending staff, TA providers, and city government partners (notably the Philadelphia Department of Commerce).

Secondary Sources

Peer-reviewed literature, government datasets, and think tank reports were used to contextualize the Philadelphia small business landscape and national trends in CRE access.

Key sources included U.S. Census data, Federal Reserve Bank reports, U.S. Small Business Administration (SBA) policy manuals, U.S. Department of Housing and Urban Development (HUD) zoning reports, and studies by the Urban Institute, Prosperity Now, and NCRC.

DATA ANALYSIS

Quantitative data from loan files and the survey were analyzed descriptively using basic statistical methods (e.g., mean loan size, percentage distribution by race/gender/income, changes in gross sales post-acquisition). These findings were cross-tabulated with borrower characteristics and deal structure elements to identify patterns (e.g., outcomes by corridor, loan size, or use of closing cost grant).

Qualitative data from interviews and open-ended survey responses were coded manually to identify recurring themes. The team used a modified grounded theory approach to cluster insights around categories such as

- ownership readiness,
- TA effectiveness,
- emotional impact of ownership,
- long-term planning and civic participation.

Insights were synthesized to draw conclusions about program efficacy, barriers to community ownership, and elements of replicability.

RESEARCH INTEGRITY AND LIMITATIONS

Because this is a practitioner-led study, data was collected with full access to client files and organizational systems. Survey and interview participation were voluntary, and interviewees provided informed consent for the use of their insights in anonymized form.

Limitations include

- small sample size (n = 14 borrowers) due to the specialized nature of the CREAL program,
- no formal control group for comparison,
- survey responses may reflect positive bias due to strong relationships with staff.

Despite these limitations, the case study offers rich, actionable insights based on real-world implementation and ongoing feedback from clients and community partners.

Lead Organization

Founded in 1993, WORC is a nonprofit CDFI based in Philadelphia. WORC advances economic self-sufficiency for low-income individuals—particularly women, immigrants, and entrepreneurs of color—through self-employment training, financial education, matched savings programs, and access to business capital.

WORC’s mission is “to enable low-income individuals—primarily women and their families—to increase their social and economic self-sufficiency through self-employment training, support services,

savings programs, and access to business and financial resources.”

The agency’s asset-building approach integrates financial education, lending, and incentive savings, creating a continuum of services that empower clients to build income, equity, and intergenerational wealth. WORC’s services are explicitly equity centered, working to dismantle systemic barriers to financial access for entrepreneurs of color, New Americans, and women heads of household (WORC, 2025).

WORC is a certified U.S. Department of the Treasury CDFI and an approved SBA Microlender, SBA Community Advantage lender, and SBA 7(a) lender. Its approach integrates capital access with intensive technical assistance to remove systemic barriers to entrepreneurship.

Over its 32-year history, WORC has become one of the region’s leading organizations supporting underserved entrepreneurs, operating at the intersection of gender, racial, and economic justice. WORC’s impact and innovation have been recognized nationally, including

- the Presidential Award for Excellence in Micro-enterprise Development for poverty alleviation and
- the Greater Philadelphia Social Innovation Award (2019) for small business development.

Scope of Lending Work (as of January 2025)

- 1,160 total loans disbursed, totaling \$11.57 million since inception
- 122 active loans currently in the portfolio, with an outstanding balance of \$4.29 million
- 14 CRE loans originated since 2020, totaling \$3.38 million

Figure 2.1: WORC Programs

	← TRAINING →	← LENDING →	← SAVING →		
PROGRAM	 Self-Employment Training	 Credit-BUILDER Program	 Microlending Program	 Commercial Real Estate Loans	 Incentive Savings Programs
TARGET	Emerging Entrepreneurs	Startup Businesses	Startup / Existing Businesses	Existing Businesses	Low-Income Families
PURPOSE	Receive training To start/run a business	Access small loans, counseling to establish/build credit	Access capital to start or expand a business	Purchase of commercial real estate	Save and receive match to build assets
SERVICES	<ul style="list-style-type: none"> • 36-hour Start Smart Start Green course • Focus on business planning, licensing, marketing • Specialty course for immigrants/refugee: Intro to Small Business in Philadelphia 	<ul style="list-style-type: none"> • Loans from \$150 to \$2,500 to establish or build credit • Credit counseling in-house and through partner agencies • Enables access to greater financing • Promotes healthy financial habits 	<ul style="list-style-type: none"> • Microloans up to \$50K • SBA Paycheck Protection Program Loans up to \$50K • Loan packaging • Ongoing pre-/post-technical assistance 	<ul style="list-style-type: none"> • Loans up to \$350K, to purchase properties in which clients will operate businesses • Enables wealth-building through asset acquisition • Portion of loans made via SBA Community Advantage program 	<ul style="list-style-type: none"> • Participants save and are matched toward a certain use or asset • Family Savings Account toward first home, business, education, car • Addl. programs for Emergency Savings and Citizenship
RESULTS (as of Jan 2025)	<ul style="list-style-type: none"> • >4,220 served over 200+ cycles • Nearly 1,175 new businesses started 	<ul style="list-style-type: none"> • 550 credit-builder loans closed totaling \$997K • Avg loan of \$1,866 	<ul style="list-style-type: none"> • 486 loans closed for \$5.62 mil • 126 PPP closed for \$1.58 mil 	<ul style="list-style-type: none"> • 14 loans closed for \$3.38 mil • Avg loan of \$241K 	<ul style="list-style-type: none"> • 1,926 graduates • \$3.90 mil saved, \$4.25 mil match, impact of \$61 mil

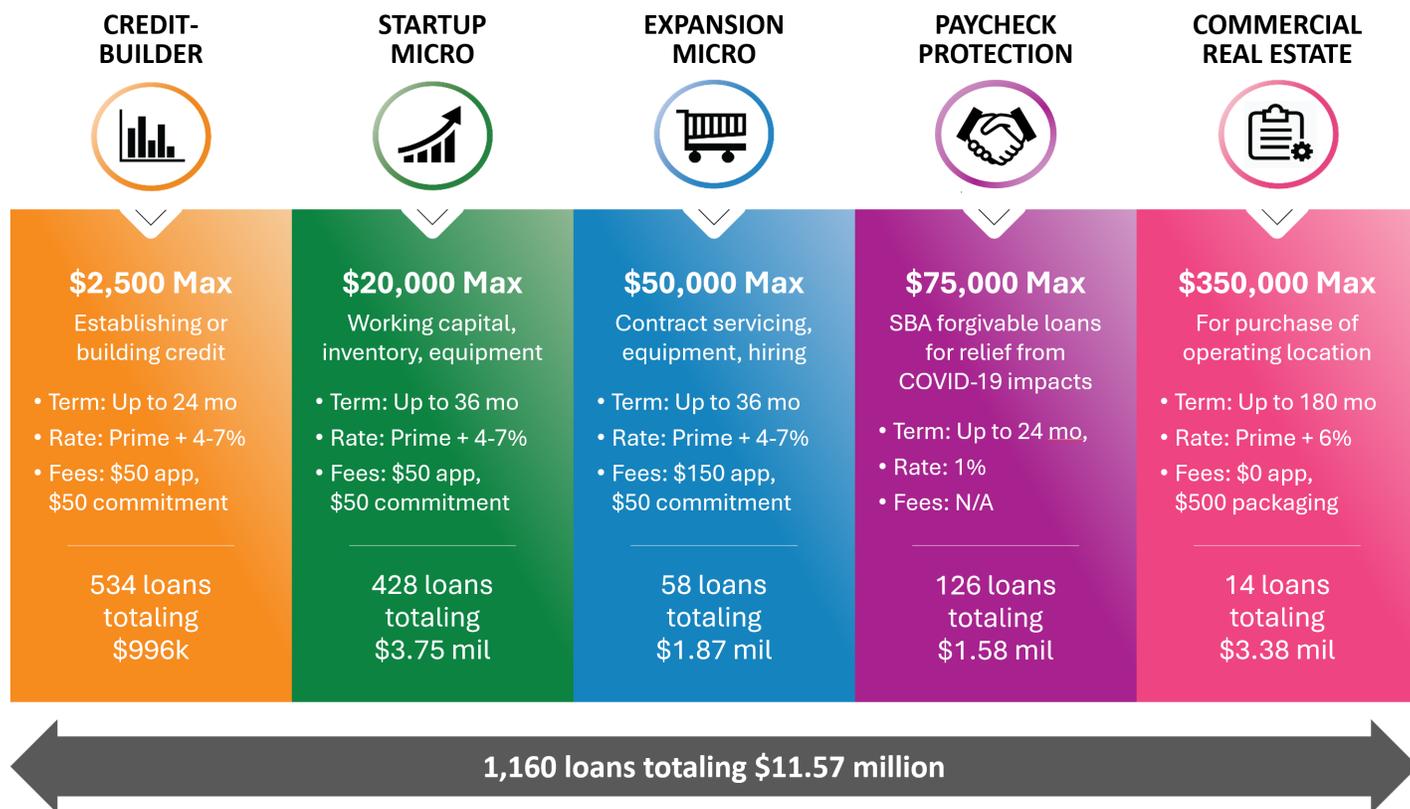


Figure 2.2: WORC Loan Products

CRE loans range from \$150,000 to \$350,000, with a mean loan size of approximately \$242,000. These loans are designed for owner-occupied properties and are central to WORC’s anti-displacement strategy, targeting LMI entrepreneurs who are typically excluded from traditional commercial financing.

CRE as an Asset-Building and Anti-Displacement Community Ownership Strategy

Owning commercial real estate allows small business owners to convert monthly rent expenses into long-term equity and economic stability. For entrepreneurs in gentrifying neighborhoods, this transition from tenant to owner is often the only

viable strategy to stay in place, continue serving their communities, and build intergenerational wealth.

Unlike renting, commercial ownership enables businesses to stabilize occupancy costs, make long-term plans, and eventually pass assets to future generations (Gaskin & Baird, 2021). For entrepreneurs historically excluded from homeownership or capital markets, real estate offers one of the few accessible vehicles for wealth creation.

According to the Urban Institute, BIPOC-owned businesses are far more likely to rent than own, leaving them vulnerable to lease insecurity and displacement during periods of neighborhood change (Turner & Snow, 2021). A 2022 report by Prosperity Now (2022) further emphasized that commercial property ownership is a critical—but underutilized—pathway for low-income entrepreneurs to build assets.

In partnership with the Philadelphia Department of Commerce, WORC's CREAL program directly addresses these inequities by offering capital, closing cost support, and intensive technical assistance to qualified borrowers in Philadelphia. The CREAL model includes

- loans of up to \$350,000 for the purchase of owner-occupied commercial property,
- grants of up to \$35,000 to help cover down payments and closing costs,
- tailored TA throughout the acquisition process and beyond.

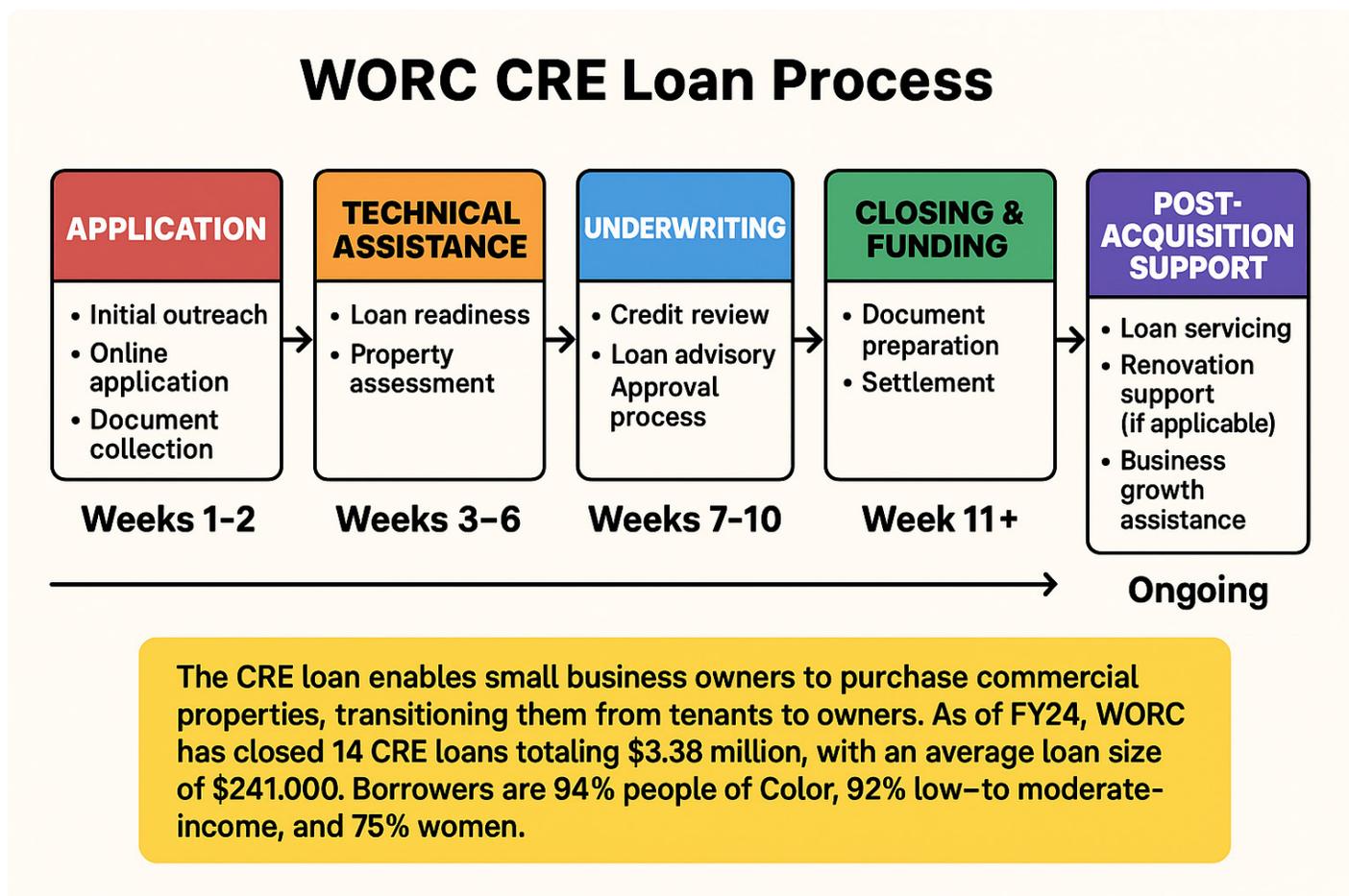
Borrowers must be LMI and/or operate in an LMI neighborhood. A minimum credit score of 550 is required, but WORC emphasizes character, business viability, and mission alignment over rigid underwriting formulas.

The CREAL program targets legacy businesses in high-risk corridors and prioritizes those most at risk of displacement. Since 2020, WORC has closed 14 CREAL loans ranging from \$150,000 to \$350,000, with a mean loan size of \$242,000.

LIVED IMPACTS AND BORROWER OUTCOMES

Interviews and surveys reveal that WORC's CREAL borrowers gain far more than financial leverage—they gain confidence, stability, and voice. Borrowers like Ibrahim G. report expanded product lines, plans for 24-hour service, and a desire to serve as mentors to other immigrant entrepreneurs navigating property ownership for the first time. Others, such as long-standing daycare and behavioral health providers, have become advocates within their commercial corridors, participating in civic improvement districts and public policy discussions.

Figure 2.3: WORC CRE Loan Process



Post-acquisition, clients report

- increased operational stability and confidence,
- improved financial planning and expense management,
- expanded hiring or business growth opportunities, and
- a strong sense of rootedness in the neighborhood.

WHO BENEFITS FROM COMMUNITY OWNERSHIP?

The benefits of commercial community ownership are wide reaching:

- Entrepreneurs gain equity, business stability, and long-term control over their location and growth.
- Communities retain culturally relevant services, jobs, and economic activity.
- Municipal governments benefit from higher tax revenue, corridor vitality, and reduced vacancy.
- Institutional funders and lenders see improved loan performance, client resilience, and deeper impact.
- Anchor institutions and developers benefit when local businesses enhance corridor vitality and complement new investments.

COMMUNITY OWNERSHIP MODEL AND ECOSYSTEM

WORC's CREAL program is not just a financing tool—it is embedded in a broader community ownership ecosystem that leverages multisector partnerships and place-based outreach. The program includes

- Targeted lending: Prioritizing LMI borrowers ineligible for conventional CRE financing.
- Community development partnerships: Collaborating with the Philadelphia Department of Commerce, Philadelphia Industrial Development Corporation, neighborhood community development corporations (e.g., Southwest CDC, Germantown United), and grassroots organizations for outreach and referrals.
- Community engagement events: Hosting “Microbusiness Days,” workshops, and corridor events to raise awareness and build a pipeline.

- Technical assistance ecosystem: Offering personalized coaching, legal/tax guidance, lease-to-loan transition support, and post-closing training on property management.
- Reinvestment model: Encouraging borrowers to become advocates, mentor others, hire locally, and reinvest in neighborhood stabilization initiatives.

This model centers ownership not only as a financial asset but as a tool for power building, cultural continuity, and civic participation (Gaskin & Baird, 2021; Turner & Snow, 2021). It ensures that real estate ownership becomes a platform for multiplying impact, not just preserving it.

Implementation Strategy: Targeted Lending, Partnerships, and Community Engagement

The CREAL program is designed to confront the systemic barriers that prevent BIPOC, immigrant, and low-income entrepreneurs from acquiring commercial property. Traditional lenders often impose rigid underwriting standards that exclude these groups, including

- high down payment requirements (typically 20%),
- minimum credit score thresholds (usually 640 or higher),
- strict financial benchmarks such as high debt service coverage ratios or return-on-investment projections.

TARGETED LENDING APPROACH

By contrast, WORC's lending model—developed in close partnership with the Philadelphia Department of Commerce—prioritizes inclusive underwriting practices. These include

- character-based assessments,
- global cash flow analysis that accounts for both personal and business income,
- consideration of entrepreneurial track record, community ties, and long-term viability.

This model directly supports the city’s CREAL goals, including

- increasing business property ownership among Black and Brown business owners,
- expanding access to capital,
- supporting businesses at risk of displacement,
- promoting inclusive, equitable economic development across Philadelphia.

CREAL puts commercial real estate within reach for historically excluded groups and explicitly works to narrow the racial wealth gap in neighborhoods most affected by gentrification (Prosperity Now, 2022).

COMMUNITY ENGAGEMENT APPROACH

In addition to formal lending and TA services, WORC and its partners conduct proactive outreach to build visibility and understanding of CRE ownership as a viable path. Events include

- Microbusiness Days, hosted in collaboration with CDCs and commercial corridor associations;
- workshops and public forums, offering education on real estate acquisition, financing, and property management;
- peer learning opportunities, where CREAL borrowers share their ownership journeys and lessons.

These community-facing efforts serve multiple CREAL goals by

- increasing awareness of real estate as a wealth-building strategy,
- creating space for relationship- and trust-building with prospective applicants,
- supporting knowledge sharing and community reinvestment.

Together, WORC’s lending, partnership, and outreach strategies operationalize the city’s mission to increase business ownership, prevent displacement, and promote equitable growth—one business and one corridor at a time.

ALIGNMENT WITH CITY GOALS	
CITY GOAL	WORC’S APPROACH
Increase Business Property Ownership Rates	Provides acquisition financing for black and brown small business owners
Mitigate Neighborhood Business Displacement	Helps businesses purchase their properties to avoid being priced out
Enhance Access to Capital	Expands the availability of credit within underserved communities
Promote Equitable Economic Development	Improves representation of BIPOC entrepreneurs in commercial real estate
Provide Effective Technical Assistance	Supports borrowers throughout the property acquisition process

WORC AND THE CITY AND CITY OF PHILADELPHIA

Figure 2.4: Figure 2.4 WORC Alignment With City Goals

COMMUNITY REINVESTMENT AND TECHNICAL ASSISTANCE STRATEGY

WORC’s CREAL model pairs capital access with individualized TA to support clients across the full real estate acquisition journey. TA begins well before closing and continues long after, reducing buyer risk and ensuring long-term viability. Services include

- loan readiness coaching;
- lease-to-loan planning and exit strategies;
- financial documentation review and packaging;
- post-acquisition TA, including property management education, code compliance, and tax preparation.

TA is delivered by WORC staff and nonprofit partners, with continued support from the Philadelphia Department of Commerce, ensuring sustainability beyond loan disbursement. This ecosystem-based approach strengthens borrower capacity and mitigates the risk of re-displacement—especially for first-time owners navigating permitting, zoning, and operating challenges.

Philadelphia Context: Gentrification and the Case for CRE Ownership

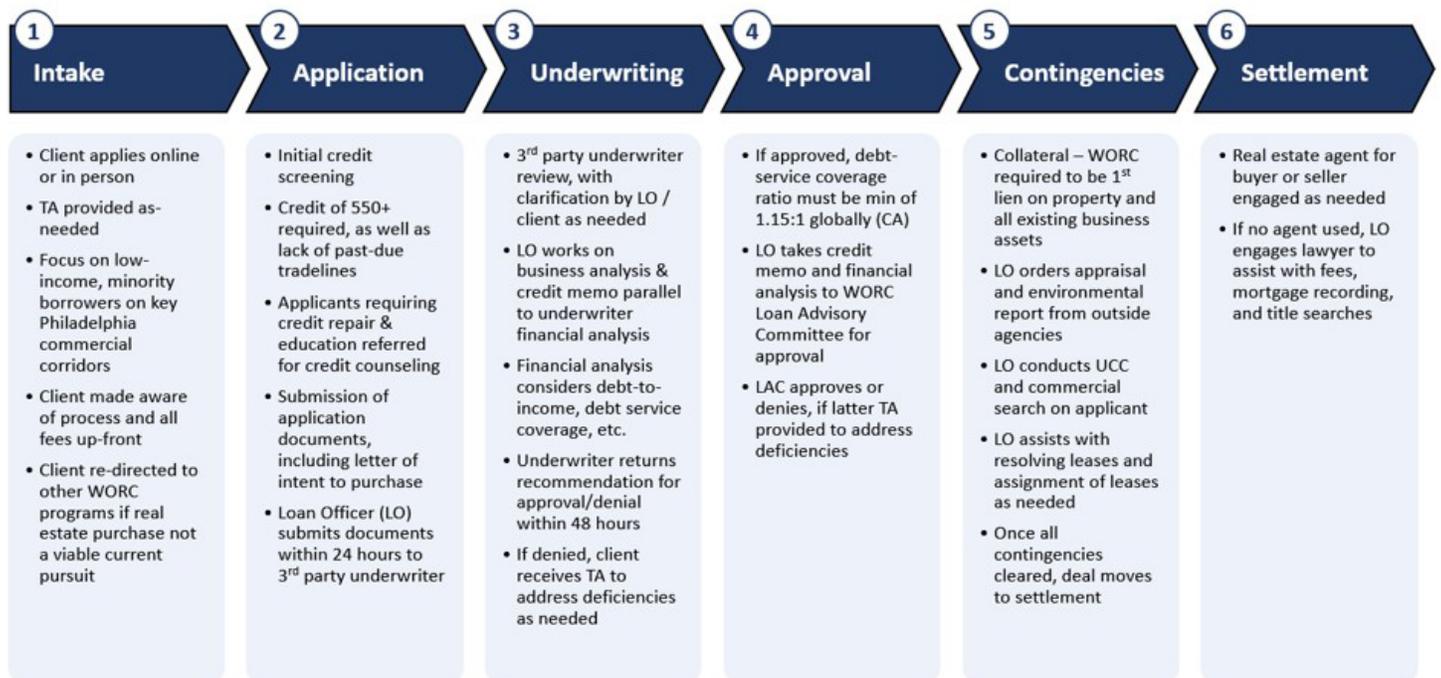
Philadelphia is a majority-minority city—42.1% Black or African American, 15.9% Hispanic or Latino, and 7.9% Asian (U.S. Census Bureau, 2023). Yet despite over 36,000 small businesses employing 170,000 people, Black-owned firms receive less than 3% of total business receipts—a stark reflection of structural exclusion (Economy League of Greater Philadelphia, 2025; Federal Reserve Banks of Kansas City and Atlanta, 2020).

Beginning in the early 2000s, gentrification has accelerated in neighborhoods like Point Breeze, Brewerytown, Fishtown, and Kensington, driven by speculative real estate investment, university expansion, and policies like the Actual Value Initiative. This transformation has occurred in distinct phases:

- disinvestment and undervaluation of property;
- speculative acquisition and commercial rent inflation (up 25%–200% since 2015);
- institutional redevelopment and rising property taxes;
- displacement of legacy businesses, particularly renters on triple-net or short-term leases (Pew Charitable Trusts, 2023).

In the absence of ownership, BIPOC and immigrant entrepreneurs face sudden rent hikes, lease nonrenewals, and opaque permitting barriers. CRE ownership is one of the few tools available to interrupt this cycle, allowing businesses to stabilize occupancy costs, retain community presence, and reinvest profits locally.

Figure 2.5: WORC Real Estate Acquisition Process



WORC's CREAL program offers a direct intervention: accessible capital, flexible underwriting, and TA-enabled navigation through the real estate process. It enables qualified entrepreneurs to purchase the spaces they operate in—or relocate nearby—preserving both business viability and cultural presence on Philadelphia's corridors.

LOCATION AND COMPOSITION OF WORC'S CRE BORROWERS

WORC's CRE borrowers are located in majority Black, immigrant, and low-income neighborhoods experiencing the highest levels of real estate pressure. These include

- Southwest Philadelphia (Woodland Ave–West African immigrant hub),
- North Philadelphia (Germantown, Nicetown–Tioga),
- West Philadelphia (Cobbs Creek, Cedar Park),
- Northeast Philadelphia (Oxford Circle).

The businesses in these neighborhoods act as anchor institutions—offering culturally relevant services, hiring locally, and sustaining foot traffic on walkable corridors. They include

- halal grocery stores and ethnic take-out restaurants,
- hair salons and barbershops,
- child care centers and behavioral health providers,
- tax prep and notary services.

CRE ownership protects these anchors from displacement and positions them to thrive alongside public investments.

SPATIAL ANCHORING AND ALIGNMENT WITH CITY PLANS

The CREAL program intentionally aligns with Philadelphia's commercial corridor revitalization strategy, including areas designated for zoning incentives, storefront improvements, and infrastructure upgrades. By anchoring legacy entrepreneurs in place before or alongside public investment, WORC ensures that revitalization doesn't become removal.

Borrower mapping reveals high alignment with target corridors and surfaces new “ownership opportunity

zones” for future expansion—especially in high-displacement-risk areas not yet stabilized by local ownership.

BROADER COMMUNITY OWNERSHIP RIPPLE EFFECTS

CRE ownership catalyzes not just economic resilience but also civic engagement. Many WORC clients go on to

- mentor peer entrepreneurs;
- join business improvement districts or neighborhood associations;
- advocate for zoning reform, corridor stabilization, and anti-displacement policy.

By anchoring themselves in place, these business owners anchor their communities—and contribute to shared power as well as shared prosperity.

Analysis and Recommendations

WORC launched the CREAL program to confront the structural barriers that prevent LMI Black, immigrant, and women entrepreneurs from owning commercial property in Philadelphia. Designed in partnership with the City of Philadelphia, the program combats displacement while building long-term wealth through ownership.

Based on WORC's on-the-ground experience and client outcomes, this section outlines key lessons and actionable recommendations for CDFIs, technical assistance providers, local governments, and policy-makers seeking to advance equitable community ownership strategies.

SBA 51% OWNER-OCCUPANCY RULE: BARRIER AND OPPORTUNITY

The SBA requires that borrowers occupy at least 51% of the building's square footage to qualify for financing under its 504 and 7(a) loan programs (U.S. Small Business Administration, 2023a). This policy is designed to prevent misuse of federal funds for passive investment and to ensure that businesses are rooted in the communities they serve. While the intention is sound, in practice this requirement creates barriers for urban small

Figure 2.6: Map of WORC CRE Borrowers in Philadelphia, 2020–2025

Commercial Real Estate Loans Closed

March 2020 to Present | 14 loans totaling \$3.38 mil



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business owners—particularly those looking to purchase multistory or mixed-use buildings where business operations may not span the majority of square footage.

Why Owner Occupancy Matters: Owner-occupied commercial properties yield strong community benefits and economic stability. According to the Urban Institute, businesses that own their buildings are more likely to invest in their storefronts, expand services, and engage in local associations—behaviors linked to neighborhood revitalization (Turner & Snow, 2021).

Research from the Institute for Local Self-Reliance (LaVecchia & Mitchell, 2016) further shows that owner occupants are twice as likely to hire locally and reinvest profits in their immediate neighborhoods. The SBA also reports higher survival rates for owner-occupied businesses, especially in distressed areas.

In cities like Philadelphia, where rapid redevelopment risks pushing out long-standing enterprises, commercial ownership creates stability. Owner occupants can resist speculative turnover, build social capital, and ensure continued presence in their communities—core principles of equitable economic development.

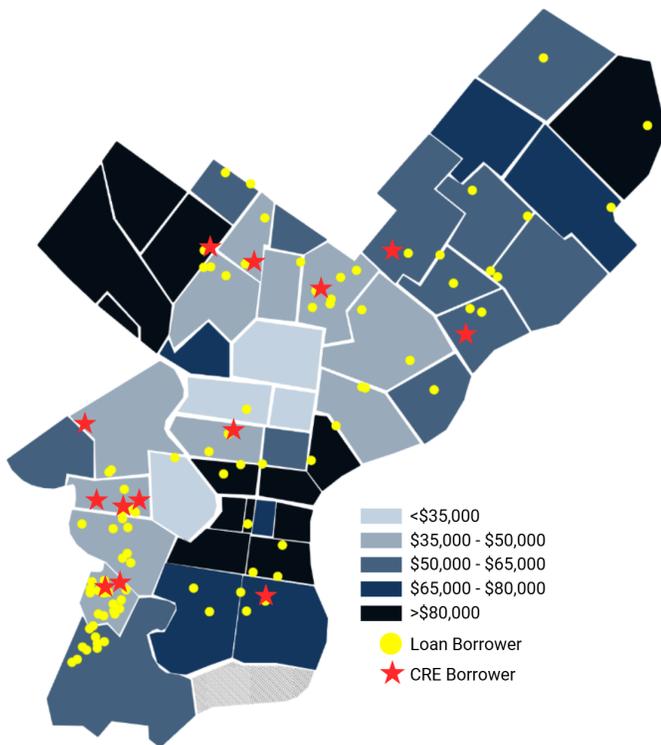
Recommendation for Federal Policy (SBA, Treasury)

Pilot more flexible occupancy thresholds in high-cost urban markets. Consider options such as

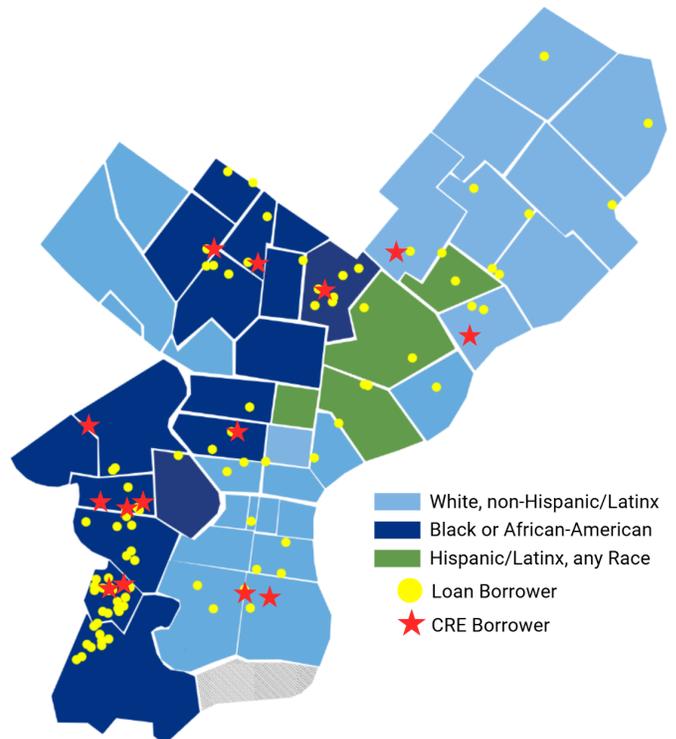
- allowing phased occupancy plans for multistory buildings,
- reducing the minimum threshold to 40%–50% for mixed-use properties,
- providing SBA lender guidance for combining owner occupancy with mission-aligned community leasing (e.g., nonprofit subtenants, co-op retail).

Figure 2.7: WORC CRE Borrowers by Income and Race/Ethnicity, 2025

BY MEDIAN INCOME



BY MAJORITY RACE / ETHNICITY



Recommendation for CDFIs and Technical Assistance Providers

Help borrowers meet occupancy requirements through creative spatial planning. This could include

- expanding usable business space into storage areas, offices, training rooms, or prep kitchens;
- including phased buildout plans that document a pathway to eventual 51% occupancy;
- partnering with legal and architectural consultants early in the process to ensure compliance.

WORC has found that with early-stage planning and adequate TA, most borrowers can meet the 51% rule without sacrificing feasibility—while also enhancing the corridor’s civic and economic fabric.

LIMITED ACCESS TO FLEXIBLE AND AFFORDABLE FINANCING

Despite being viable and growth-oriented, many LMI entrepreneurs—especially Black, immigrant, and refugee business owners—continue to face systemic exclusion from commercial lending markets. Traditional financial institutions often rely on rigid criteria such as minimum credit scores, multiyear business histories, and hard collateral—requirements that disproportionately disqualify BIPOC-owned firms.

Why Flexible Capital Matters: Flexible capital expands access for underserved entrepreneurs. Low-equity business owners are three times more likely to turn to alternative lenders, often facing predatory rates (Kerr & Ramírez, 2022). Character-based lending models, which assess credit using alternative indicators like rent or utility payments, have been shown to maintain strong repayment rates while significantly improving access for BIPOC entrepreneurs (Association for Enterprise Opportunity, 2019).

Recommendations for CDFIs

- Expand use of character-based underwriting and global cash flow analysis.
- Offer low-equity CRE loan products with flexible repayment terms and integrated technical assistance.
- WORC’s CREAL program pairs these features with up to \$35,000 in closing cost grants, addressing key financial barriers to ownership.

Recommendations for Municipal Governments and Philanthropic Funders

- Provide nonrecourse or subordinated capital reserves that enable CDFIs to expand high-impact CRE lending without compromising risk thresholds.
- Fund technical assistance as an eligible loan expense to enhance borrower readiness and protect portfolio health.

ZONING AND LAND USE BARRIERS TO MIXED-USE OWNERSHIP

Outdated zoning classifications, complex variance procedures, and opaque permitting processes are frequent bottlenecks in commercial real estate acquisition—particularly in legacy cities like Philadelphia where mixed-use buildings dominate commercial corridors. According to the U.S. Department of Housing and Urban Development (HUD, 2020), restrictive zoning is one of the most significant barriers to inclusive development and equitable neighborhood revitalization.

Why Zoning Reform and Readiness Matter

The Urban Land Institute (2016) finds that small-scale property owners and entrepreneurs are least equipped to navigate zoning hurdles, making them vulnerable to deal collapse and speculative acquisition.

By-right zoning significantly reduces time to close, legal costs, and variance risk—factors that disproportionately burden resource-limited entrepreneurs.

Recommendations for Municipal Governments

- Update commercial corridor zoning to allow by-right uses for retail, service, and food businesses in mixed-use properties.
- Create zoning overlay districts that promote community ownership and streamline development approvals.
- Build zoning navigators or “concierge” roles within city departments to support legacy businesses acquiring property.

Recommendation for CDFIs

Incorporate zoning compliance and readiness into early-stage prequalification checklists. WORC now verifies zoning through the city’s database and

contacts the Department of Licenses and Inspections L&I as part of its standard intake, saving time and reducing risk.

GAPS IN TECHNICAL ASSISTANCE AND CAPACITY BUILDING

Real estate acquisition is complex, especially for first-time buyers navigating legal, financial, and regulatory systems. Many WORC clients—including sole proprietors, immigrants, and entrepreneurs operating in multiple languages—face steep learning curves around acquisition, title, permitting, and compliance.

According to the SBA, borrowers who receive TA are significantly more likely to succeed post-acquisition (SBA, 2023b). However, few TA providers offer the multilingual, end-to-end support that underserved borrowers require.

Recommendation for TA Providers

Build formal “CRE Readiness” curricula covering title review, zoning codes, contractor selection, and tax forecasting.

Recommendation for CDFIs

Make TA delivery embedded and budgeted into the loan life cycle—from pre-application through post-closing support.

INADEQUATE SUPPORT FOR RENOVATION AND CONSTRUCTION

While WORC’s CREAL program is structured around property acquisition, many eligible buildings—particularly those in disinvested corridors—require renovations to meet commercial code, child care, or food licensing requirements, or simply to accommodate modern business operations. However, the lack of dedicated renovation capital creates a critical gap for borrowers.

Recommendations for CDFIs

Develop phased loan products that bundle acquisition and renovation, with funds released in tranches contingent on

- Certified inspection sign-off
- Proof of appropriate permitting and contractor licensing

- Preapproved contractor agreements with insurance documentation
- Hiring or contracting a construction oversight professional to manage inspections and review all draw requests.
- Requiring mandatory borrower training on renovation processes and consequences of noncompliance.

Recommendations for Public and Philanthropic Funders

- Create a capital set-aside or matching grant fund for LMI commercial renovation, especially in sectors like child care, health care, and food services.
- Streamline permitting processes for small business-led construction projects in designated revitalization zones.

CLOSING COST CONSTRAINTS AND GEOGRAPHIC GAPS

The CREAL program offers up to \$35,000 in closing cost assistance to Philadelphia-based borrowers, helping them overcome the up-front financial burden of appraisals, legal fees, transfer taxes, environmental reviews, and title insurance. However, the geographic scope and capped amount create major gaps for borrowers outside city limits or with atypically complex deals.

Recommendations for Governments and Philanthropy

- Expand closing cost support regionally—especially in metro-adjacent areas that experience the same displacement pressures but lack equivalent resources.
- Use income- and asset-based eligibility tiers rather than flat thresholds.

Recommendations for Funders and Intermediaries

- Provide unrestricted capital pools to trusted CDFIs like WORC to support “edge-case” borrowers.
- Encourage funders to back gap-filling reserves tied to equity metrics and corridor targeting—not just geography.

FRAGMENTED STAKEHOLDER COORDINATION

The complexity of CRE transactions often brings borrowers into contact with multiple systems and actors—CDFIs, technical assistance providers, municipal departments, permitting offices, and more. Without alignment across these systems, borrowers experience duplicative processes, unclear timelines, and deal fatigue.

Recommendations for Ecosystem Leaders and Governments

- Create commercial corridor coordination tables—regular convenings of funders, CDFIs, city agencies, legal aid orgs, and neighborhood groups focused on ownership deals in specific zones.
- Develop shared intake packets, data-sharing protocols, and milestone checklists across stakeholders.
- Pilot a neutral “navigator” role housed at a CDFI or CDC—someone who supports the borrower across systems and manages communications.

Recommendations for Funders and National Intermediaries

- Fund technology solutions that allow borrowers to track their progress across organizations.
- Support interagency alignment grants to streamline backend processes, reduce friction, and accelerate disbursement.

Conclusion

This case study has documented the strategy, implementation, and outcomes of the CREAL program—WORC’s flagship initiative designed in partnership with the City of Philadelphia to confront racialized barriers to commercial property ownership.

CREAL is more than a loan product. It is a tested, place-based strategy to build wealth, prevent displacement, and anchor BIPOC- and immigrant-owned businesses in rapidly changing neighborhoods. Through flexible financing, embedded technical assistance, and targeted public investment, WORC has helped over a dozen entrepreneurs move from tenancy to ownership—preserving corridor identity and advancing economic justice.

Several key takeaways emerge from this work:

Ownership matters. As shown in survey data and interviews, owner operators report greater control, expanded hiring, and deeper community investment (see Community Ownership Strategy section). They become civic actors—not just economic ones.

Barriers are systemic, but solvable. From SBA occupancy rules to zoning mismatches and capital access gaps, the obstacles are real. Yet WORC has demonstrated that with inclusive underwriting, multilingual TA, and flexible grant support, these barriers can be overcome (see Analysis and Recommendations section).

Strategies must be holistic. CREAL succeeds not only because of capital, but because of ecosystem coordination: city partnerships, corridor alignment, zoning advocacy, and sustained post-closing support (see Implementation and Technical Assistance sections).

Policy shapes outcomes. Reforms to SBA’s 51% rule, expansion of closing cost assistance, and public investment in commercial community land trusts could dramatically scale community ownership nationwide (see Analysis and Recommendations section).

Community ownership is a shared gain. Entrepreneurs build equity and agency. Neighborhoods retain cultural continuity. Cities gain resilient tax bases. Funders invest in real impact—not speculative turnover.

WORC’s experience proves that low- and moderate-income entrepreneurs can own commercial real estate—not as an exception, but as a viable norm. For other CDFIs, city agencies, and TA providers, this model offers a road map: not one-size-fits-all, but grounded in flexibility, trust, accountability, and persistence.

As neighborhoods evolve and market pressures intensify, CREAL points to a future where community-rooted businesses don’t just survive—they own, grow, and lead. In the fight for equitable development, that ownership is both a means and an end.

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APPENDIX A: CREAL FUND RFP

Read the City of Philadelphia's official 2019 Request for Proposals, which outlines the structure, goals, and expectations for administration of the Commercial Real Estate Acquisition Loan Fund, targeting business and nonprofit property ownership in low- to moderate-income neighborhoods.

APPENDIX B: CITY OF PHILADELPHIA CREAL GOALS

Read a one-page summary of the City of Philadelphia's desired outcomes for CREAL, including increasing ownership among Black and Brown business owners, mitigating displacement, improving access to capital, and providing technical assistance.

APPENDIX C: TIMELINE OF WORC HISTORY & MILESTONES

View a chronological overview of the Women's Opportunities Resource Center's (WORC) history and milestones, emphasizing its role as a CDFI and its leadership in equitable small business development over three decades.

APPENDIX D: WORC CLIENT CASE STUDIES

Read three narrative profiles of WORC clients: Ibrahim G., Elissarh J., and Wanda G. The profiles illustrate how access to CREAL financing enabled them to purchase commercial properties, stabilize their businesses, and avoid displacement in gentrifying Philadelphia neighborhoods.

APPENDIX E: WORC CRE BUSINESS SURVEY TEMPLATE

View the structured post-acquisition survey used to assess business owner motivations, challenges, and outcomes related to purchasing commercial property through the CREAL program.

Chapter 3

Rooted in the 305

The Miami Open for Business Collective Real Estate Ownership Fund in Miami-Dade County

- **Jack Vertovec**, Senior Research Associate
 - **Megan Hartman Diaz**, Chief Operating Officer
- Behavioral Science Research Institute**, Miami, Florida

- **Brittany Morgan**, Senior Director of Economic Resilience
- The Miami Foundation**, Miami, Florida

For more information, contact Brittany Morgan, bmorgan@miamifoundation.org

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Lastly, we are eternally grateful to each of the CREO applicants and beneficiaries who ultimately became property owners through this initiative. We thank all of the other business owners who were engaged for this case study via survey or focus group—your perspectives are invaluable.

Executive Summary

This case study examines [The Miami Foundation's](#) Collective Real Estate Ownership (CREO) fund, a community ownership initiative with the goal of supporting small businesses and nonprofits in historically marginalized Miami-Dade neighborhoods. In this case, community ownership is designed to shift control of commercial property from negligent and/or absentee landlords and developers to local, mission-driven organizations that create stability, maintain cultural identity, and grow generational wealth for their communities.

[The Miami Foundation](#) launched CREO through the 3-year [Miami Open for Business](#) program, backed by a \$20 million grant from Wells Fargo. CREO offered forgivable loans up to \$500,000 to help local organizations acquire

commercial property through a shared equity ownership model. [Behavioral Science Research Institute](#) (BSRI) served as evaluation and applied research partner for both Open for Business at large and this CREO case study.

CREO targeted entrepreneurs in Miami’s historically overlooked communities—like Allapattah, Liberty City, and North Miami. These areas, despite having a strong cultural identity and being populated with resilient entrepreneurs, have been disproportionately impacted by disinvestment, gentrification, and climate-driven real estate pressures. Small businesses in these neighborhoods face rising rents, speculative investment, and the loss of cultural and economic anchors, which CREO attempts to solve for by providing acquisition down payment support and technical assistance.

To be eligible for CREO, groups must pursue a collective ownership model, including joint ventures, co-ops, and community land trusts, so that more than one owner stands to gain equity in the property and so that collaboratives can afford more real estate in a pricey, competitive market. The most common collective ownership strategies identified by BSRI included

- **Pass-through models:** Community development corporations (CDCs) facilitating ownership for local businesses.
- **Collectives:** Groups co-owning space to strengthen cultural identity and stability.
- **Independent owners:** Like-minded small businesses and nonprofits securing property to stay rooted and expand services and programming.

CREO showed that community ownership can counter displacement and promote wealth building, but challenges remain in equitable access to financing, building capacity to participate in deals, and maintaining collective models long-term. Key recommendations include

- Pair funding with pre-development grants, technical assistance, and tailored lending.

- Refine applicant eligibility and selection criteria to align with community benefit.
- Build ecosystem capacity before transactions and support peer learning for long-term success.

Born in Miami, the CREO fund offers a potential model for advancing community-driven commercial ownership to protect local businesses and neighborhoods for adoption nationwide.

Introduction

In 2022, with generous support from Wells Fargo, [The Miami Foundation](#) launched the 3-year, \$20 million [Miami Open for Business](#) program, designed to support historically underserved small business owners with grants and loans to build assets, such as technology, equipment, and property. The program’s Collective Real Estate Ownership (CREO) commercial down payment fund—one of the three financial products available through the program—was born directly from community feedback about

the increasing unaffordability of property in Miami and tales of developers and absentee landlords who kept ownership of local real estate out of reach for long-standing tenants.

Through CREO, the foundation introduced what is believed to be South Florida’s first ever commercial real estate down payment assistance product: a 5-year, fully forgivable subordinate mortgage loan up to \$500,000 intended to serve as cornerstone, catalytic

capital toward owner-occupied commercial real estate held in a shared equity model. The goal of the fund is to keep community organizations rooted in place and to provide underserved entrepreneurs with a pathway to property ownership, simultaneously increasing their access to generational wealth and land control.

Capitalized at \$7.4 million, the CREO fund has invested nearly \$4 million to date in nine collaboratives composed of 13 small business owners and eight

“
To be eligible for CREO, groups must pursue a collective ownership model, including joint ventures, co-ops, and community land trusts.
”

nonprofits (see Figure 3.1). An additional five or six collaboratives in the pipeline are approved and seeking property. Among the first closings, the groups have collectively unlocked \$17.5 million of commercial property covering 90,000 square feet of property and nine acres of land across historically underserved neighborhoods across Miami-Dade County.

In this case study, authors from The Miami Foundation and Behavioral Science Research Institute (BSRI) discuss the context for and implementation of the CREO loan, share reflections from community members and business owners on displacement and community ownership, and provide recommendations for future practice.

BACKGROUND AND RATIONALE

While Miami is one of the small business epicenters of the United States (80%–90% of firms have 10 or fewer employees), it is also deeply unaffordable and unequal. One of the main problems The Miami Foundation attempted to solve with CREO was the hastening unaffordability of commercial leases in traditionally underinvested communities, which threatens the displacement of long-standing small business owners and legacy businesses. For years, multiple news sources have reported on the encroachment of developers into historic neighborhoods with cultural significance, including Allapattah, Overtown, and Liberty City, and the subsequent rising costs of both residential and commercial

Figure 3.1: CREO clients Phil Agnew and Isaiah Jones, owners of Roots Bookstore in Miami's Liberty City neighborhood.



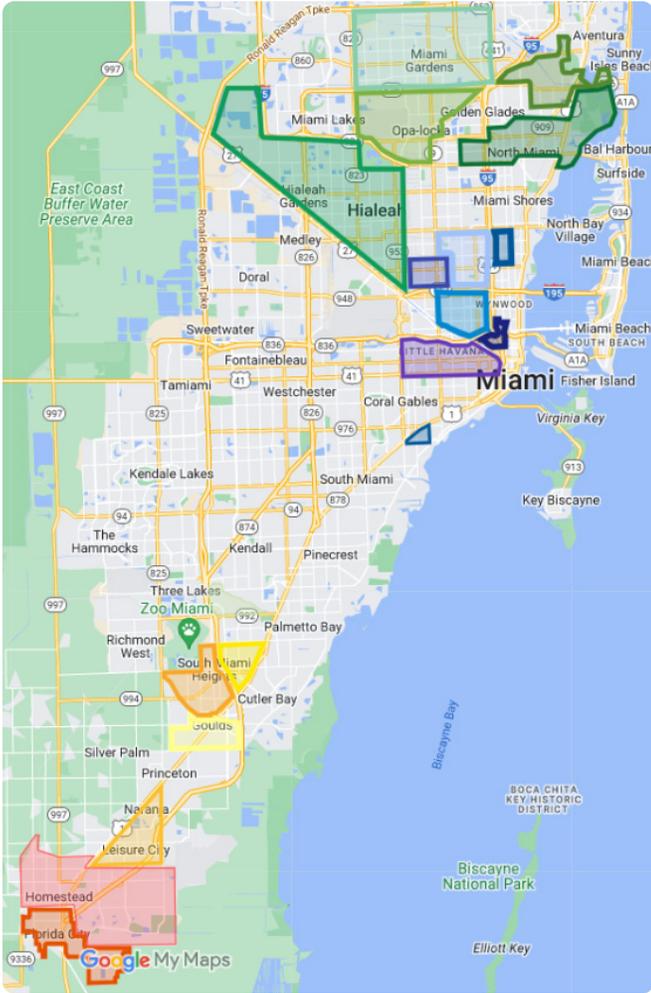


Figure 3.2: Map of CREO Communities

rents (Contreras, 2024; Viglucci, 2023). Aimed at providing business owners with a foothold in some of the fastest changing neighborhoods in Miami-Dade County, CREO was designed to be eligible in specific corridors (see Figure 3.2 and Table 3.1). Additional context on the history of Miami’s gentrification and how CREO communities were selected is provided later in the case study.

In addition to geographically limiting funding, we also required that CREO borrowers implement a collective ownership model to spur shared equity and transfer real estate assets to a more community control structure. Eligible program models included community land trusts, co-operatives, shared spaces, and joint venture tenancy (see Figure 3.3).

SOUTH DADE	CENTRAL DADE	NORTH DADE
Goulds	Allapattah	Hialeah
Homestead	Brownsville	Miami Gardens
Leisure City	Liberty City	North Miami
Naranja	Little Haiti	North Miami Beach
Perrine	Little Havana	Opa Locka
Richmond Heights	Overtown	
South Miami Heights	West Grove	

Table 3.1: CREO Communities

The benefits of this approach are multifold. Given skyrocketing real estate prices, a collaborative that pools its resources can afford a larger property and is better positioned to service debt (i.e., monthly mortgage payment). Additionally, a shared equity model means more than one entrepreneur benefits from the appreciation of that asset over time, increasing the number of owners and households who gain access to equity through property.

While targeting neighborhood-level unaffordability and prioritizing collective ownership, the CREO program also aimed to reduce the racial wealth gap and foster a pathway to generational wealth through

Why Shared/Collective Ownership?

- Benefits more than one entrepreneur
- Multiple families can benefit from appreciation and build equity
- Fosters community building and shared governance
- Increases ability to afford and maintain property



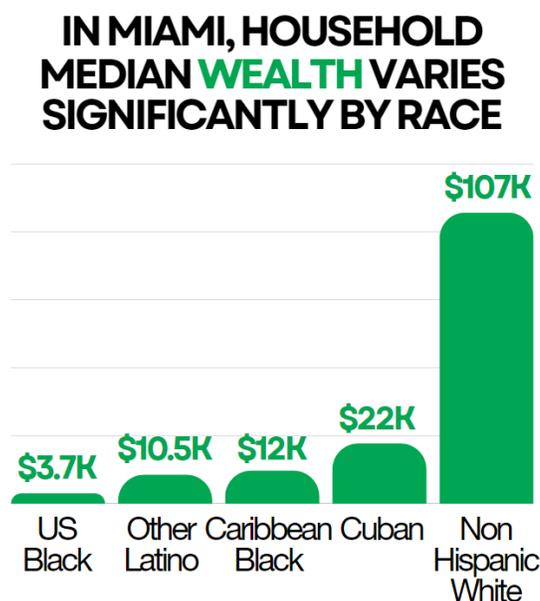
Figure 3.3: CREO Eligible Collective Ownership Models

property appreciation. Nationally, 8% of White households own commercial real estate compared to only 3% held by Black households (Rothwell et al., 2020)—and yet, property ownership contributes to almost half of a median U.S. family’s net worth (Board of Governors of the Federal Reserve System, 2023). Locally, Miami is a diverse city and one of the few minority-majority metro areas in the United States, with 70% of the population identifying as Hispanic/Latino (U.S. Census Bureau, 2024); however, racially diverse business owners earn less and have a lower net worth than their peers. For example, despite representing a smaller share of Miami’s population, White non-Hispanic households have a median net worth of \$107,000, compared to \$3,700 for African Americans, \$12,000 for Black Caribbeans, and \$22,000 for Cuban households (Aja et al., 2019; see Figure 3.4). As such, the Miami Open for Business program prioritized serving small business owners who identify as Black or Latino.

Further, in an effort to reach entrepreneurs with intersecting identities, the program was also available to people with disabilities, members of the LGBTQ+ community, and military veterans. Studies highlight the unique barriers faced by these small business owners in accessing capital and being successful entrepreneurs. For example, disabled

entrepreneurs who receive supplemental security income face a strict \$2,000 asset cap, which limits their ability to build net worth, LGBTQ-owned businesses report being significantly less likely to secure requested financing compared to their non-LGBTQ counterparts, and while veterans bring unique leadership skills and strengths, their higher likelihood

Figure 3.4: Miami Household Median Wealth by Race



of being service disabled presents distinct challenges to accessing capital and gaining ownership (Federal Reserve Banks, 2021). At least six members of the applicant pool to CREO identified as one of these categories.

Using the above primary eligibility criteria, the CREO fund was designed and administered over a 3-year period. More detail is provided in the Community Ownership Strategy section below.

Leading Organizations

The Miami Foundation, a 501(c)(3) community foundation, is one of the leading philanthropic institutions in Greater Miami. Its goal is to build a Miami where everyone can thrive by accelerating leadership, generosity, and a sense of belonging. To deliver this mission, the foundation's Collective Impact team was formed in 2022 to build cross-sector collaborations between nonprofits, government, and the private sector to solve pressing social issues that cannot be tackled alone. As a part of this team, systemic partnerships have been formed to address digital equity, disaster and climate resilience, access to the arts, racial equity, and economic resilience. The last was seeded through the small business-focused Miami Open for Business initiative. Since 1967, the foundation has invested over \$772 million to strengthen our community in partnership with more than 1,000 fundholders and 50,000 donors. While The Miami Foundation possesses over 50 years of experience stewarding funds and directing contributions to nonprofits, its emerging position as a community-based lender and participant in local community development investing was accelerated through the CREO program.

Behavioral Science Research Institute is a research and evaluation firm in Miami that is dedicated to serving as a bridge between traditional academic research and community-led initiatives. Founded in 1976 to facilitate public health research, in 2015 BSRI evolved into a community-based research organization that provides equitable and responsive evaluation and research services that use data for action and to create long-term systems change. BSRI was selected to partner with The Miami Foundation to

carry out a 3-year quantitative and qualitative program evaluation of the Miami Open for Business program and the community case study of the CREO program.

Case Study Approach

This study examined the impact of the Miami Open for Business CREO fund and community perceptions of displacement and anti-displacement strategies in five different CREO-eligible neighborhoods across Miami. From August to November 2024, BSRI conducted surveys and interviews focused on the same core topics: how people see displacement and gentrification, what they know and have experienced regarding anti-displacement strategies, how effective they think those strategies are, the role of local businesses in their respective communities amid encroachment of developers, and long-term visions for the neighborhoods where their businesses operate. BSRI aligned survey and interview questions so they could compare patterns across methodologies.

BSRI collected 45 community-level surveys through in-person outreach to small business operators along key commercial corridors in North Miami, one of the CREO-eligible communities. 60% of survey respondents were owners, and 27% were managers of those businesses. Additionally, 71% were foreign-born, and the majority of respondents (69%) identified culturally as Haitian or from someplace in the Caribbean other than Cuba or Haiti. A historically marginalized neighborhood, North Miami is the site of noticeable new redevelopment and, by extension, faces significant threats of displacement.

BSRI also conducted eight in-depth interviews with CREO awardees—including leaders from six organizations and one individual business owner—as well as a separate interview with The Miami Foundation's Senior Director of Economic Resilience, Brittany Morgan. Interviewees represented a range of organizational types: for-profit businesses (n = 2), CDCs (n = 2), nonprofits that provided direct services such as education or health care (n = 2), and a community organizing group of which two cofounders participated in separate interviews (n = 2). The interviewees were based in Miami Gardens (1), North Miami (3), Allapattah (1), Liberty City (2), and Richmond Heights (1). All

interviews were conducted via Zoom and lasted approximately 1 hour. Survey data was analyzed using descriptive statistics, while interview data was thematically coded using NVivo qualitative data analysis software. This approach allowed BSRI to examine areas of convergence and divergence, identify opportunities for CREO program improvement, and develop a broader understanding of displacement and community resilience in Miami in relation to the program.

To ensure the confidentiality and anonymity of participants, this case study does not include personal or business names when introducing quotes in the following sections. However, as much contextual detail as possible is provided to support understanding of the perspectives shared, especially when a viewpoint was unique to a single group or interviewee.

Neighborhood Context

HISTORY OF NEIGHBORHOOD CHANGE

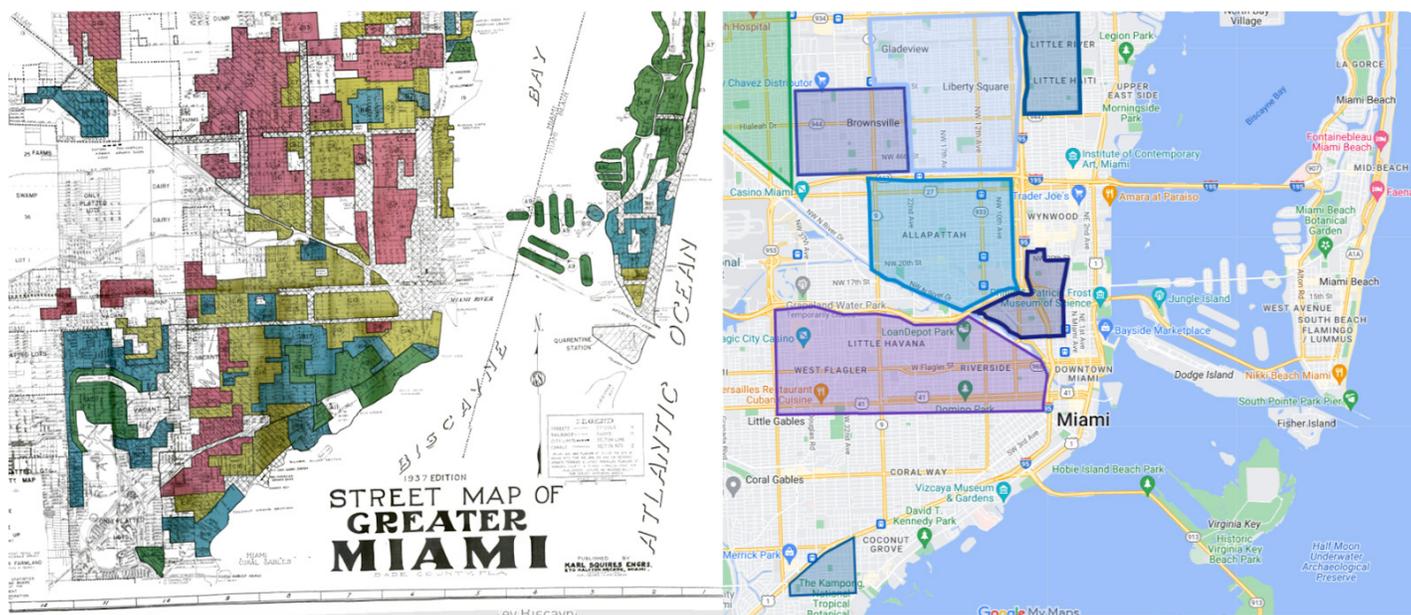
Miami's historically disadvantaged communities have long faced systemic barriers, setting the stage for the displacement they face today. Throughout the Jim Crow and postwar eras, racist policies like redlining and segregated zoning confined Black

residents to specific areas, limiting economic mobility and commercial opportunities (Taylor, 2019). Urban renewal and infrastructure projects compounded these challenges: notably, the construction of Interstate 95 in the 1960s tore through business districts in historically Black neighborhoods like Overtown (Mohl, 2001).

Decades of selective investment in downtown, coastal, and business hubs—contrasted with the systemic neglect of these communities—resulted in a “patchwork” city where enclaves of prosperity (e.g., Miami Beach and Coral Gables) bordered persistently underdeveloped, disinvested communities (e.g., Overtown, Liberty City, and Little Haiti; Florida, 2023). Remnants of this real estate prioritization pattern can be seen to this day, when overlaying redlined communities with CREO-eligible neighborhoods (see Figure 3.5). The cumulative effects of the aforementioned policies left many of Miami's BIPOC and immigrant communities vulnerable to economic instability and commercial displacement.

Since the 2000s, a wave of redevelopment has reshaped Miami's historically neglected neighborhoods, bringing steep challenges to longtime residents and local small businesses. Communities such as North Miami, Little Haiti, and Allapattah have become

Figure 3.5: Redlined Miami Neighborhoods in 1935 and CREO Priority Communities Today



hotspots for real estate speculation, leading to sharp increases in property values and rents. In 2023, for example, 26% of residents in Little Haiti owned their homes (Chéryrs & Morales, 2023), with this statistic decreasing to 16% in 2025 (Habersham, 2025). These trends have both heightened displacement risks, particularly for renters and small business tenants, and created opportunities for some longtime property owners to build wealth or sell at a significant profit.

For example, in Little Haiti—a CREO-eligible neighborhood similar to those we studied—the proposed massive, mixed-use Magic City Innovation District—a development intended to transform the area into a tech and cultural hub—has contributed to a surge in property values, with average area home prices

jumping from about \$58,000 in 2012 to \$482,000 by 2023 (Tower & Plano, 2023). Spillover gentrification from adjacent high-investment areas has exacerbated displacement risks, with rising commercial and residential rents making it difficult for long-standing businesses to survive (San Juan, 2022).

Additionally, developers are increasingly targeting higher-elevation neighborhoods, a pattern referred to as “climate gentrification,” where rising sea levels and flood risks in lower-lying areas drive real estate investment and displacement pressure onto inland, higher-elevated, and historically marginalized communities like the ones we studied (i.e., Allapattah, Liberty City, and North Miami), and Little Haiti mentioned above (Keenan et al., 2018). A snapshot

Table 3.2. Select Miami Neighborhood Profiles

All neighborhoods listed were CREO eligible and interview respondents came from these communities; however, the survey was only administered in North Miami.

NEIGHBORHOOD	POPULATION	COMMERCIAL CHARACTER	CLIMATE GENTRIFICATION
Allapattah	Mainly Latino (Dominican, Central American); some Afro-Caribbean and African American	Wholesale hubs and small storefronts on NW 36th St; mix of formal and informal vendors	yes
Liberty City	Primarily African American; strong historic and cultural ties to the civil rights era	Corner stores, salons, and barbershops on MLK Blvd (NW 62nd Ave.); limited Black business ownership	yes
North Miami	Predominantly Black, including a large Haitian population; also home to Caribbean, Latin American, and other immigrant communities	Mix of strip malls, storefronts, and service-based businesses near or on W Dixie Hwy; blend of immigrant-owned shops and newer commercial development	yes
Richmond Heights	Historically African American community established post-WWII; today still predominantly Black with growing Latino presence	Primarily small neighborhood shops and service-oriented businesses; limited new commercial investment	no
Miami Gardens	Majority African American and Caribbean; second-largest city in Miami-Dade County	Mix of small businesses, strip malls, and larger commercial developments; significant Black business ownership alongside national retail chains	no

of these neighborhoods’ demographic composition and commercial character underscores the stakes of ongoing redevelopment and the risks it poses in replacing the commercial character that once made these neighborhoods so vibrant (see Table 3.2). This redevelopment wave has sparked concerns that new upscale housing and retail projects will accelerate the displacement of longtime residents and their businesses.

CURRENT CONTEXT OF GENTRIFICATION

Gentrification in Miami is also increasingly displacing small businesses. This commercial gentrification—that is, local shops being forced out by rising rents and changing clientele—receives less attention than housing displacement (Florida, 2023). Yet, small businesses are integral to community life: they provide jobs, essential services, and cultural identity, keeping dollars circulating locally (Welch, 2020). Many Miami business owners now fear they won’t survive in their existing neighborhoods as upscale development drives up costs. Indeed, nearly 60% of the 43 small business owners surveyed as a part of this case study were somewhat or very concerned about being able to stay in their neighborhood (see Figure 3.6).

As one interviewee explained, many developers are actively trying to rename neighborhoods to drive up costs and increase revenue in an attempt to drive out lower-income residents in favor of higher-paying clients:

You know, we recently got this big development in the south part of [our neighborhood... And this development wants to [rename the area after the development]... It’s not the [development’s name], it’s our neighborhood...!

I’ll tell you when [the development] opened, the first thing that happened is that the rent went up overnight \$300, \$400. And [I’m speaking about friends I know] that is make-it or break-it for families, you know, and people had to move out.

In Miami’s gentrifying neighborhoods, rent hikes often outpace what local businesses can afford, especially in businesses with thinner profit margins. Another interviewee explained bluntly, “Yeah, for sure, it’s affordability that’s pushing people out.” This is a sign of intensifying pressure that mirrors trends in other cities. Small family-run shops struggle to compete when higher-income newcomers drive demand for different services and national chains enter the market (Lung-Amam, 2021). Black- and Latino-owned businesses are especially at risk, as many of their longtime customers are displaced and business owners lack the financial cushions of larger competitors (Gyourko & Molloy, 2015). Some have had to lay off employees, close satellite locations, or stop doing business with long-standing community partners. One interviewee commented:

I can see it here [in Miami], especially in downtown, where there’s been a lot of displacement of small and long-term businesses. A lot of suppliers we used to use, like fabric stores downtown, their leases were not renewed because they’re demolishing the buildings, creating high rises. So a lot of them went out of business, which is sad, because they were there my entire life, as long as I can remember.

These circumstances underscore how gentrification can destabilize even established enterprises. Formerly

Figure 3.6: North Miami Small Business Concerns About Being Able to Stay in the Neighborhood (N = 43)

More than half of survey respondents were concerned about local businesses being able to stay in their neighborhood.



reliable business partners are forced to shut down or relocate, disrupting networks of collaboration and weakening the stability of those still in business.

Beyond individual businesses, this displacement erodes the character of neighborhoods. Longtime establishments often double as community hubs—places where neighbors gather and cultural traditions thrive (Hyra, 2017). When they are replaced by upscale boutiques or corporate franchises, the unique identity of areas like the ones studied here are threatened. Figure 3.7 illustrates how strongly the residents and entrepreneurs surveyed in this case study feel that local commerce defines North Miami.

Neighborhood leaders warn that rising rents and land speculation pose an existential threat to this cultural fabric, in Miami like elsewhere (see, e.g., Rodriguez et. al, 2023). As one business owner–community leader interviewee, who has spent more than 10 years doing community organizing in Liberty City, Little Haiti, and other neighborhoods across Miami, explained:

If I sell Jamaican food and I service Jamaican clients, and then they all move, I lose that base. But beyond that, beyond race [or cultural

identity], there's a level of loyalty. I could have a sandwich shop that doesn't sell any type of ethnic food, but when my clientele, of all races, are priced out of where they are, of where I am... that greatly affects my ability to survive in this neighborhood.

He continued, describing the changing aesthetics of Liberty City, where he lives now:

I'm seeing homes that once belonged to Black folks or poor folks, starting to have that homogenous look, the same address fonts, all-white square buildings with no character, no personality, taking over, looking like spaceships landing on top of neighborhoods. [I'm] seeing more and more wealthier [people], or at least people who can afford it.

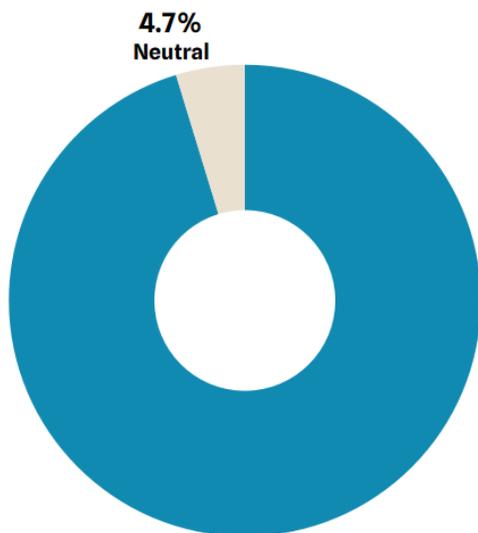
According to another interviewee, an interesting tension has also arisen: Communities across Miami have become increasingly hesitant to beautify their storefronts or invest in design improvements out of concern that visible signs of care and aesthetic upgrades may invite outside attention, leading to rent increases or displacement:

[Many neighborhoods across Miami] used to be colorful and beautiful the way the community wants it. I can definitely revert back and say, 'Hey, we got free paint from Sherwin Williams. We're going to paint the buildings back into beautiful colors....' But that would call too much attention.... Any of those things, as little as they could be, are going to show a sign of attention to care that we have. But we don't need to showcase that at this moment, because we don't own the community.... It's not that they don't want [their neighborhood] to look more beautiful. It's not that we don't want to do the design as we intended initially, but we learned the lesson from our community.... They said, 'Great design, but we don't want to do that because my rent is going to go up. So no, thank you.'

A major factor behind these vulnerabilities is that most small businesses do not own their storefronts—a pattern reflected countywide, where over

Figure 3.7: North Miami Business Owner Opinions on the Contribution of Small Businesses to the Character and Vitality of their Neighborhood¹ (N = 43)

Over 95% of respondents thought local businesses were important or very important to their neighborhood's character and vitality.



Only 20% of businesses surveyed owned their facilities.

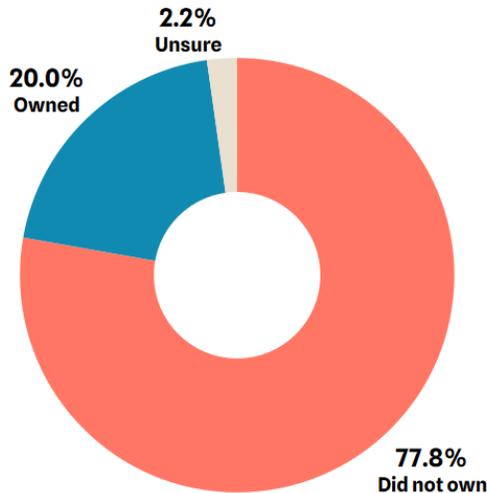


Figure 3.8: Small Business Commercial Real Estate Ownership in North Miami (N = 45)

80% of businesses are microbusinesses (fewer than 10 employees) and the vast majority lease their space (Florida International University, 2018). This trend is especially pronounced in our case study neighborhoods, where commercial property ownership is often financially out of reach for local entrepreneurs (see Figure 3.8).

As shown in Figure 3.8, in many of Miami’s at-risk neighborhoods, the vast majority of shop owners

rent their space. They have little control over landlords’ decisions to sell or raise rents. In the case of an unanticipated increase in rent, a budget line item that should be a fixed cost presents a curveball to an entrepreneurs’ budget and profit margins. Many entrepreneurs recognize that owning commercial property is crucial to securing the future of their businesses, but in practice, this is often financially out of reach (see Figure 3.9).

Limited access to capital, soaring real estate prices, and other barriers prevent many local business owners from securing commercial property in the neighborhoods where they operate (Desmond & Wilmers, 2019). This makes counteracting displacement difficult. As one Miami community leader interviewee observed, even well-established businesses struggle to pull together the resources to purchase property or otherwise disrupt these circumstances:

Resist? It’s hard to resist something if you can’t afford it. If you can’t afford it, you can’t afford it. So to resist it, it’s hard. For example, we tried to withhold rent and [make our landlord] fix the building. Eventually, we went through the [legal] course and we lost. So to resist, I’m trying to figure out: How can you resist if you can’t afford it?

Without intervention, the displacement of small businesses will have lasting economic consequences. Each closure means lost jobs and fewer local services

Figure 3.9: What Small Business Owners Said About the Importance vs. Feasibility of Commercial Real Estate Ownership in North Miami (N = 42)

The majority of respondents thought it was important for businesses to own their properties...



... but most did **not think it was feasible.**

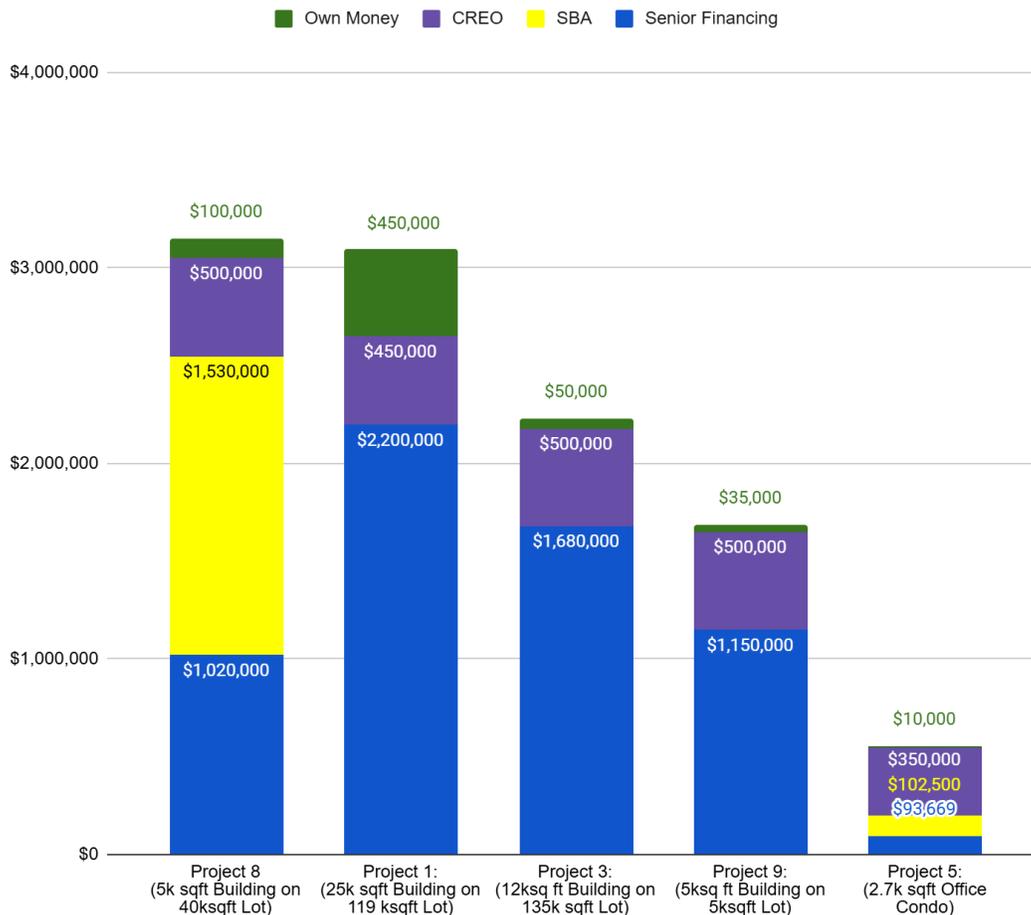


for remaining residents (Alvarez, 2021), contributing to a decline in neighborhood vitality. Moreover, when independent businesses are replaced by corporate chains, more of the profits leave the community instead of fostering local wealth (Florida, 2023). In a city where small businesses account for 54.3% of employment (Office of Advocacy, 2024) and 98.2% of businesses have fewer than 100 employees (Florida International University, 2018), widespread displacement threatens Miami’s broader economic diversity and resilience. While some city leaders appear focused on expansive economic development plans that prioritize direct foreign investment, business relocation and attraction efforts, and large hospitality events, community leaders and advocacy groups are raising the alarm about the stakes for keeping small business where they are—local jobs, equitable growth, and community identity.

Community Ownership Strategy

In an effort to combat the trends described above and introduce a tool to foster more community-led ownership of commercial storefronts in Miami-Dade County, The Miami Foundation designed and administered the CREO fund over a 3-year period. The fund offered a 5-year forgivable loan, up to \$500,000, through a subordinated mortgage that acts as down payment capital to be supplemented with senior financing secured by the borrower. While many borrowers attempted to obtain a conventional commercial mortgage, only two closings to date have been through a bank with backing from the Small Business Administration. Other forms of senior financing included private lenders, investors, and nontraditional loans (see Figure 3.10).

Figure 3.10: Capital Stack for Financing a Small Business Commercial Acquisition



Over the 5-year term following closing, the CREO loan is forgiven in one-fifth increments, provided that the property is not resold, a collective ownership model is maintained, and the real estate continues to be used for its intended purpose. These forgiveness conditions aim to promote longer-term stewardship of the property, avoid “flipping” or hastening speculation, and prevent the shared ownership structure from being divested.

DESIGN

Before designing any Open for Business financial products, the foundation embarked on an extensive stakeholder listening tour with small business owners, community advocates, and ecosystem leaders. During this process, countless commercial renters shared experiences of landlords who increased their rents to unreasonable levels after they poured thousands of their own dollars into capital improvements. As mentioned in the Introduction, specific community areas are disproportionately affected by this phenomenon due to often adversarial landlords. As a result, CREO transactions were prioritized in these historically overlooked communities.

To identify CREO-eligible areas, we first leveraged Miami-Dade County’s existing list of [targeted urban areas](#) that coincides with neighborhoods with community redevelopment agencies, conducted median income analyses, and met with small business stakeholders to understand which communities would be best positioned for commercial real estate investment and which were lacking investment (see Figure 3.11). Between each year of funding, we expanded this list in response to community feedback and substantiating data.

In addition to using input from the Open for Business stakeholder advisory group, the fund was modeled after commercial down payment assistance funds nationwide, such as in [Washington, D.C.](#) and by fellow Open for Business grantee [LISC Los Angeles](#). Preparing to launch the fund included assembling an investment committee, setting the loan terms, and preparing legal closing documents with a real estate attorney. The investment committee included representatives from real estate development, a commercial loan officer, and attorneys along with small business

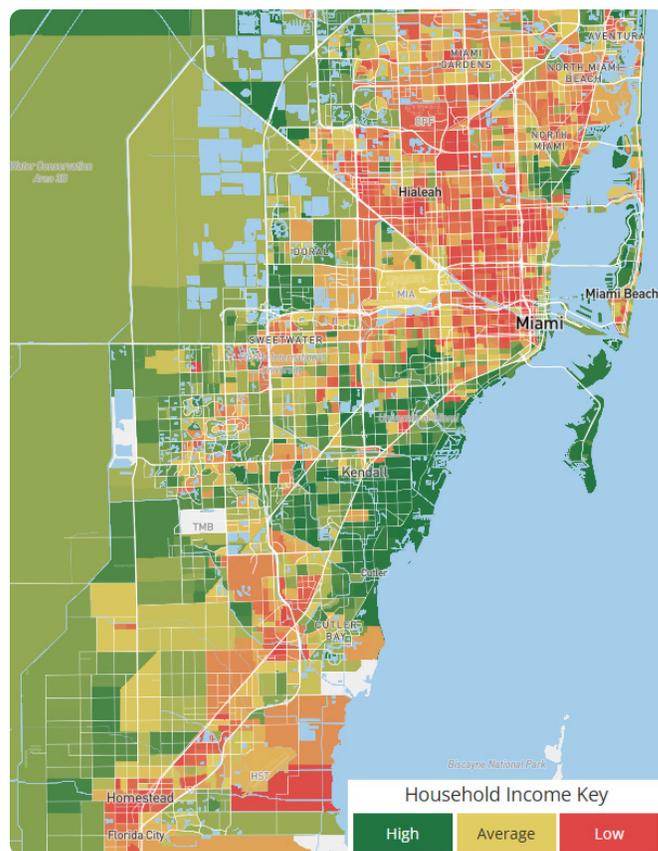


Figure 3.11: Household Median Income in Miami-Dade County

and nonprofit leaders. Some advisors advocated for a 10-year loan term to ensure more permanent collective ownership; however, long-term oversight can be harder to monitor, especially for a first-time implementation. The loan is structured as a mortgage, which has the benefit of being a collateralized product. Though this type of funding may be administered as a recoverable grant, that is a less legally enforceable instrument.

ADMINISTRATION

Once CREO eligibility parameters and loan documents were created, annual rolling application cycles were offered for entrepreneurs to submit funding proposals alongside the two other Open for Business financial products. Using extensive outreach, including resource fair tabling, media, newsletters, and the technical assistance community, small business owners were invited to apply. Technical assistance partners contracted through the Open For Business program provided critical application support to potential recipients.

Miami Open for Business
COLLECTIVE REAL ESTATE OWNERSHIP (CREO) CHECKLIST

The goal of CREO is to facilitate the purchase and shared ownership of commercial real estate by historically underserved nonprofits and small businesses through down payment assistance.

FORGIVABLE UP TO **\$500K**
FORGIVEN OVER **5** years if property is not resold and collective ownership is maintained

AM I ELIGIBLE?

- 2 or more small businesses or nonprofits
- Miami-Dade County-based organization
- Owned by person(s) who is Black, Latino, Middle Eastern, Native/Indigenous, refugee, LGBTQ+, veteran, or disabled
- In operation at least 2 years
- Not based in a 'sin' industry

INTERESTED IN FINANCING...

- Purchase of a commercial property
- Property is in eligible Miami-Dade community (see [map](#))
- Property will be small business owner-occupied (i.e. not investor)
- Can pay pre-closing costs out of pocket (inspection, appraisal, etc.)

APPLICATION NARRATIVE

- Overview of collaborative
- Overview of property
- Overview of financials

PROJECT DETAILS

- Project timeline
- Project budget - must use official CREO template*

FINANCIAL DOCUMENTATION

- 2 years of tax returns for all owners (Form 990 for nonprofits)
- Annual operating budget* for all owners
- Income or P&L statement* for all owners
- Pro forma financials* for property
- If available: mortgage pre-qualification and/or purchase agreement

ORG DOCUMENTATION

- Resume for lead of all owners
- Business or strategic plan for lead org
- Draft operating agreement describing business terms

* Items with template available on our website
[MiamiOpenforBusiness.org/collective-real-estate-ownership](#)
 Questions? Email openforbusiness@miamifoundation.org

Figure 3.12: CREO Application Checklist

While a standard set of narrative and financial documents were required in the application, over time additional tools were developed to support applicants, including a pro forma financial template and guidance around forming a joint venture through an operating agreement (see Figure 3.12).

Recognizing that businesses would need more than just capital to succeed in acquiring property, the foundation created an acquisition and ownership workshop series that adapted a first-time buyer model for the commercial real estate context. Partnering with a local real estate broker, this course was offered three times and was attended by over 40 small business owners (see Figure 3.13).

SELECTION AND SUPPORT

The selection process began with an internal review using a set of metrics previously shared with applicants. Every application was reviewed by three staff at varying levels, including a review of financial documents to ensure project viability and good standing. Following internal scoring, summaries of narratives and financial documents were shared with the investment committee for deliberation (see Figures 3.14, 3.15, 3.16). Financially viable deals that

Figure 3.13: Attendees at a First-Time Commercial Buyer Workshop



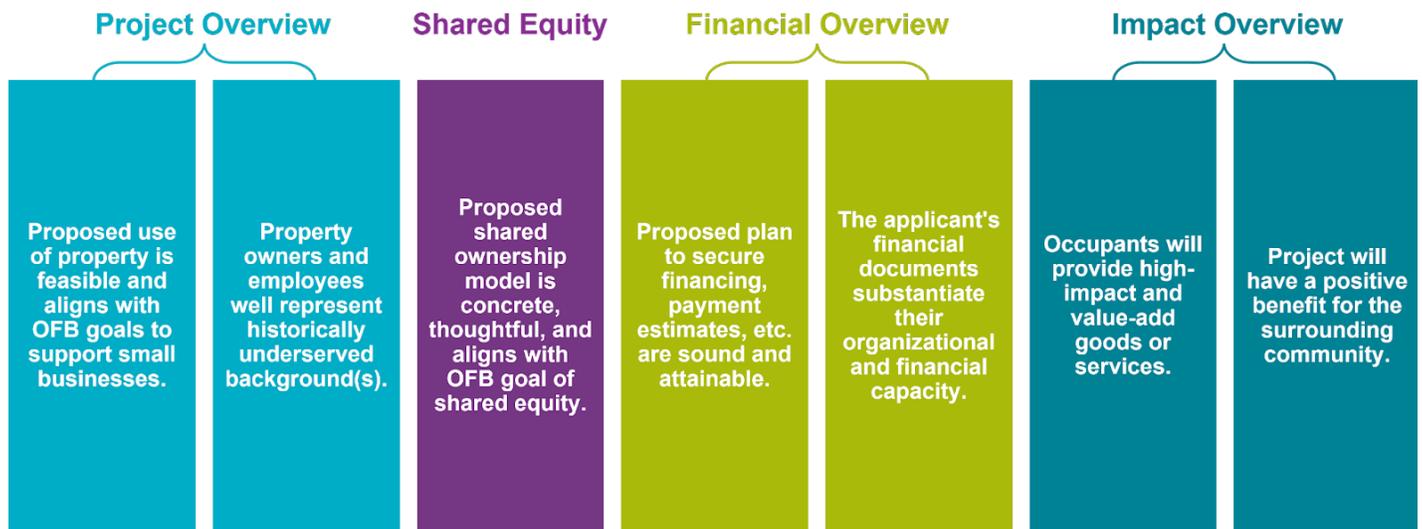


Figure 3.14: CREO Loan Scoring Metrics

emerged from committee review were offered a commitment letter and provided a set amount of time to close on a property.

MAINTENANCE

Although formal commercial acquisition workshops and access to sponsored technical assistance providers were offered during the application period, support for the CREO portfolio has been continuous and ongoing. To fully transition into occupancy of their new space, several CREO borrowers successfully applied for renovation loans through the Open for Business Asset Building Loan for Entrepreneurs. Through 2025, the foundation continues to work with at least five committed transactions who have not closed yet to find a suitable property.

To ensure long-term and timely debt installment cancellation, the program also corresponds regularly with active borrowers and will be launching another group peer sharing meeting this year. Now that many of the borrowers are 1 year post-occupancy, it will be valuable to meet to discuss issues such as property tax exemption (where relevant), renovations, refinancing, leasing, and more.

Analysis and Recommendations

The CREO program case study identified several critical insights about the CREO funding model, community ownership, and challenges faced by various stakeholders. These insights are crucial for understanding the program's strengths and limitations as well as how to improve the model in future implementations.

STRENGTHS AND CHALLENGES

Across all CREO awardees, this case study helped identify common threads for strengths and challenges, which are helpful to understand from the outset. For example, businesses/organizations that spent multiple years planning to implement collective real estate before applying for this opportunity fared better in their application and then in the purchasing process. Regardless of the length of their planning process, barriers named included planning to occupy the property with their own business as opposed to subleasing and having to move somewhat secretly to try to secure a property due to market conditions (e.g., posing as insurance to get into potential properties and not beautifying personal suites or facades).

Beyond those more general observations, this case study also helped reveal that there were three

types of CREO grantee business models which had different levels of success and challenges: (1) CDCs, (2) nonprofit organizations, and (3) for-profit businesses. These grantee types were reviewed against three main criteria of the CREO model: the ability to create true community ownership, their borrowing and financial capabilities, and the opportunity to build generational wealth.

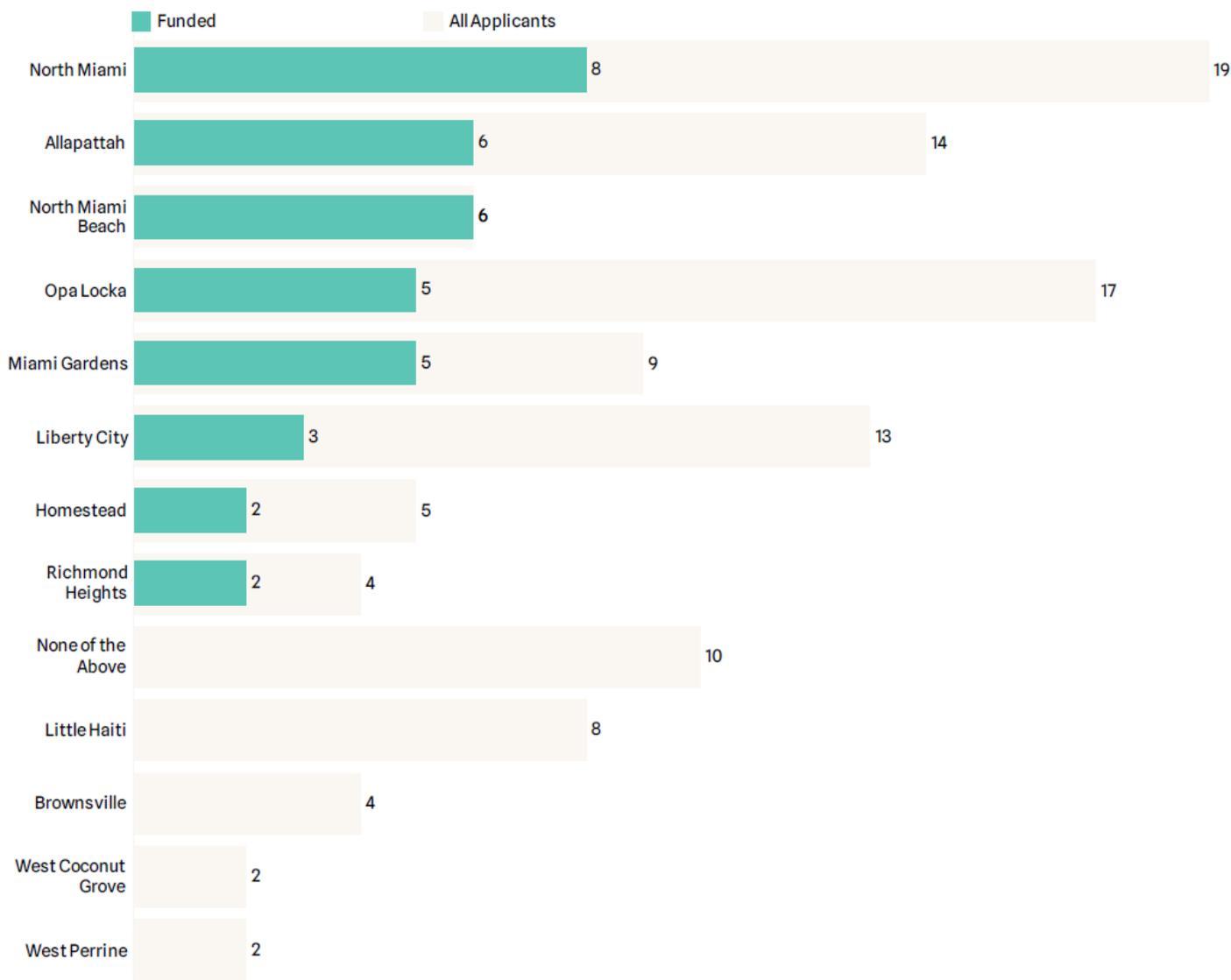
Building community ownership was a central priority for the CDCs and nonprofit organizations participating in CREO, given their mission-driven models

explicitly focused on serving and investing in the communities where they operate. In contrast, while for-profit businesses often have mission statements, these tend to prioritize financial sustainability or growth rather than long-term community benefit. For many for-profit CREO grantees, the program’s funding criteria—particularly the emphasis on shared equity and local impact—served as a key motivator to engage with the concept of community ownership.

This difference suggests that for-profit entities may experience CREO’s benefits primarily through

Figure 3.15: CREO Applicants by Community Area

CREO business applicants based in prioritized neighborhoods.



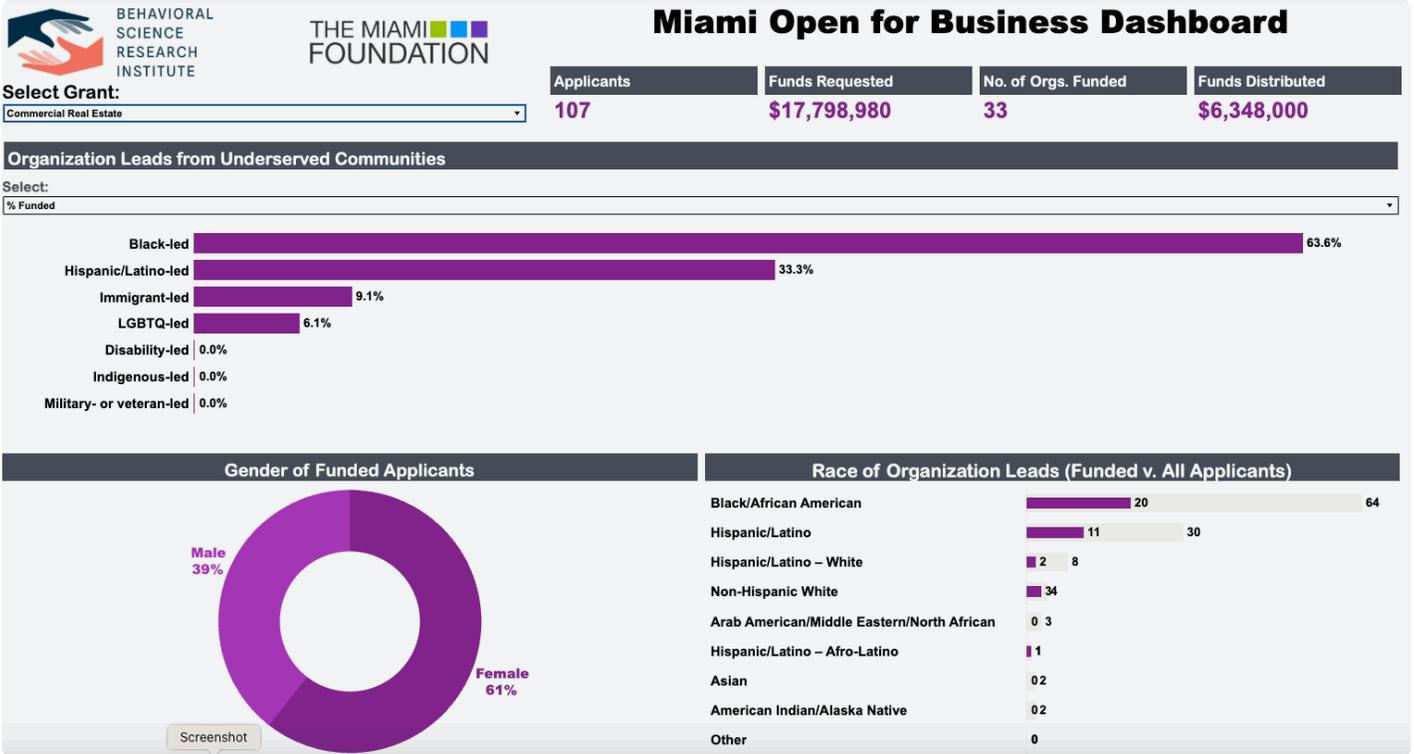


Figure 3.16: CREO Applicants by Race, Ethnicity, and Gender (as displayed on the Miami Open for Business [online dashboard](#))

individual or family wealth building, whereas nonprofit CDCs leveraged the program to promote broader community wealth. For example, some CDCs used CREO funding to acquire commercial real estate and implement rent-to-own arrangements that enabled local small businesses and families to gradually gain equity—thus supporting collective, neighborhood-level generational wealth rather than wealth concentrated in a single enterprise (see Table 3.3).

Each grantee type had a different experience with lending, although all dealt with challenges. For-profits had the most success with obtaining traditional lending due to their business model. Yet these participants voiced that banks did not recognize the CREO grant as a valid down payment but instead as an additional lien. As one for-profit interviewee described:

I went to many different banks, even private lenders. What I discovered was that the banks did not view the grant really as our down payment funds. They looked at it as another lien on the property. The difficulty is

the situation with working with conventional banks, that makes it so hard.

The CDC piecemealed multiple funding sources together, including but not limited to traditional lending, government, and foundation funding. Nonprofits had the hardest time securing traditional lending, which hampered their ability to secure and manage properties effectively. The CREO model was not optimally structured for nonprofit organizations given the risk-averse nature of lenders and legal constraints that impose significant barriers. As one nonprofit interviewee stated:

If I'm a small business, I am looking for a return on capital. If I'm a nonprofit, I'm not. It's totally different... I think that this program is important, but it may be that it's just not really kind of constructed for the nonprofits in the program.

The Miami Foundation also underscored the realities of commercial real estate for small, community-rooted, and culturally relevant businesses. These entities often lack the financial and managerial



Figure 3.17: CREO clients Mario Smith & Claudienne Hibbert, founders of TRU Prep Academy.

capacity to manage property ownership, which includes underwriting and property maintenance. As the foundation’s senior director of economic resilience stated:

The most community-rooted and culturally relevant small businesses are often not the ones best equipped to navigate underwriting or manage building operations like roofing, landscaping, or pest control. A key lesson was recognizing that while we aimed to support underserved entrepreneurs toward ownership, the most disadvantaged are not always positioned to take on commercial real estate. (Paraphrased from original quote)

Together, these circumstances led to challenges in securing conventional loans, and therefore commercial underwriting, and forced many awardees to

cobble together funds or go for alternative lending sources (e.g., hard money loans in which the property is used as collateral for the loan). As one for-profit interviewee stated, “Everyone has had to go through alternative routes, either seller financing or private lending companies or angel investors. Everyone has had to finagle it in an alternative way to make it happen.” These findings suggest that while the CREO program has made substantial strides in promoting community ownership and generational wealth, there are general areas for improvement as mentioned at the beginning of this section (e.g., increasing length of planning time, solutions to navigating market conditions, improved lending models, building business financial and managerial capacity regarding acquiring a property).

OVERCOMING CHALLENGES AND SECURING LONG-TERM BENEFITS

Despite the many challenges organizations faced in securing their own property, this case study demonstrated the value of the CREO program as perceived by recipients. Ownership provided small businesses and nonprofits with more than just a space—it gave them stability, security, and the ability to invest in the communities where their businesses are located in ways that would not have been possible otherwise. As a nonprofit interviewee put it:

There is no way in God’s green earth that we would be able to afford and have access to ownership in the neighborhood that we’re in, in the space that we’re in, without CREO... They’ve created an opportunity for capital to be made available to community-based folks who have a community focus [and] who come from the community.

Table 3.3. CREO Model by Grantee Business Model Types

GRANTEE TYPE	COMMUNITY OWNERSHIP	LENDING	GENERATIONAL WEALTH
Community Development Corporation (CDC)	High	Medium	High (for community members)
Non-Profit	High	Low	Medium
For-Profit	(Potentially) Low	Highest	High (for the business owner)

This access to ownership allowed organizations to stay rooted in historically overlooked areas, resisting displacement while building stronger, long-term connections with the communities where their businesses operate.

Beyond financial security, ownership enables businesses to reinvest in their properties without fear of attracting speculative development or sudden rent hikes. “The moment that these businesses feel secure, they’re going to be able to invest with no regard,” explained a CDC interviewee, continuing: “The inside of the building is going to be nicer. The facade is going to be nicer. It’s going to be more inviting to people to come to those businesses, the amount of money that they’re going to be able to make, [etc.]” With this sense of security, CREO business owners felt they could focus on growth rather than survival, and nonprofits, many of which actively work against displacement, could direct resources toward their core missions instead of worrying about skyrocketing costs. As a nonprofit interviewee emphasized,

We can focus on the work right now. We can really focus on the work, and don’t have to focus on that extremely high overhead and worrying about if this building is going to go up in rent this year.

Beyond financial and operational benefits, recipients felt ownership fostered deeper community connections. When organizations own their spaces, they become lasting fixtures in the neighborhood, forming stronger and more authentic relationships with the people they serve. A nonprofit interviewee explained: “It allows us to touch and form real relationships with the community, right? They can knock on the door. They know we’re there.... They don’t have to worry about us closing our doors and moving locations.” This visibility and permanence also serve as an inspiration for others. The same interviewee pointed out:

We think that [buying our own property is] very impactful, because [the community] could see where we started, and they can see where it finished in the long run.... [They can say,] you

Figure 3.18: CREO client Teen Upward Bound, led by Jannie Russell (center), bought a property in the Opa Locka neighborhood to house their youth and family services.



Table 3.4: Commercial Ownership Structures and Their Impact

STRATEGY	DESCRIPTION OF THE STRATEGY	QUOTE	ANALYSIS / RECOMMENDATION
Pass-Through Organizations: Strengthening Community Ownership Infrastructure	Nonprofits like CDCs facilitate community ownership by helping businesses and nonprofits secure real estate, provide institutional support, help with loans, and build credibility. They implement collective ownership strategies for their communities.	<i>“There’s a group of folks thinking about this. This can be done.... [Our CDC] also really do[es] lend some degree of credibility sometimes to projects like these.”</i>	Strengthen CDC capacity through dedicated funding streams, development, for acquisition and technical assistance. Support CDCs in long-term ownership models like land trusts or community investment funds.
Collectives: Establishing Identity, Visibility, and Stability	Multiple stakeholders co-own space with a shared cultural or social mission, enhancing visibility, cultural identity, community trust, and engagement. Their permanence makes them reliable community resources and role models for ownership.	<i>“That was our mission, that was our goal, to bridge our friend groups, to bridge our collectives together and create a real sense of Black identity in Miami, in Liberty City. So, for us to have this building and carry on that legacy of [our collective] is very, very important.”</i> <i>“Organizations having homes... can only produce good.... They’re at this location. They’re not leaving.”</i> <i>“Hey, we’re here for the community... Keep buying property. Let’s keep it to us.”</i>	Invest in predevelopment grants and technical assistance for cooperative governance and financing. Ensure collective ownership is eligible for public incentives and financing. Promote visibility and peer learning to inspire replication.
Non-Collective Businesses & Non-profits: Customization, Stability, and Community Services	Independently operating businesses and nonprofits gain stability, can customize their space to fit their mission and client needs, and use property to support community services beyond their core operations.	<i>“Now we can customize it. We plan on having, like, a big sensory gym... creating different programs... we can create it the way that we want it to be.”</i> <i>“Just providing us with stability... you don’t know when the rent is going to go up.”</i> <i>“Being able to utilize it to service the community, for food services, for different things that empower the community... it’s well beyond just having a building.”</i>	Tailor small business products to cover buildout and soft costs, and expand facade improvement grants. Support rent-to-own contracts, rights of first refusal, and tenant opportunity to purchase clauses. Update tax codes and ordinances to enable dual-purpose organizations to serve effectively.

In Practice, Boundaries Between Commercial Ownership Structures Often Blur

While this typology offers a useful starting point, the lines between categories can often blur. Some collectives might eventually operate as CDCs to help other businesses or collectives contribute to a broader community vision. In other cases, individual small businesses share space or coordinate around a shared mission, resembling collectives in practice. These overlaps suggest that community ownership models are often fluid, shaped by available resources, evolving relationships, and local needs rather than fixed organizational types.

know, ‘I can do this myself.’ And for us, it is big—being able to show rather than just talk about it. It brings value when you’re able to walk the walk instead of just talk the talk.

By securing ownership, businesses and nonprofits gain stability, agency, and a stronger stake in the communities where they operate. Programs like CREO demonstrate that while challenges exist, the benefits of community real estate acquisition—economic empowerment, long-term

sustainability, and deeper neighborhood ties—far outweigh the obstacles.

DIFFERENT APPROACHES TO OWNERSHIP AND THEIR IMPACT

Through our case study, we observed that the organizations benefiting from CREO’s support generally fell into three additional categories: pass-through organizations (community development corporations), collectives, and individual small businesses or non-collective nonprofits. Each group

Table 3.5: Recommendations for Strengthening Community Ownership Assistance

(1) Assess the Ecosystem to Ensure Ample Support for Implementation	(2) Establish Clearer Parameters and Varied Pathways to Protect Long-Term Community Investment	(3) Increase Targeted Marketing and Ongoing Engagement to Reach Most Underserved Businesses
<ul style="list-style-type: none"> • Conduct deep mapping of potential financial partners and community landscape • Curate vetted list of mission-aligned lenders, brokers, insurers, contractors • Advocate for new, more flexible financial products beyond conventional mortgages that assume private investors • Provide sustained technical assistance specific to shared ownership (i.e., legal and tax resources) 	<ul style="list-style-type: none"> • Screen applicants clearly to ensure alignment with program goals • Require businesses to demonstrate commitment to deep community impact • Tailor funding and create targeted financial solutions for orgs based on the type of collective (i.e., CDC versus business) • Explore longer loan terms (i.e., 10 years) to ensure permanent collective ownership 	<ul style="list-style-type: none"> • Conduct direct and timely, street-level outreach • Provide ramp-up period of technical assistance before application periods, including financial preparedness and general real estate • Ensure those at greatest risk of displacement know about the program before launching • Strengthen long-term collaboration between recipients, lenders, advocates through structured peer exchange
<p><i>“We envisioned land trusts and co-ops, but they require so much extensive technical assistance to implement, we ended up seeding a bunch of simple joint ventures between two to three businesses.”</i> – Program leader</p> <p><i>“There should be a list that they recommend that you use because those people have come through the programs, classes, [etc.] so they know how to write the loan.”</i> – Real estate professional in CREO</p>	<p><i>“Small businesses are part of the story. But are they good stakeholders in the community? I don’t know. . . . Part of that is how they treat their workers, how they treat clientele, whether or not they give back in some way.”</i> – CREO interviewee</p>	<p><i>“The ideal candidate for commercial real estate is not always going to be the same as the small business that is in most dire need of anti-displacement preservation.”</i> – Program leader</p> <p><i>“Every buyer [should be educated on] what the process will look like.... You need to understand what escrow is. You need to understand what a feasibility study is.”</i> – Real estate professional in CREO</p>

engaged in community ownership in unique ways, bringing different strengths and opportunities to the process. We summarize those observations with accompanying quotes and analysis and recommendations in Table 3.4.

EXPANDING THE COMMUNITY OWNERSHIP ECOSYSTEM

CREO's impact extends beyond individual property owners to strengthening the broader community ownership ecosystem. The program has helped de-silo organizations, creating a network of community ownership advocates who support one another in navigating the commercial real estate process. External organizations now turn to CREO awardees for support, technical assistance, and guidance in securing their own properties. For example, as one interviewee explained:

[Another CREO awardee] was our realtor. [She] guided us through the process after she [successfully] went through it herself... She had the perspectives of being a grant recipient, a realtor, and a purchaser of a building. She's a big resource, too, because she has the answer for everything.

Perhaps most importantly, though, ownership provides business owners and nonprofits with a sense of control over their futures. As one interviewee summed up,

Being in control of your own destiny as a business and being able to actually, you know, own something, and then maybe one day being able to pass that down to the next generation . . . would be a very huge benefit.

By increasing access to capital and expanding ownership opportunities for historically marginalized communities, programs like CREO create pathways for long-term economic and social stability.

Recommendations for Strengthening Community Ownership Assistance and Creating a Lasting Ecosystem

While the CREO program demonstrated the power of commercial real estate acquisition in stabilizing minority-owned businesses and nonprofits in historically overlooked communities, our findings highlight areas for strategic improvement for future replication and implementation of similar programs (see Table 3.5). These recommendations aim to refine the approach to down payment and closing cost assistance, ensuring a more sustainable, equitable, and accessible pathway to ownership. When possible, The Miami Foundation added call-out boxes to show how they approached these recommendations in their program and the lessons learned.

As community ownership initiatives continue to evolve, it is critical to strengthen the infrastructure supporting small businesses and nonprofits in their transition to ownership. By refining program structures, expanding financial accessibility, and fostering deeper collaboration among stakeholders, initiatives like CREO can create long-term stability for historically underserved communities.

These recommendations provide a road map for future projects, ensuring that commercial real estate assistance remains a viable and impactful tool for combating displacement and building generational wealth in minority communities.

Endnotes

1 "Vitality" used here and elsewhere in the case study refers to the overall vibrancy, diversity, and sustainability of a neighborhood's economic and social life, marked by active local businesses, accessible services, and robust social interactions.

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APPENDIX A: CREO APPLICATION MATERIALS

CREO Application Checklist: This visual checklist provides a high-level summary of CREO program eligibility, required documentation (e.g., financials, project timeline, operating agreement), and narrative components needed to complete a funding application.

CREO Application Questionnaire: A comprehensive online form structured into five narrative and data-driven sections—covering collaboration details, property use, financing, impact, and due diligence—designed to collect applicant information for CREO award consideration.

CREO Scoring Metrics Matrix: This two-page rubric outlines the scoring criteria used to evaluate CREO proposals, assessing alignment with program goals across five dimensions: project design (see Project), collective ownership (see Collective Ownership), financial feasibility (see Financial), community impact (see Impact), and overall fit (see Overall).

APPENDIX B: CREO FINANCIAL TEMPLATES

CREO Acquisition Budget Template: This spreadsheet template was provided to CREO applicants so they could develop a detailed project budget for the acquisition phase. The budget must detail the sources of funds (first mortgage, CREO funds, owner equity contributions) and the uses of funds (due diligence like inspection and appraisal, closing costs like attorney fees, and any potential construction costs, etc.). The purpose of this budget is to ensure the applicant has sufficient funds to get to the closing table.

CREO Pro Forma Template: This spreadsheet template was provided to CREO applicants so they could develop a detailed budget for operating the real estate long-term. The pro forma projections unpack the financial sustainability of the project by detailing anticipated revenue (owner mortgage payments, rental income) and operational expenses (taxes, insurance, maintenance, and more) alongside debt service of the senior loan to determine if there is a negative or positive cash flow at the end of each month and year.

APPENDIX C: CREO OPERATING AGREEMENT GUIDANCE

This [checklist](#) supports CREO applicants in drafting an operating agreement by prompting them to define business terms across six key areas: entity information, membership structure, contributions/distributions, governance, contingency planning, and legal compliance.

APPENDIX D: RESEARCH AND EVALUATION (BEHAVIORAL SCIENCE RESEARCH INSTITUTE)

CREO Awardee Interview Guide: This semi-structured qualitative guide facilitates roughly 70-minute interviews with CREO awardees to assess displacement perceptions, experience with the CREO process, and views on local ownership and anti-displacement strategies.

Community Level Survey Instrument: This field survey was administered to local small business owners and managers to assess their neighborhood connection, including perceptions of displacement and gentrification in said neighborhood. It also asked about perceptions of CREO's effectiveness and broader strategies supporting business stability while also collecting demographic and operational data.

Chapter 4

Cultural Anchor Preservation as a Community Ownership Strategy in Brooklyn

Mangrove Flatbush Central Caribbean Marketplace and Incubator

- **Maggie Clark Bachiri**, Director of Research
Urbane, New York, New York
- **Abdullah Elias**, Former Director
Mangrove Flatbush Central, Brooklyn, New York

For more information, contact the authors at maggiec@thisisurbane.com or me@abdullahelias.com

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For anyone we may have missed, please know your support is appreciated. We thank you for your continued partnership in building this community.

Executive Summary

[Mangrove Flatbush Central](#) (Mangrove FC) embodies a transformative approach to economic development. Made up of a vendor market, food hall, and incubator, the facility fosters community ownership, cultural preservation, and business innovation in Brooklyn's premiere Caribbean neighborhood of Flatbush. It preserves the legacy of the Flatbush Caton Market, a building founded in 2000 to provide a business home for Caribbean street vendors. Today, Mangrove FC is an incubator for entrepreneurship and cultural exchange.

The original market was a one-story building, placing it in the vulnerable position faced by many small businesses in underbuilt structures: The site was proposed as a location for much-needed affordable

housing. However, the market's cultural legacy within the neighborhood was strong enough to secure plans for its preservation. In a redeveloped building on the same site, Mangrove FC provides permanently affordable space for the legacy vendors of the Flatbush Caton Market beneath 255 new residential units as well as infrastructure to incubate the next generation of local businesses. The effort of Mangrove FC was led and developed by [Urbane](#) and is now managed by [Mangrove Community Wealth Inc.](#)

The story of the market mirrors that of the neighborhood. Rising residential density has brought physical and demographic changes to the area, and housing is increasingly less affordable for long-time Flatbush residents. Yet the neighborhood's Caribbean roots remain strong, and Mangrove FC honors and celebrates that history.

Mangrove FC envisions community ownership as the preservation, generation, and strengthening of assets owned and controlled by community members. This case study, developed in collaboration by Urbane’s research team and Mangrove Community Wealth operational team, examines the outcomes and impact of Mangrove FC’s key business preservation and community ownership strategies: (1) a playbook of dedicated support to legacy vendors through and beyond redevelopment of the market building, (2) the establishment of long-term affordable space coupled with technical assistance to launch neighborhood businesses, and (3) the exploration of various additional channels toward community asset ownership through the facility.

In its first 2 years, early outcomes of Mangrove FC’s strategies included the sustained operations of 24 legacy vendors and 153 new entrepreneurs through affordable production and retail space along with more than 1,000 hours of technical assistance.

The Mangrove FC case study highlights the challenges and opportunities that redevelopment projects can bring to business preservation and community ownership. The long timeline of development means that initial plans are bound to change, and it is critical to maintain a strong focus on mission. The case study also raises questions of the dual static and dynamic nature of cultural preservation as it honors the legacy of the past while making space for community to define the legacies of the future.

Introduction

The story of Mangrove FC differs from those normally told about small businesses in changing New York City neighborhoods. It follows the journey of the [Flatbush Caton Market](#), a one-story building established by the advocacy of New York City (NYC)

Councilmember Dr. Una Clarke to create a safe space for immigrant vendors in her district. Fifteen years later, as market pressures pushed city leaders to find new sites for affordable housing, the institution’s cultural value was recognized and protected despite its vulnerability as a development opportunity (see Figure 4.1).

Mangrove FC provides a potential new script for communities facing a choice between the preservation of long-time businesses in underbuilt sites and the development of much-needed affordable housing. Mangrove FC’s redeveloped facility set

out not simply to preserve the Flatbush Caton Market, but also to support its vendors to thrive while creating infrastructure for the community to honor its roots and own its future.

This case study details the strategies taken by [Urbane](#) and [Mangrove Community Wealth](#), the new stewards of the market, to support the legacy vendors through a transition and ultimate return into a redeveloped market beneath 255 units of affordable housing. The new

facility is also home to a business incubator, a food hall, and spaces for community gathering, all of which help drive traffic to the vendors while uplifting the community’s newest entrepreneurs through affordable space and hands-on support.

Mangrove FC holds a master lease for the 15,000-square-foot facility in the ground floor of the redeveloped building owned by Urbane’s development partners. While navigating the challenges of financial sustainability in a high-value real estate market and the many complex tentacles of small business support and development, the Mangrove FC team continues to seek pathways to asset ownership for residents of the Flatbush community.



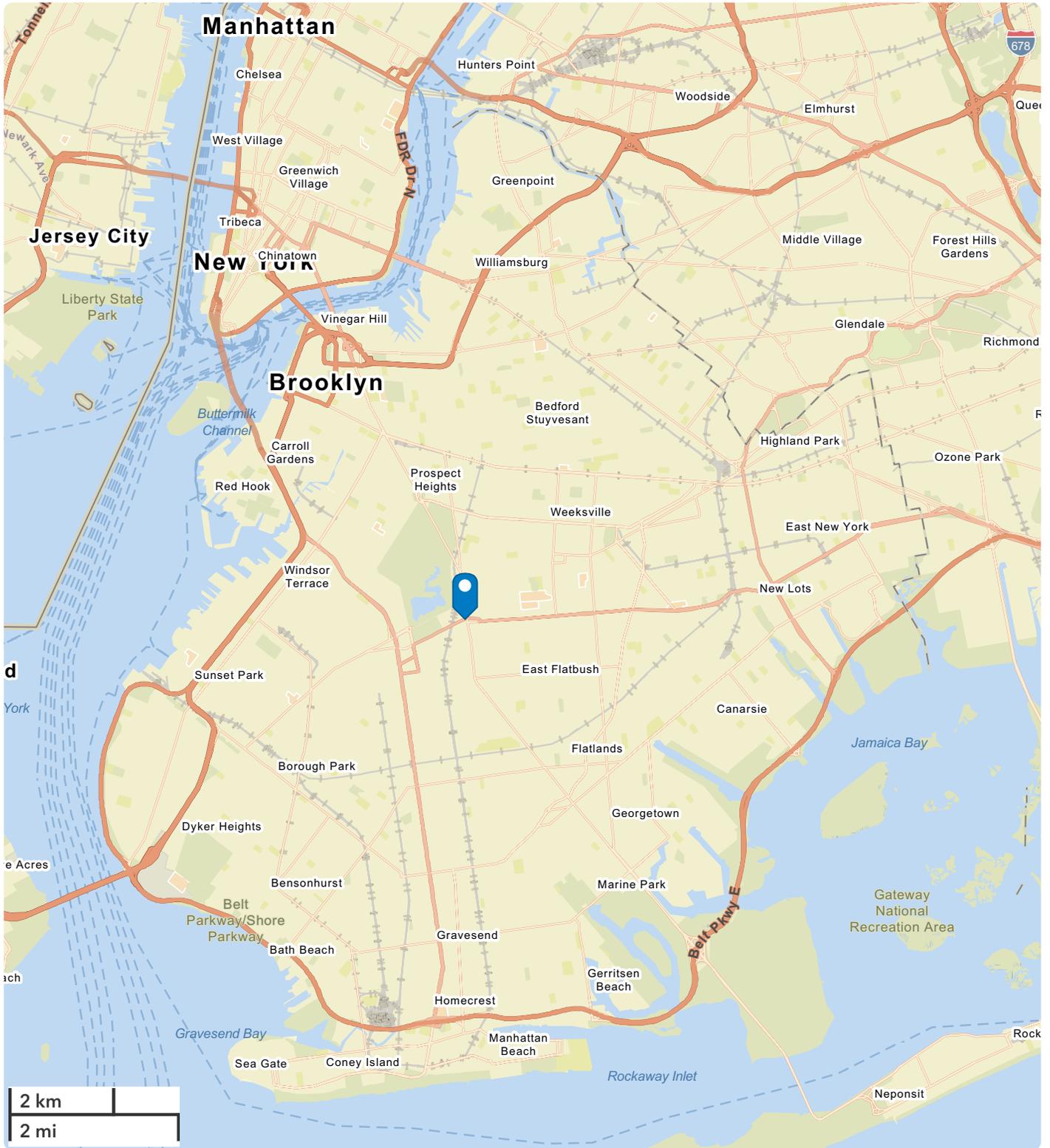
Mangrove FC provides a potential new script for communities facing a choice between the preservation of long-time businesses ... and the development of much-needed affordable housing.



Figure 4.1: Mangrove FC Location



Mangrove FC in Context



Case Study Approach

This case study examines community ownership strategies in context, including external factors that changed or influenced their intended execution. Data on business preservation, start-up, and growth were collected through programs of the Mangrove FC business incubator.

Beyond the numbers, the outcomes of cultural and business preservation strategies are felt subjectively within a community. Mangrove FC uses an impact evaluation approach that is community driven; we create space for our members and neighbors to define the goals of the facility and to determine how well these goals are met. This case study maintains this spirit by leveraging a participatory research approach to investigate community ownership impacts. Interviews with legacy vendors, Mangrove business incubator members, and other community stakeholders are used to assess the impacts of Mangrove FC's business and cultural preservation strategies and to guide our recommended pathways toward community ownership.

During the development of the case study, Mangrove staff facilitated eight one-on-one conversations with stakeholders to explore the goals with which they approached their experience at Mangrove FC and the outcomes they have seen so far. The case study also relied on 21 stakeholder interviews that were conducted between October 2022 and June 2023 as part of Mangrove FC's Year 1 Impact report, as well as six interviews with Flatbush Central legacy vendors conducted prior to their move into the redeveloped market. Each of these primary sources provided valuable perspective on the nuances of community ownership.

Leading Organization

Mangrove Community Wealth Inc (Mangrove) was founded with the mission to develop pathways to neighborhood and community wealth by combating asset poverty in historically disinvested communities. Mangrove FC's legacy market and business incubation facilities together support entrepreneurs who reflect the Flatbush neighborhood's Caribbean legacy.

HISTORY

Mangrove FC holds the [Flatbush Central Caribbean Marketplace](#), which has a multi-decade legacy in the neighborhood under the original name of Flatbush Caton Market (FCM). Located at the intersection of Flatbush and Caton Avenues in the heart of Brooklyn's central Caribbean neighborhood, the original market was established in 2000 through the advocacy of the Honorable Dr. Una Clarke. As a community member and the first city councilmember of Caribbean descent, she witnessed the day-to-day struggles of street merchants in her district. Dr. Clarke's office partnered with the city to dedicate permanent space within a city-owned municipal parking lot for merchants to set up tents and then raised money to construct a permanent building. Her vision was to build an indoor market that would provide opportunities for vendors to incubate their businesses (see Figure 4.2).

In 2013, [New York City Economic Development Corporation](#) released a request for proposals to purchase, redevelop, and manage the market's property, including new commercial, residential, and community uses and a permanent home for FCM. A joint venture composed of BRP Companies, Urbane, and the Caribbean-American Chamber of Commerce and Industry (CACCI) were awarded the development rights in 2014. Urbane began working with the vendors

“Caton Flats models a new kind of real estate and economic development—led by a team of Black people from across the diaspora—creating a response to the gentrification uprooting communities of color throughout the borough.”

– James Johnson-Piatt, founder and CEO of Urbane



Figure 4.2: The original Flatbush Caton Market, 2017

to build relationships and gather information about their inventory and business practices to inform the design of a temporary operating space for use during the construction period.

Redevelopment of the market's original building site began in 2017, and vendors were relocated to a temporary market site within the neighborhood. Urbane's FCM team took over market operations, programmed the temporary space to attract customers, and provided technical assistance to the legacy vendors in preparation for their move to the redeveloped building.

The site was transformed over 4 years into a mixed-use facility, [Caton Flats](#), with an expanded and renovated marketplace, a business incubator, and 10,000 square feet of neighborhood retail, as well as office space for CACCI beneath 255 units of affordable housing. The design of the new facility was intended to preserve the hub for the Caribbean community in Flatbush and beyond. It opened in 2022 with a ground floor anchored by Mangrove FC, including the renovated legacy Caribbean Marketplace; a food

hall and test kitchen; and a business incubator and production space that features a commercial kitchen, natural body care lab, and multimedia studio and classroom (see Figure 4.4).

LEADERSHIP AND ORGANIZATIONAL STRUCTURE

The development deal for Caton Flats required that a nonprofit hold the ground floor master lease and manage the market. Urbane created Mangrove Community Wealth Inc (Mangrove), to hold this role, as well as to further Urbane's mission to develop pathways to neighborhood wealth through combating asset poverty in historically disinvested communities.

As Mangrove Community Wealth Inc grows into a fully developed nonprofit, it works with Urbane as an interconnected system driving community economic empowerment. Urbane channels investment into underinvested community anchors—the storefront businesses, artisan producers, manufacturers, and community- and faith-based organizations that hold



Figure 4.3: Small business Medina’s Body Care on the plaza at Flatbush Central Caribbean Marketplace.

trust and serve as natural conduits to opportunity—laying the groundwork for growth. Mangrove builds on that foundation, creating programs that translate investment into pathways for economic mobility and generational wealth. Mangrove FC is a flagship for this model: Urbane invested in the development of the anchor facility, and the Mangrove operates and programs the space.

The Mangrove FC team that operates the facility includes the following roles (see also Figure 4.6):

- **Market General Manager:** Oversees operations of the FC Caribbean Marketplace and manages community partnerships
- **Senior Director of Asset Management:** Oversees leasing, marketing, facility management, and operational and financial performance of assets
- **FC Administrator:** Supports finances, communication, membership pipelines, and marketing/outreach

Figure 4.4: Caton Flats, 2022



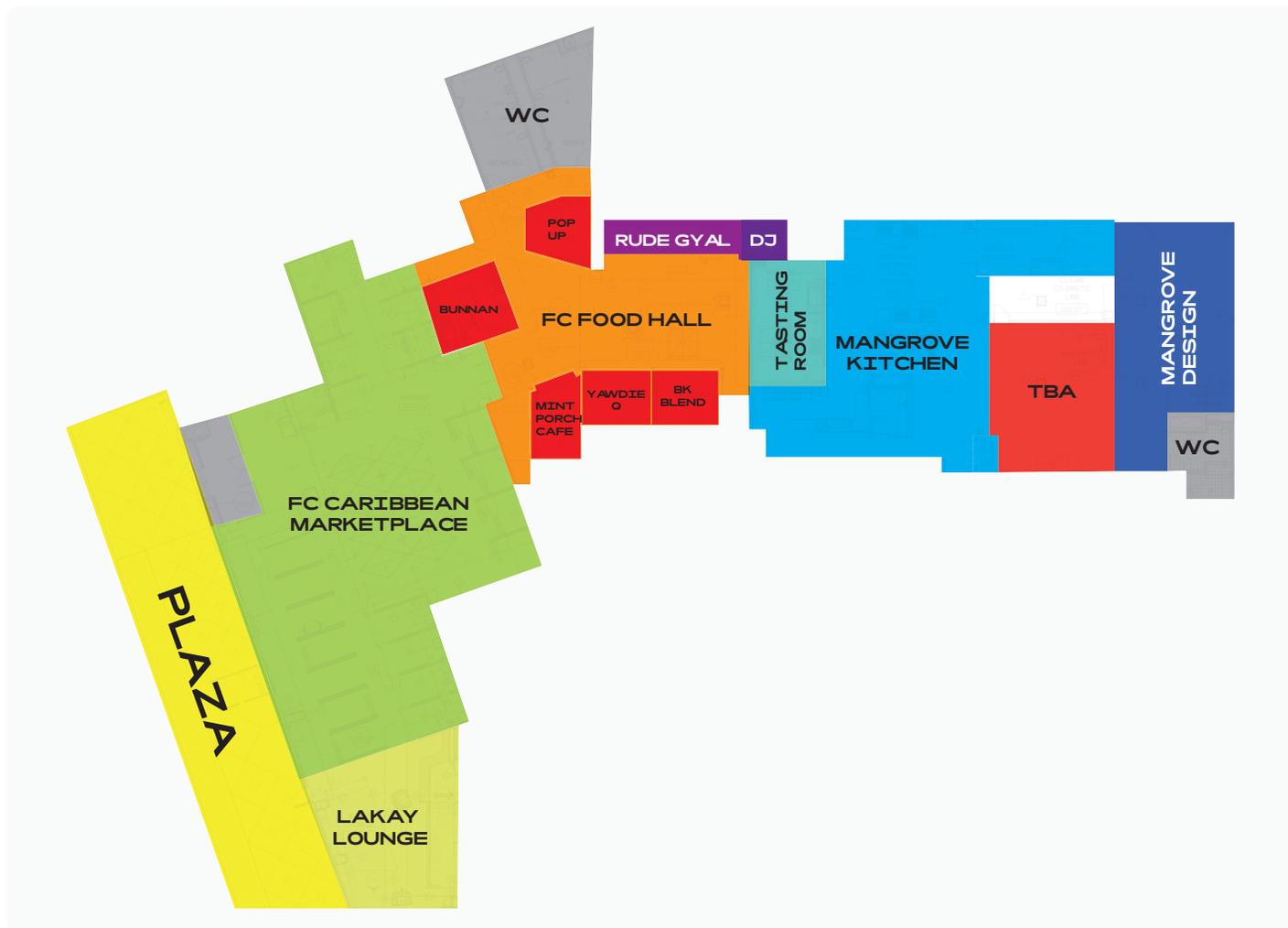
- **Mangrove FC Program Director:** Designs and manages delivery of Mangrove FC programs and technical assistance
 - **Mangrove Kitchen Manager:** Oversees operations and the Mangrove Shared Kitchen
 - **Mangrove Assistant Kitchen Manager:** Supports the kitchen general manager
 - **Porters (2):** Conduct thorough facility maintenance
- James Johnson-Piatt, the founder and CEO of Urbane, serves as chair of the Mangrove’s board and guides key decision-making for the facility along with Urbane’s COO. Urbane’s research team has also provided support at various points in the facility’s development, such as mapping potential partnerships and assisting with impact evaluation.

PROGRAMMING

The facility encompasses several distinct but interconnected spaces designed to respond to skills, aspirations, and passions identified through neighborhood resident engagement prior to redevelopment. The program and pricing models are calibrated to uplift the endeavors of the Flatbush community, in keeping with the tradition of FCM’s neighborhood economic engine (see Figure 4.5).

- **Flatbush Central Caribbean Marketplace** is an active frontage for the building with 32 vendor booths, including permanently affordable stalls for the legacy vendors. The entrance to the market lies on a large plaza that Mangrove FC and community members use to host events and pop-up

Figure 4.5: Schematic Map of Mangrove FC Program



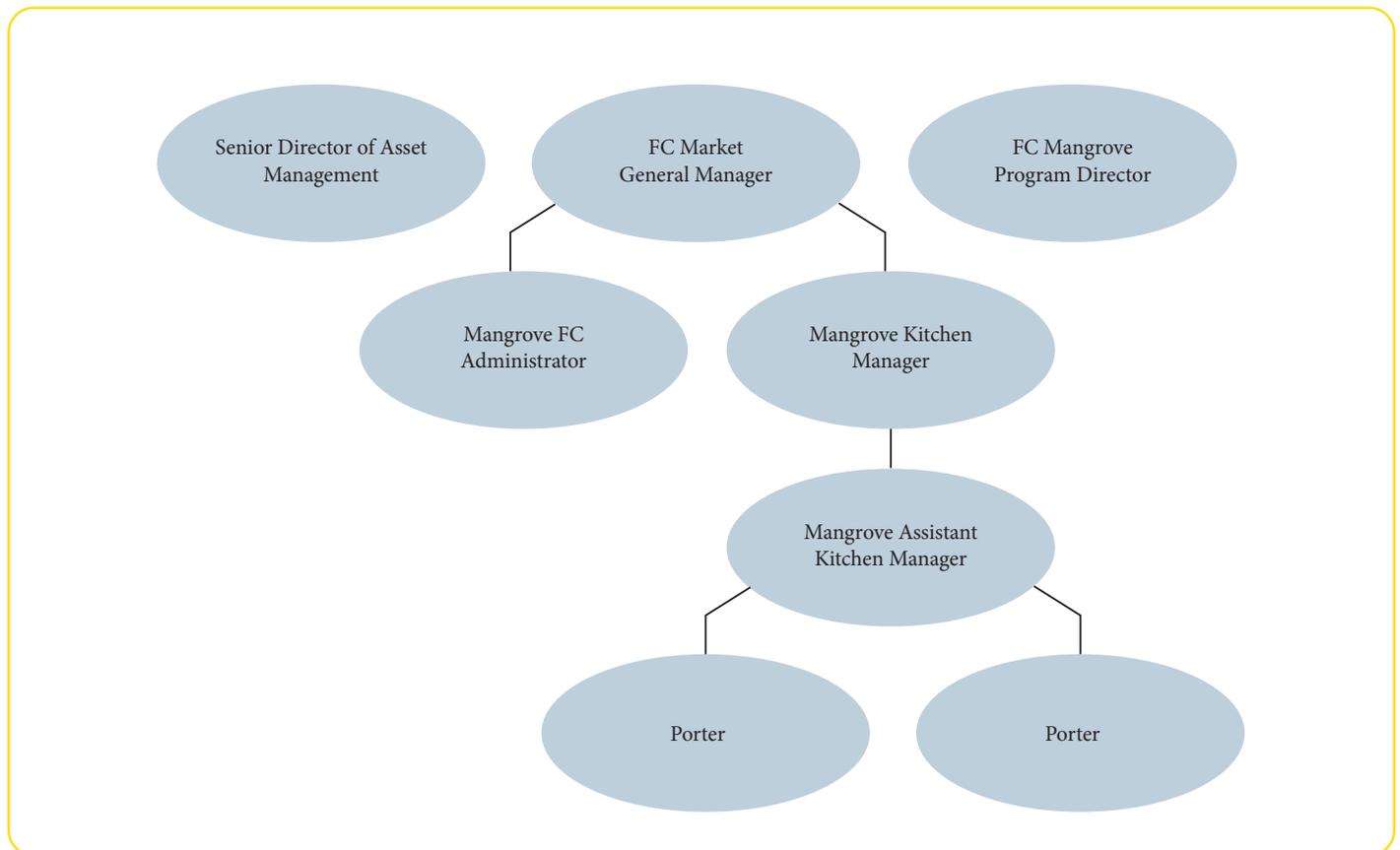
markets. In good weather, some vendors set up tables to sell their products outside (see Figure 4.3).

- **The Flatbush Central Food Hall** hosts five booths equipped with kitchens operating on a revenue-based rent model, plus a bar. An additional café and bar space, Lakay Lounge, is located on the other side of the marketplace and hosts community meetings and events.
- **The Mangrove Tasting Room** is a state-of-the-art test kitchen equipped with media production and used for pop-ups, such as a Vendor Cooking series through which legacy vendors prepare and share a community meal celebrating their home cultural traditions.
- **The Mangrove Shared Kitchen** contains seven workstations equipped for prepared or packaged food businesses. Membership rates are the lowest in NYC, and additional subsidies are provided to neighborhood residents and residents of NYC

public housing. Members have access to technical assistance and connections to market opportunities.

- **The Mangrove Design Studio** holds four sewing stations, two audio/video editing suites, and other fabrication equipment along with movable worktables. The studio is envisioned for affordable makerspace memberships. To date, it has hosted programs that include Mangrove’s Community Business Academy, a 12-week program for current entrepreneurs that has graduated 100 business owners, along with media production skill-building courses for youth developed by partner nonprofit Youth Design Center.
- **The Mangrove Natural Products Studio** holds equipment and space for the production of personal care and other natural products. Its anchor tenant is Sacred Vibes, an established Flatbush business and strategic partner for the development of natural products with a focus on plant-based medicine and healing products.

Figure 4.6: Mangrove FC Organizational Chart



Neighborhood Context

Flatbush's strong Caribbean character is evident throughout the neighborhood, from flagged out cars to roti shops to the all-night celebrations of Labor Day and J'ouvert. Many of Flatbush Central Marketplace's legacy vendors sell products sourced directly from the islands that still have a loyal following, and younger Flatbush residents have stories of parents and grandparents coming to the market vendors to purchase Caribbean ingredients and goods.

Over 40% of the population of Flatbush's Community District 14 was foreign-born as of 2022; in 2010, that figure was closer to 50% (Brooklyn Community District 14, 2024). Flatbush, especially Mangrove FC's zip code 11226, is undergoing rapid change as the intense pressures of NYC's housing market drive development and bring residents seeking marginally more affordable neighborhoods (see Figure 4.7). This zip code alone is estimated to have gained over 3,000 new housing units between 2013 and 2023.

The new units have brought in higher-income residents: median household income in the zip code doubled, from just under \$41,000 to \$81,000, in that same 10-year time frame. Median gross rent rose from \$1,123 to \$1,751 (American Community Survey, 2023). While the number of Black residents declined only slightly, the share of White residents increased significantly, as shown in the chart in Figure 4.8.

The Caton Flats redevelopment may have contributed to the rapid increase in residential development beyond its own 255 units. The facility sits on the corner of Caton Avenue and Flatbush Avenue, the latter an important Brooklyn road that runs north into the Manhattan Bridge and south all the way to the Rockaways. The site is within a 10-minute walk of two subway stops as well as Prospect Park, also known as Brooklyn's backyard. In its namesake neighborhood, Flatbush Ave is a convenience district lined with quick service restaurants, salons, and small shops alongside some larger retailers. Residential parts of the area hold three- to eight-story apartment buildings, and a 2009 rezoning allowed for higher density mixed-use development along the corridor with additional density incentives for affordable

housing (NYC Planning, 2009). Yet before Caton Flats, much of the corridor was still low-built with two- or three-story buildings.

In its original proposal, Caton Flats took advantage of the affordable housing density incentive with 166 residential units in an eight-story building. Several things changed to make this design unfeasible: first, changes made by the incoming presidential administration caused a devaluation in tax credit financing, which left a gap in the original financing stack. Additionally, the original plan accounted for a level of revenue coming from the ground floor marketplace that would require significantly higher rents than the legacy vendors would be able to pay. To fill the financing gap and preserve affordable space for the vendors, the developers negotiated a zoning variance to increase the number of residential units and bring the building up to 14 stories (Kinkead et al., 2021; see Appendix B for additional details on the development financing).

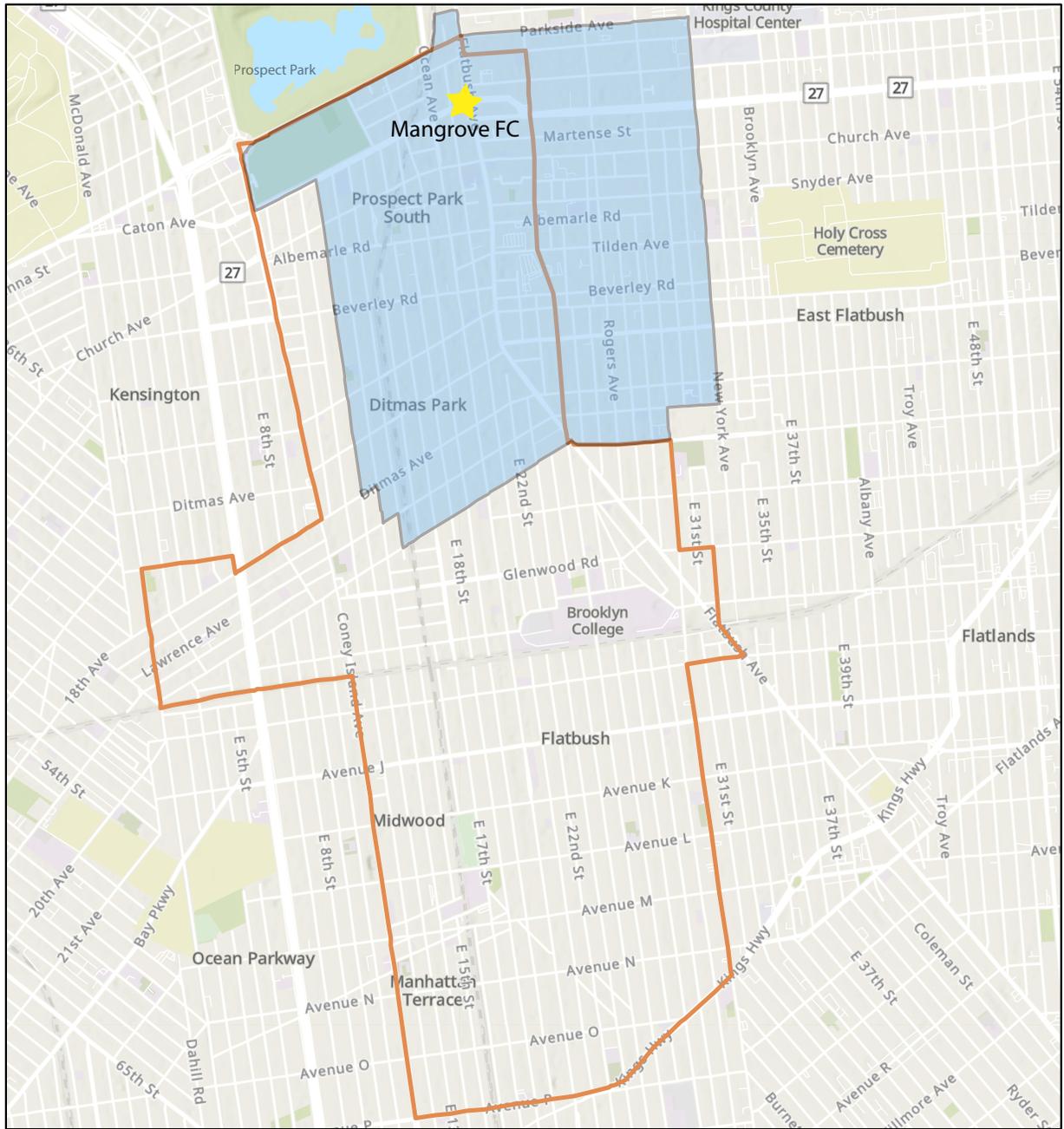
Since the development officially broke ground in 2019, the urban fabric of this segment of the Flatbush Avenue corridor has noticeably changed as more buildings are redeveloped to their full zoning allotment, and residents still feel the change in character. An instinctive aversion to new development is a challenge heard again and again at Mangrove FC. Several interviewed Mangrove members commented that, without specific outreach, they would never have thought to approach the new building. While activating the plaza and conducting dedicated community outreach have helped the Mangrove FC team welcome Flatbush's long-time residents, it is an uphill battle to navigate the nuance and trauma of gentrification.

Community Ownership Strategies

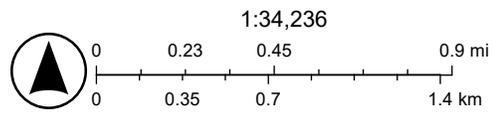
Mangrove FC pursues community ownership through strategies that preserve, launch, and strengthen assets owned and controlled by members of the Flatbush community while honoring the neighborhood's Caribbean heritage. This section describes the conceptualization, implementation, and impact of three principal community ownership strategies:

Figure 4.7: Map of Zip Code 11226, Flatbush, and Community District 14

Mangrove FC Study Area



- Zip Code 11226
- Community District 14
- World Hillshade



Sources: Esri, TomTom, Garmin, FAO, NOAA, USGS, (c) OpenStreetMap contributors, and the GIS User Community. Sources: Esri, Airbus DS, USGS, NGA, NASA, CGIAR, N Robinson, NCEAS, NLS, OS, NMA, Geodatastyrelsen, Rijkswaterstaat, GSA, Geoland, FEMA, Intermap and the GIS user community

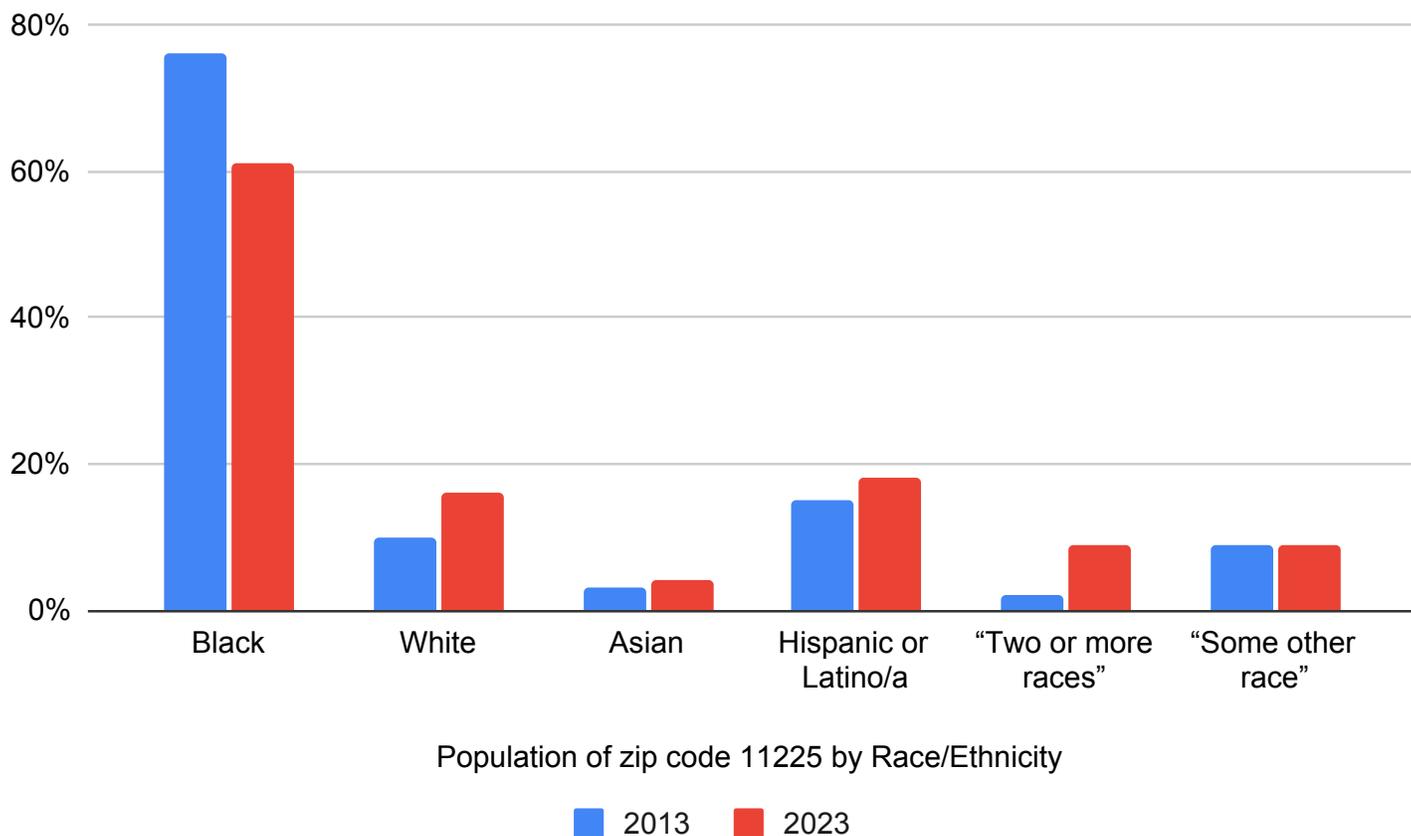


Figure 4.8: Population by Race and Ethnicity in Zip Code 11226, 2013–2023. *Source: American Community Survey*

the temporary relocation and restoration of the market’s legacy vendors, the preservation of affordable production and retail space paired with technical assistance for incubating businesses, and the ongoing exploration of additional avenues of community ownership.

STRATEGY 1: TEMPORARY RELOCATION

Urbane temporarily relocated business owners to support their continuous operation during construction, then ensured that they would have permanently affordable space and tools to thrive in the redeveloped building.

The original Flatbush Caton Market’s long-held cultural role in the neighborhood made it politically important. A deed restriction stipulated that the market was to be restored in Caton Flats and that the FCM vendors should be enabled to continue to operate until their return.

Urbane took on this charge with the goal of supporting the vendors to thrive in the future redeveloped marketplace. In preparation for the move, the team spent over 2 years building relationships with the vendors, learning about their businesses and inventories, and studying the neighborhood’s purchasing patterns and local competition. They used a digital tool called Formstack to catalog the vendors’ long-term business goals, challenges, and immediate needs ahead of the move. Meetings were held to keep the vendors updated on plans for the temporary and new markets, gathering their input and addressing their concerns on the process.

There were 41 vendors operating in FCM in 2017 with an average tenure of eight years, and 38 opted to make the transition and continue operations. The vendors’ average age was in the mid-60s, and several were much older. As immigrants representing Haiti, Jamaica, Guyana, Panama, Grenada, and several

Years Operating in the Market as of 2017

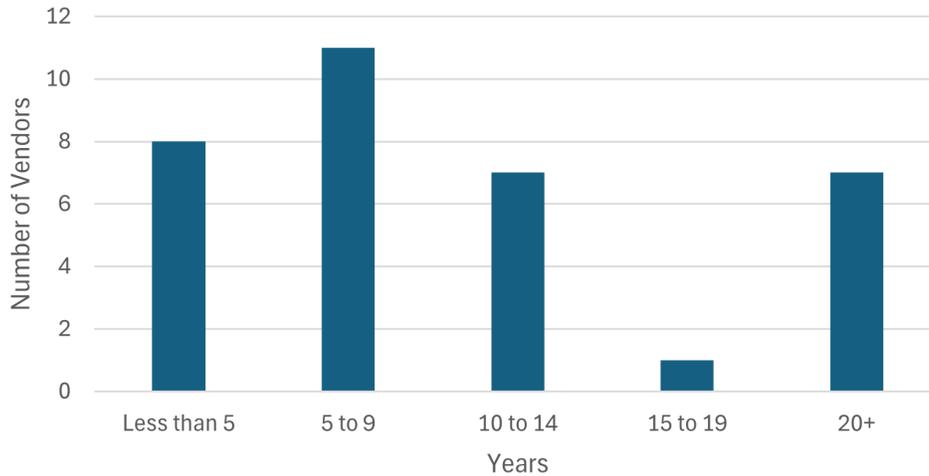


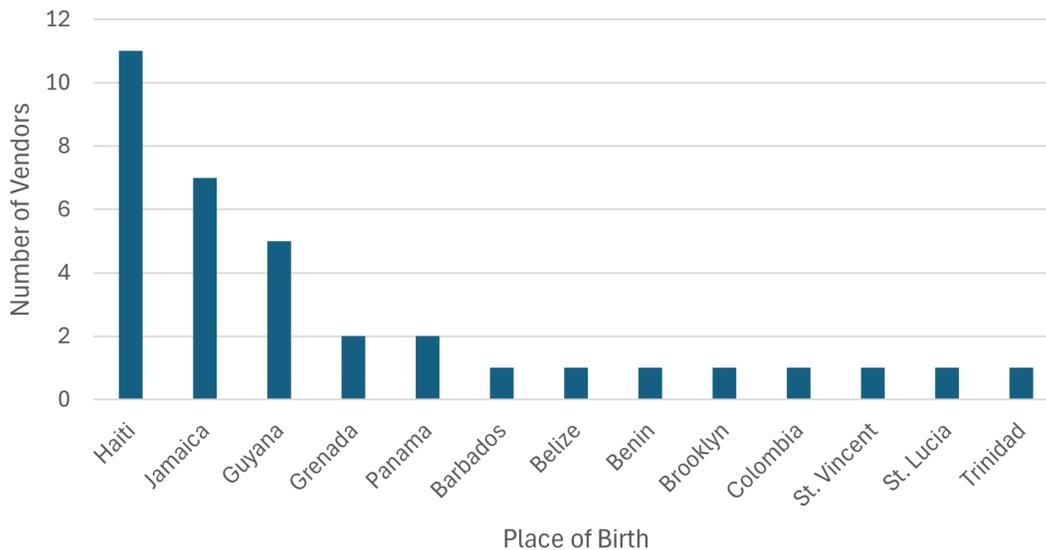
Figure 4.9: Vendors by Years Operating in the Market, 2017

other Caribbean nations, the languages of the market included Haitian Kreyol and Spanish along with English (see Figures 4.9, 4.10, 4.11).

Vendors brought different specialties along with their varied roots: Products sold at the market included spices and dried goods brought directly from the islands, Dutch pots and pilon, flagwear, clothes and accessories, and natural personal care products,

among many others. Several vendors offered services, from custom dressmaking and screen printing to wellness massage and hair styling. The original market featured a café and pastry shop as well as fresh coconut and sugarcane. While the Flatbush Caton Market had the informality of a flea market and faced challenges with pests and cleanliness, Urbane’s Mangrove FC team could easily

Figure 4.10: Vendors by Place of Birth, 2017



Age of Vendors (2017)

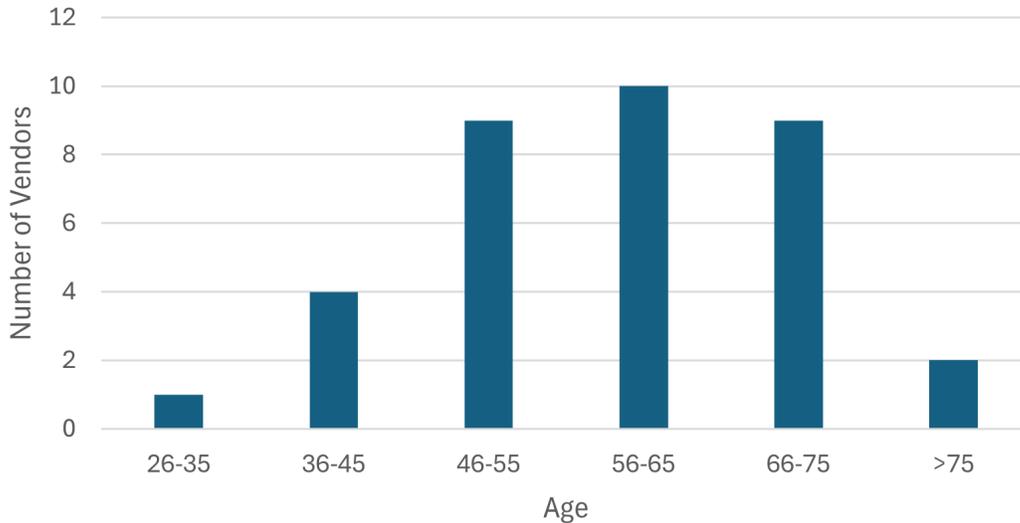


Figure 4.11: Vendors by Age, 2017

envision a future where these goods and services could shine in a setting that highlighted and celebrated the vendors' stories and culture. Working with the vendors, the team dreamed up a state-of-the-art Caribbean marketplace, food hall, and community hub.

As the team connected with the vendors more deeply, it became clear that they would need support to bring their businesses up to the level of compliance required by the city, and that additional support would help them reliably make a living. In 2017, 60% of vendors reported that their primary source of income came from the market, and 85% said their business did not provide sufficient income.¹ It was necessary for support providers to account for the vendors' varied experiences with language and literacy as well as poverty and trauma. The Mangrove FC team used everything it had learned in the preparatory phase to

create a plan to provide the vendors with a temporary market space along with culturally responsive tools and technical assistance to strengthen their businesses. It was negotiated that vendors would not pay rent for the first 2 years in the temporary market as they worked on bolstering operations.

After those first 2 years, vendors would see no increase to the rent rates to which they were subjected before Urbane assumed management of the market. New license agreements allowed vendors to name a successor to inherit their business and space in the market at an affordable rate in perpetuity. In keeping with community ownership goals, this succession planning program seeks to value each vendor's business as a generational, inheritable asset.

“ The Caribbean community and Black community didn't see the market as real stores—at least not historically. People thought it was a place to come and haggle. One of the enduring “downs” is that we haven't made enough money to pay our basic bills. It's a little nerve-wracking because we need to make money for this to make sense. But I'm optimistic. ”

– Legacy market vendor interviewed before moving to the permanent market

““ The Urbane team is a good team. You all are understanding, easy to get along with, and you try hard to help us with whatever we need. We never used to have that level of resource available to us—and in a positive way too. No attitude, which is not to be taken for granted. I feel comfortable working with you. ””

– Minnie, legacy market vendor

Implementation

The process of securing and retrofitting the temporary market space posed multiple hurdles. After an exhaustive search, Urbane reached a lease agreement for an unused grocery store on Clarendon Road, about half a mile from the original market site. The space required significant retrofitting, which was budgeted in the Caton Flats redevelopment deal. Urbane managed the work of setting up vendor stalls, ensuring adequate storage, and meeting health and safety compliance standards. The team worked with each vendor to pack, move, and resettle their wares from FCM to the temporary space, called Flatbush Caton Market on Clarendon. Signs were hung at both locations, flyers were distributed, and the move was announced on multiple community media. In early 2018, Clarendon held its grand opening (see Figures 4.12, 4.13).

With the temporary market up and running, the Mangrove FC team focused on helping vendors achieve legal compliance and reshape their businesses toward profitability. There was no script for this work, and it took some time to identify the best learning methods. The team worked with vendors one-on-one, referred them to free business services, and developed a cohort-based business course series that was eventually also developed and

delivered in English and Haitian Kreyol. The work required, and contributed to, positive relationships between staff and vendors.

Despite the relative proximity of the temporary market, vendors did see a reduction in foot traffic—particularly 2 years into their time at the temporary space, when the COVID-19 pandemic resulted in a complete shutdown for almost 5 months and a reduction of in-person shopping that was to accelerate a trend. In the immediate wake of the shutdown, when vendors were ineligible for Paycheck Protection Program loans, Urbane used a crowdfunding platform called ioby to raise \$46,000 in a relief fund that went directly to vendors (ioby, 2020). Rent payments were further postponed.

As the construction of the new market neared completion, the project team focused on ensuring a smooth transition for vendors returning to the newly developed space. In total, 29 legacy vendors would make the move to the permanent space; the reduction in numbers was the result of retirements, deaths, and folks moving away. Preparations for the move were aimed at helping vendors adapt to the new environment and maximize their business opportunities. The project team's efforts to provide continuous support during this transition period were critical in maintaining vendor morale.

““ From the time we entered the temporary market, traffic was extremely slow. Then with the pandemic, it got worse. Because it's my business, I stayed with it and kept trying to improve. ””

– Irene, legacy market vendor



Figures 4.12 and 4.13: The Flatbush Caton Market on Clarendon, 2018

“ At Flatbush Central, having the commercial kitchen and having a space that gives you so much more in a community, so many other building blocks you’re surrounded with. ... I really believe it helps for expansion and growth, as an entrepreneur and on a personal level. ”

– Isra Gordon, legacy vendor

Impact

The temporary market and its accompanying support did ultimately allow 29 legacy vendors to maintain their operations throughout the 4-year construction period and return to the market’s original site. Urbane and the Mangrove FC team moved the vendors into the new permanent space in January 2022, and a grand opening was held in May (see Figures 4.14, 4.15).

Interviews with vendors conducted after their return to the newly developed market highlight tangible benefits of the relocation strategy. Vendors expressed that the skills they acquired helped them adapt to the shifting retail landscape, and they were optimistic for the fresh start. Each of the vendors is now licensed and compliant with city health and safety regulations.

The extent to which vendors retained their original customer base varied by business; rising housing costs over these critical years had pushed some former customers deeper into Flatbush or farther. Yet some loyal customers were ready to welcome the vendors back. The Mangrove FC team spread word of the market’s return to the community and worked to attract new customers to the vendors’ businesses, work that continues today.

New elements of the redeveloped market facility, including the food hall and shared kitchen, help drive customers to the vendors. Vendors have also been able to take advantage of these spaces: Chef Isra, who ran the original market’s only prepared food stall, now uses the shared kitchen for prep and has a booth in the Food Hall; Miss Medina has used the Natural Products Studio as part of her soap-making process; and Miss Thelma has taught sewing classes in the Design Studio. Strategy 2 demonstrates the ways in which community-focused activation of these assets multiplies traffic to the Flatbush Central Caribbean Marketplace.

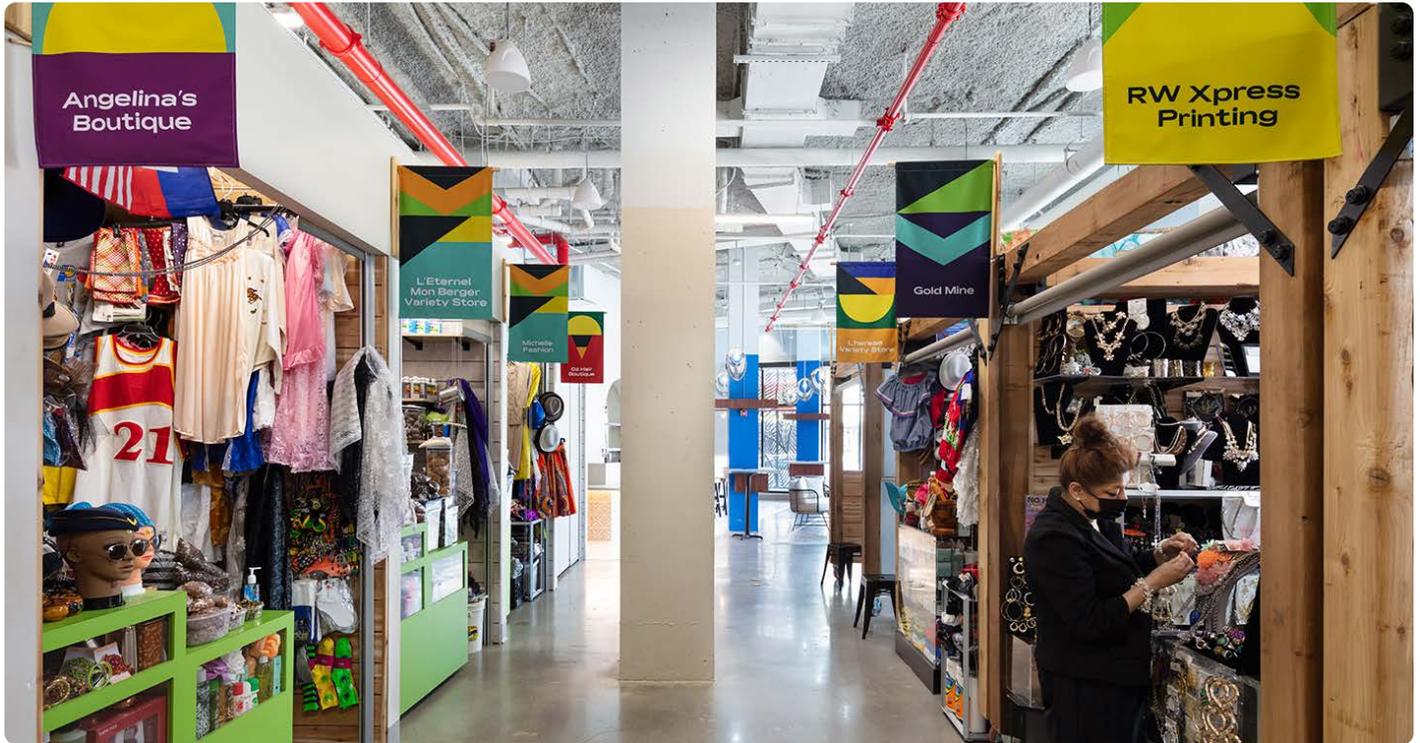
STRATEGY 2: AFFORDABLE SPACE PAIRED WITH SUPPORT

Mangrove FC preserves affordable production and retail space for legacy and start-up businesses and pairs it with technical assistance and supportive programs.

Building on the legacy of the original Flatbush Caton Market, Mangrove FC was envisioned as an economic and cultural incubator to safeguard the cultural heritage of Flatbush while supporting future generations of entrepreneurs. It was designed to generate flexible, affordable opportunities for Flatbush residents to

“ My hope for this space is expounding on what already happens here: creating a strong hub for creatives, small business owners, especially of Caribbean descent, to have access to a safe kitchen environment, education resources, and networking opportunities to grow in the potential that I know we as the Caribbean community have. I just hope to see a regeneration of the small business owners in this area. Everywhere you look, there’s a small business owner. ”

– Anya Peters, Mangrove Shared Kitchen member



Figures 4.14 and 4.15: Flatbush Central Caribbean Marketplace, 2022

“ The classes helped me to understand what processes I need to use to improve my business. ... In the new space, I’m going to focus on my merchandising and really make it shine. My business can grow with the new foot traffic and proper inventory management. ”

– Irene, legacy market vendor



Figure 4.16: BunNan Haitian-Caribbean restaurant in the Flatbush Central Food Hall, 2023

test new ideas, refine their offerings, and scale their businesses, ultimately resulting in owned and valued assets. This vision required careful planning: the one-on-one and cohort-based technical assistance sessions that began with the legacy vendors needed to expand drastically to serve a community of new entrepreneurs, and each space in the facility needed to be priced both affordably and sustainably.

The program that took shape as a result uses multiple models, described in the section below, to keep barriers low and resource access high. The ultimate goal is to create a hub that supports community ownership through asset generation, preserves the site's legacy of entrepreneurship, and drives foot traffic to the FC Marketplace and Food Hall.

Implementation

Methods of implementation vary in each of the facility's spaces. The Food Hall's turnkey booths were designed for food businesses to test and scale their concepts while creating an ever-evolving culinary experience for the Flatbush community. Its approach to affordability is a tiered rent model based on revenue performance that allow long-term tenants to grow without high fixed costs. Long-term Food Hall tenants pay a very low minimum rent and fixed common area maintenance fee; once they have grown their revenue to a point where 12% of their revenue exceeds the minimum rent, they enter a revenue performance phase where rent is 12% of revenue.



Figure 4.17: The Food for Thought series highlighting local Black farmers and producers in the Mangrove Tasting Room, 2023

Figure 4.18: Community Dinner Prep in the Mangrove Shared Kitchen, 2023



The Tasting Room, next to the Food Hall, supports even briefer tenancies: Businesses use the space to host one-time pop-ups, cooking demonstrations, or community dinners. The Tasting Room also serves as an educational and cultural space. It has hosted a culinary career-focused high school program, the legacy vendors' cooking sessions, and a Food for Thought series highlighting local Black farmers and producers (see Figure 4.17). These programs spotlight food justice and cultural heritage, strengthening connections between the community and the wider food ecosystem.

The Shared Kitchen is used by members with special licenses to operate their ready-to-eat or packaged food businesses in a commissary kitchen with access to tools and specialized equipment (see Figure 4.18). Similar incubator kitchens exist in the city, but Mangrove's hourly rates for kitchen use are well

“ I have the advantage of the subsidy, which is great for me when I started. It was absolutely amazing because this is the lowest in the city. ”
– Tara Brown, Mangrove Shared Kitchen member on the neighbors membership

below market rate. Additionally, subsidized rates are available for Flatbush residents and residents of any NYC public housing development. Rates are calculated to meaningfully reduce risks of and barriers to entrepreneurship; the team’s goal is that someone from the community can walk in with an idea, and Mangrove FC can help them bring it to life.

Quickly finding that licensing processes can be complex for new food business owners, the team created simplified materials and offered office hours to guide the process. After they obtain the proper licenses and documents, Shared Kitchen members

continue to have access to office hours and receive notice about market opportunities.

Members also have access to tailored business training. Mangrove’s Community Business Academy (CBA) is a 12-week, cohort-based training program that has graduated 100 entrepreneurs looking to scale their business (see Figure 4.19). It has helped uncover common business challenges and created opportunities for Mangrove FC to meet them: Based on participant feedback, the team has brought in experts from Cornell Food Lab and New York and Fordham Law Schools to host workshops on

Figure 4.19: Mangrove’s Community Business Academy first cohort graduation, 2023



“ I saw that there was a need for this not just [in] the disability community, but also in the Black community. We’ve had to go get services for [my son] in other communities and that is all fine, but it’s not necessarily where you’re going to feel comfortable. We felt a need to create this type of program in Flatbush because that’s where I grew up. ”

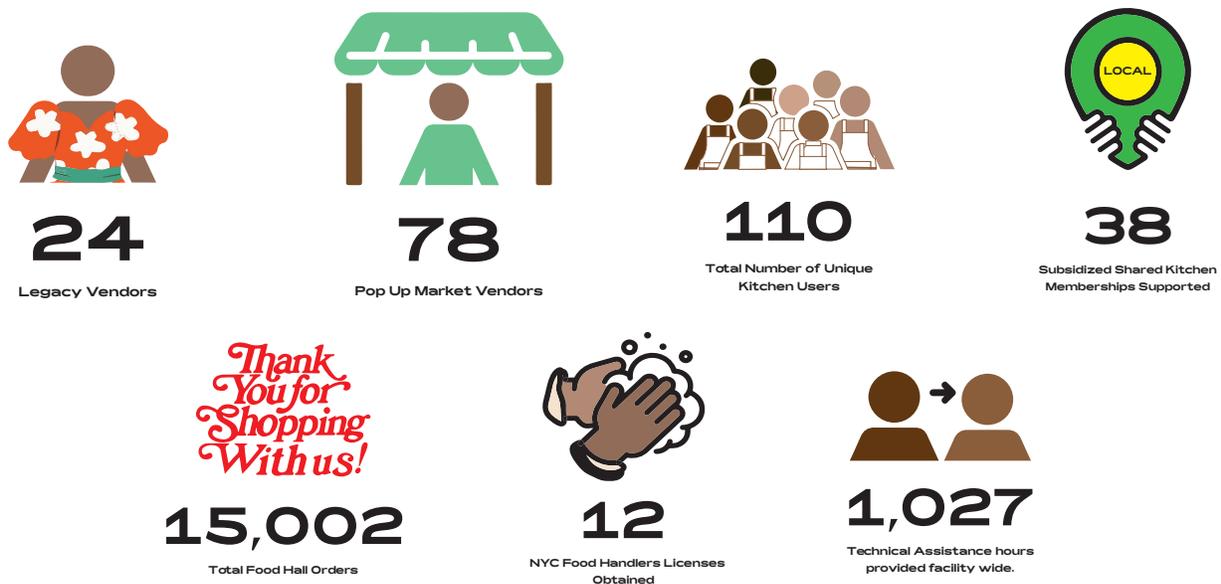
– Nigel Thompson, Mangrove CBA graduate and founder of Kindred Bakery

topics including intellectual property, marketing, and licensing.

The Shared Kitchen has held several partnerships with mission-aligned organizations, like community health organizers and a restaurant worker advocacy group, that bring in additional supportive resources.

Mangrove also supported the launch of Kindred Bakery’s Culinary Program, founded by a graduate of the CBA, which provides job training and culinary education for young people with neurodivergent conditions. The example shows how community-owned businesses can most directly address community needs.

Figure 4.20: Selected Mangrove Impact Metrics



“ One of the most popular African proverbs is that it takes a village. When you come into Mangrove, you see a village—from the vendors to the folks in the Food Hall to the Design Studio. We had a student who grew a connection with Isra Gordon, one of the legacy vendors. She learned so much about her business, what the space was like before Mangrove stepped in, and how it’s grown. ”

– Ivi Lewis, Young Designers Collection success manager

The Design Studio piloted a Civics Residency Program, which provided free operating space to a local nonprofit in exchange for offering community-driven programming. Youth Design Center, the pilot resident, connects young people to career opportunities in design and technology. The nonprofit used the design studio to host programs for youth learning to use digital media tools, in the process connecting these young people to the broader Mangrove FC community. For example, participants practiced using video equipment by recording interviews with the legacy vendors in a moment of valuable intergenerational sharing.

Impact

Mangrove FC maintains a long-term mission to incubate community assets, and early outcomes have been used to tailor the models for greater impact. The Food Hall's rotational model has already supported some food business owners in transition into more permanent setups. It has incubated three first-time restaurateurs who have since expanded their operations, opened new locations, and secured financing to further scale their businesses.

Meanwhile, the Mangrove Shared Kitchen has supported 110 members, including 38 subsidized memberships, and facilitated over 3,000 hours of kitchen bookings. Support has been provided through over 1,000 hours of technical assistance (see Figure 4.20).

Collectively, these efforts have created a more resilient and dynamic marketplace. By prioritizing affordable access and support for both legacy and startup businesses, Mangrove FC preserves

cultural heritage while fostering community ownership of assets.

STRATEGY 3: CREATIVE USE OF FACILITY TO PROMOTE ASSET OWNERSHIP

Urbane and Mangrove were built from the mission to grow community wealth. Mangrove FC has the potential to serve as an asset multiplier, catalyzing broader economic activity and wealth creation opportunities in the surrounding area by creating pathways for entrepreneurial growth and innovation and facilitating opportunities for community-based investing.

The goal of community ownership was baked into the roots of the project. Urbane's original vision was that the legacy vendors and broader community would be able to literally own the ground floor market space as a condominium. The structure of this deal required use of the New Market Tax Credits (NMTC) program; an Urbane-owned affiliate entity would finance and own the condo for the 7-year tax credit period, with Mangrove still as the master lease holder. After the tax credit period, the forgiveness of a portion of the NMTC loan (typically around 20% of the total loan value) would have acted as a down payment for the community to gain an ownership stake in the condo.

Ideally, as the community raises additional capital, they could increase that stake to outright ownership. This model didn't prove feasible, in part because new tax laws introduced in 2017 caused the tax credits to be devalued and required the developers to alter their financing stack. Yet the concept of community ownership remains embedded in Mangrove's DNA, and the team continues to seek avenues to build

““ The idea of getting small businesses to collaborate as opposed to competing really does open up a whole world of opportunity. When you try to sell to local institutions as an individual, there are challenges like an invoice gap—delays in payment untenable for a very small business. By working together, small businesses can tap into these opportunities securely. We're trying to create a whole new system and way of relating businesses to institutions and vice versa. ””

– Androniki Lagos, Food Guild founder



Figure 4.21: Food Guild Post-Workshop Survey Results

shared wealth that include a purchasing and selling cooperative and community investor education.

Implementation

A significant portion of the Mangrove Shared Kitchen’s early funding came from a USDA Local Food Promotion Program grant. The funding encouraged the exploration of projects that promoted local food purchasing and supported BIPOC farmers. The Mangrove FC team has experimented with shared purchasing among members, aiming to collate various members’ needs into weekly purchases that allow both the member businesses and the producers to leverage economies of scale for lower prices. Technology and capacity are the primary hurdles for the cooperative, but the successful launch of a purchasing cooperative remains a goal.

As the team spoke with members about cooperative opportunities, former Mangrove FC team member and solidarity economy expert Androniki Lagos generated interest in a model she designed for cooperative selling. The Food Guild is envisioned as a collective of food businesses who together obtain large contracts with institutions, such as hospitals, schools, and corporate clients, and work together to fulfill the orders. The benefits are myriad; more money gets directed into the local economy while small businesses expand their revenue and operations.

In 2023, Mangrove FC hosted a 2-day workshop with 13 food business owners who expressed interest in the Food Guild. These business owners shared their ideas for working together on food sourcing, contract sourcing, production coordination, and menu development. The workshop generated significant interest among the participants, as demonstrated by exit survey results illustrated in Figure 4.21. Androniki used their input to launch the Food Guild Accelerator, a partnership with local nonprofit Bedford Stuyvesant Restoration Corporation that guided 15 businesses on a 7-week curriculum to facilitate scaling operations and working collectively. As of spring 2025, the Food Guild of small food businesses had completed a pilot procurement order and was organizing in preparation for its first cooperative purchasing order.

In 2024, the Mangrove team piloted an educational series on community investment vehicles (CIVs). A CIV is a legal investment mechanism that allows residents to invest collectively in neighborhood assets based on shared development goals. There are many models for CIVs, both old and new, but most are majority-owned and -controlled, with decision-making power held by local investors. With a long-term goal of establishing opportunities for community investment in real estate and small business assets, Mangrove has begun the work of developing educational materials to lay a foundation for this form of wealth building.

Mangrove has built a game for this purpose and has hosted a pilot game night in Mangrove FC's Lakay Lounge. A community investor cohort is currently in development, with a curriculum that will empower aspiring community investors to begin making investments. The long-term goal is to create an investment pipeline that includes the community-owned businesses that emerge from Mangrove FC's incubator. Through this model, community members can build wealth while supporting their neighbors' entrepreneurial endeavors.

Impact

These strategies toward community asset ownership are still being planned, but early momentum suggests that work will continue toward success. The Food Guild Accelerator continues to secure funding for continued piloting and development as the cooperative moves toward independence. Its current members are all Mangrove Kitchen members.

Feedback from the first CIV Game Night is being used to improve the design of the game and associated educational curriculum. The first community investor cohort will inform future shared ownership opportunities, with the hope that successful investments will create evangelists of this cohort who spread word of the opportunity throughout the community.

Analysis and Recommendations

In nearly a decade of planning and work on this transformative project, its leaders and staff learned valuable lessons about development, markets, operations, cultural preservation, and community ownership. Highlighted among these insights are the lessons that assumptions can change drastically over the course of a project, cultural preservation is dynamic and nuanced, compliance enforcement and staff capacity are critical to sustainability, and well-designed events can spark new customers for legacy businesses.

LESSONS LEARNED

1. Initial assumptions made in the planning of a business incubator or market project may not be true by the time the project actually starts.

Real estate development projects have a long lead time, and in a rapidly changing neighborhood, that means that initial research on the community and its needs may no longer be up to date by the time the project is operating. For example, initial community engagement might point to a desire for space to develop businesses in one sector; when the space is open, 5 years later in this case, the top sector of interest may have changed. Costs for space and materials have also changed dramatically. Staying true to a core mission is nonnegotiable for earning trust within the community, but building flexibility into the program and pricing is important to ensure sustainability.

2. Cultural preservation is dynamic, not static, and takes

many different forms. Unlike artifacts in a gallery, culture must be allowed to live, breathe, and grow; in the case of small business and community space, a balance must be found between celebrating the past and building toward the future. Mangrove FC created a succession planning model designed to preserve the affordability of commercial space in perpetuity for legacy vendors and their descendants, but there has been little traction in putting succession plans in place because few of the vendors have been able to identify a successor.

In addition to aiming to preserve the businesses themselves, it is therefore important to preserve the culture of the space beyond the individual businesses. Mangrove FC endeavors to integrate the legacy of the vendor market into the daily practice of the community business incubator. For example, high school students practiced operating video production equipment in the design studio by conducting interviews with the legacy vendors, creating opportunities for intergenerational storytelling.

“
Staying true to a core mission is nonnegotiable for earning trust within the community, but building flexibility into the program and pricing is important to ensure sustainability.
”

3. It is challenging to enforce compliance as a mission-driven organization, but enforcement is a critical path to sustainability and can benefit all parties. The vendors' time in the temporary market never quite felt settled, especially after major disruptions caused by the pandemic. It was difficult for the team to find the right moment to begin to enforce compliance even while providing support. However, there was a clear difference in success between vendors who were able to obtain necessary licenses and follow safety protocols and those who had not prioritized compliance. Some enforcement is necessary to get businesses on the path to viability.

4. Sufficient staff capacity is necessary to create support for incubating businesses to outgrow the need for subsidy, making affordability sustainable. Below-market rents are a crucial piece of the puzzle for preserving legacy businesses and incubating new local businesses. Mangrove FC's goal is to support business owners to grow their operations to the level of being able to afford to rent, and ideally someday own, their own commercial space. We learned that one-on-one and class-based technical assistance is an effective way to meet this goal, which means it is necessary to ensure sufficient staff capacity and expertise to support business owners in their growth.

5. Community events help drive foot traffic to the legacy businesses. Events that speak to the needs and interests of the neighborhood create a center of gravity within the space, helping residents discover legacy businesses and helping the businesses build a customer base within a new generation.

RECOMMENDATIONS

While the project continues to evolve, initial progress points to a set of recommendations for real estate developers, market and incubator managers, and cultural preservationists who are interested in promoting community ownership. Developers should consider temporary relocation as a strategy for preserving small businesses, particularly in changing neighborhoods where development is necessary to supply affordable housing. Funding sources should be secured from the outset to avoid the risk of broken promises. Compliance should be framed as a path toward sustainability and opportunity, with adequate assistance provided to make that path viable. Finally, space managers should consider future legacies while preserving neighborhood anchors, creating space for the community to continue to write their own narrative across generations.

1. Mixed-use real estate developers should consider temporary relocation and technical assistance strategies to encourage the preservation of small businesses in redeveloped buildings.

Helping businesses move to a temporary location during construction or redevelopment of their original building is cost- and effort-intensive, but it is an effective way of preserving small businesses in a changing neighborhood. Actors seeking to implement the strategy should consider temporary operating space during construction, below-market rent or condo purchase prices in the redeveloped space to help businesses transition, and technical assistance to support new lines of revenue within legacy businesses to ensure their long-term success in the new location.

“ I see the market as the union of the past and the present. If you don't know your history, you cannot go any further, so you definitely have to give your roots value. I see Mangrove as the future, but with the same community. It doesn't necessarily have to be the vendors' sons and daughters, it can be their nieces, their next-door neighbors. ”

– Marijo Montrose, Mangrove FC general manager

2. Create an operational budget and identify and secure funding sources from the outset of the project. The budget may change as the program adapts to stay relevant, and funding commitments can be mercurial. Yet in order to avoid making commitments that can't be met, it is critical to secure as much of the necessary funding as possible to cover operations at least 5 years into the future.

3. Reframe compliance as a pathway for safeguarding and growing opportunities. Expanding and building on the legacy of our vendors and local community is the guiding principle of Mangrove FC. However, legacy is only sustained through maintenance, compliance, and accountability. When these practices are overlooked—whether in licensing, rent payments, or operational standards—businesses risk instability and missed opportunities.

Upholding standards creates pathways for growth and independence. For example, legacy vendors interested in wholesale must meet New York State Department of Agriculture and Markets requirements. Without compliance, such opportunities remain out of reach. Holding businesses accountable helps them maintain the foundation they've built while preparing to adapt and grow. By framing compliance as a tool for fortification, supporting organizations can help businesses build capacity, unlock new revenue streams, and ensure long-term resilience.

4. Consider the future of the space in the context of cultural preservation. To take preservation into the long term, promote conditions for new business development within the legacy community. Allow the community to guide the preservation by identifying the elements to be held, celebrated, and promoted. For example, Mangrove FC aims to prioritize community leadership of preservation by building infrastructure for residents, legacy vendors, and local businesses to easily create and host their own events in the market space. The market has been the site of community potlucks, dinners cooked by student chefs in menus that celebrate their cultural heritage, food giveaways, holiday brunches hosted by the legacy vendors, comedy nights, and myriad other events that build

on the site's history as a Caribbean marketplace while creating space for the Flatbush of today.

Conclusion

The corner of Flatbush and Caton Avenues has seen dramatic changes over the last 25 years. It became the site of first a one-story, then a 14-story home for a Caribbean marketplace, with myriad versions of technical assistance and business accelerator services that bring active and aspiring entrepreneurs of all ages into a laboratory to test and expand their ideas.

The promise of this community anchor, originated by Dr. Una Clarke, was preserved through redevelopment by a deal structure that allowed Urbane and the Mangrove FC team to implement three key community ownership strategies. First, the team relocated the market's legacy vendors to a nearby temporary space during the years of redevelopment. The team worked to promote and activate the temporary market while supporting the vendors to formalize and strengthen their businesses in preparation for greater regulatory compliance and a new customer base. The preservation of the legacy vendors was further guaranteed through a succession plan, through which they could name someone to take over their business with the same permanently below-market rent structure.

Second, the team designed the various spaces of Mangrove FC to maximize affordable production and retail space with supportive services, creating conditions under which community-owned businesses can sustainably start up and grow. From well below-market shared kitchen rates to a food hall with a profit-sharing model, the facility uses various tools to make business incubation more affordable for entrepreneurial Central Brooklyn residents. Business courses, in-house coaches, and external industry experts advise and strengthen the community's business owners. The variety of activities throughout the facility amplifies the customer base and opens possibilities for productive cross-industry and intergenerational learning and collaboration.

Finally, the Mangrove FC team uses the facility as a local hub to test and incubate additional pathways toward community ownership. Access to a pool

of small food businesses has allowed the team and partners to research and support the launch of a purchasing and procurement cooperative, which shows the potential of shared ownership to generate exponential growth opportunities for individual businesses. The facility's capacity for bringing community members together is being leveraged to promote community investor education among Flatbush residents. The goal of this education is to build capacity for collective investment in real estate development and local businesses. By testing and gathering input on these developing models, the Mangrove FC team hopes to build channels for individual and collective ownership that are responsive to the community's goals and preferences.

In implementing these strategies, the team has learned to treat cultural preservation as a dynamic and community-informed project and that, in a long development timeline, initial assumptions and goals can change significantly. Sufficient staff capacity and strong community activations are critical for ensuring the success of legacy and incubating businesses in a changing neighborhood. This case demonstrates that relocation of legacy businesses in a redevelopment is challenging but can be successful, and that secured funding and compliance enforcement are both key to sustainability in a small business marketplace. It also highlights one path for considering cultural preservation as a generational endeavor.

The many changes on the corner of Flatbush and Caton Avenues have been guided by a consistent vision to generate and amplify assets owned by the Flatbush and Central Brooklyn community. As the project evolves and the team continues to learn alongside the community, the scope of these assets is expanding from businesses to cooperatives and commercial real estate. Mangrove FC demonstrates possibilities of community ownership to preserve culture and small business without sacrificing the continued generation of new stories, businesses, and legacies.

Endnotes

¹ Data collected from Vendor Assessments, surveys that were conducted by members of Urbane's team one-on-one and in the vendor's primary language.

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APPENDIX A: INTERVIEWEES

- Abou Sow, entrepreneur and cohost of Food For Thought series
- Androniki Lagos, founder of the Food Guild project
- Anya Peters, entrepreneur and Mangrove member
- Irene Thompson, legacy vendor
- Ivi Lewis, success manager at YDC
- James Johnson-Piett, Urbane CEO and founder
- KamishaRa MezouPta, CBA participant and FC Market manager
- Marijo Montrose, FC general manager
- Minnie Stapleton, legacy vendor
- Nicole Thomas, entrepreneur and Mangrove member
- Nigel Thompson, entrepreneur and Mangrove member
- Selwyn Branker, legacy vendor
- Tara Brown, entrepreneur and Mangrove member
- Thelma Reid, legacy vendor

APPENDIX B: CATON FLATS FINANCING

FINAL CATON FLATS DEVELOPMENT FINANCING STACK	
Source of Funds	Amount
City bonds for housing	\$ 60,600,000
Second mortgage	\$ 15,000,000
Third mortgage	\$ 29,400,000
Fourth mortgage	\$ 12,000,000
Developer equity	\$ 10,500,000
Government grants	\$ 6,400,000

Source: ‘A Market for Little Caribbean’ (Yale Case 21-013), by G. Kinkead, K. Cooney, and J. Elias, September 16, 2021, Yale School of Management (<https://doi.org/10.4135/9781529621976>).

PRE-DEVELOPMENT COSTS, INCLUDING COST OF THE TEMPORARY MARKET		
Year	Reason	Amount
2013	Conceptual drawings for the request for proposals	\$30,000
2014	Legal costs to negotiate the purchase contract for the site	\$250,000
2015	Architect and engineer fees after BRP wins the contract	\$357,873
2016	Construction drawings by architects and engineering and legal fees as the New York City Planning Commission rezones the project with the architect.	\$440,061
2017	Legal and accounting fees on project loans, closing costs on construction loans, architectural drawings, fee to Urbane to manage the Caribbean market, relocation of the Caribbean market in Flatbush and fitting it out, after the New York City Council approves rezoned project	\$3,568,895
2018	Rent for the relocated Caribbean market and legal and engineering costs for construction contracts	\$1,013,622
Total	Prior to Construction	\$5,660,451

Source: ‘A Market for Little Caribbean’ (Yale Case 21-013), by G. Kinkead, K. Cooney, and J. Elias, September 16, 2021, Yale School of Management (<https://doi.org/10.4135/9781529621976>).

Chapter 5

Partnership in Property Commercial Land Trust

Preventing Displacement of BIPOC Entrepreneurs in the Minneapolis–St. Paul Region

- **Domonique Jones**, Executive Director
- **Jon Kozesky**, Grants Manager
- **Arthur Martin**, Executive Assistant

Partnership in Property Commercial Land Trust

For more information, contact Domonique Jones, domonique@pipclt.org

Acknowledgments

We would like to sincerely acknowledge and thank the organizations, entities, and individuals who have contributed to the Partnership in Property Commercial Land Trust's (PIPCLT) mission to reduce displacement and break down barriers for BIPOC (Black, Indigenous, and people of color) entrepreneurs. The entrepreneurs we serve inspire us to drive change by addressing systemic issues in our region. These brave business owners seek our support to bring their dreams of owning, operating, and sustaining successful ventures to life through community-driven land ownership. Their resilience in confronting systemic racism inspires us to take action in removing obstacles to business ownership. Small businesses are the backbone of a thriving community, and as we dismantle these barriers, we create a more vibrant, diverse, and equitable economy in the Minneapolis–St. Paul region.

We also extend our heartfelt gratitude to the site visit planning team whose dedication and coordination brought more than 30 professionals to Minnesota to experience our work firsthand. Your thoughtful efforts in organizing a meaningful and engaging visit made a lasting impression and helped deepen understanding of the importance of community ownership and economic justice. Thank you for your commitment to advancing equity and investing in place-based solutions.

Executive Summary

This case study examines the community land trust (CLT) model as an innovative way to combat small business displacement—a phenomenon where existing businesses are forced to close or relocate due to factors like soaring rents, urban revitalization, and pro-development policies. Nationwide, researchers estimate that in high-cost urban areas, small business closure rates have climbed significantly in the last several years, reflecting the growing vulnerability of independent entrepreneurs to market pressures (Fitzgerald & Leigh, 2020; Zuk et al., 2018). The CLT model, traditionally used for affordable housing, is now being adapted to support commercial spaces, offering long-term affordability and community control (Davis, 2010; Jacobus & Lubell, 2007).

[Partnership in Property Commercial Land Trust](#) (PIPCLT), established in 2021 in Minneapolis, acquires and holds commercial property “in trust” indefinitely to ensure lasting affordability for BIPOC (Black, Indigenous, and people of

color) entrepreneurs. While BIPOC-owned businesses have grown across the United States, systemic barriers to resources including financing remain, resulting in persistent inequality in property ownership in the Twin Cities as elsewhere.

North Minneapolis, where PIPCLT concentrates its efforts, typifies the challenges of racial inequities and gentrification pressures. Rising rents and predatory landlord practices jeopardize small businesses, undermining economic stability and cultural continuity. By taking land out of speculative markets and placing it under long-term community stewardship, PIPCLT's strategy counters these threats. Their commercial land trust model ensures that properties remain affordable and accessible, giving entrepreneurs the chance to build generational wealth through stable and secure occupancy arrangements.

Analysis of PIPCLT's work reveals that building strong local alliances, diversifying funding sources, and engaging community members at every stage are key drivers of success. As a blueprint for other

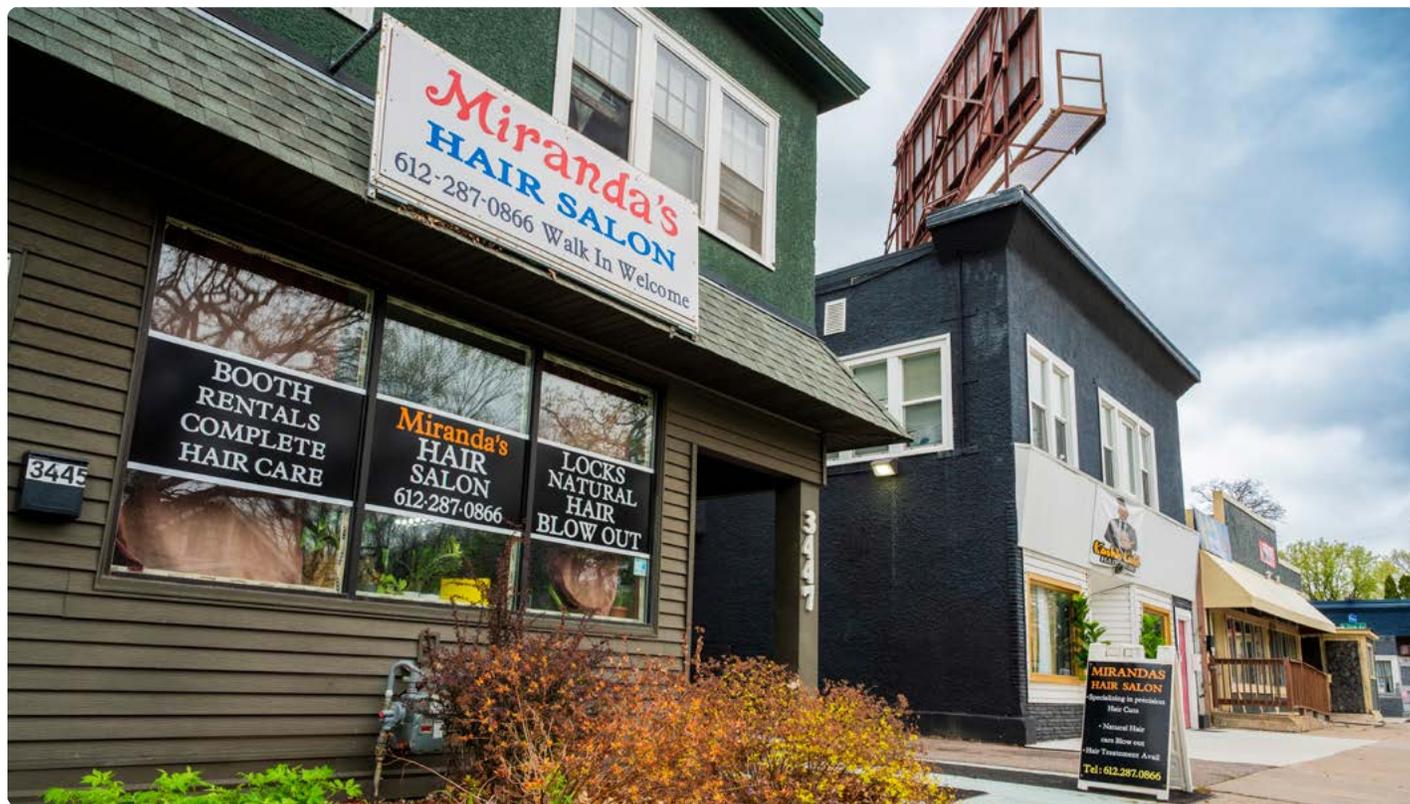
neighborhoods, the model underscores the importance of tailoring anti-displacement measures to the specific economic realities and cultural fabric of a community. Rigorous monitoring and evaluation further strengthen its impact, ensuring long-term stability for local businesses.

Communities seeking to replicate PIPCLT's achievements should embrace similar approaches—pursuing a shared-ownership framework, aligning partners around equitable development, and remaining vigilant about rising property costs. By safeguarding commercial space for BIPOC entrepreneurs, PIPCLT demonstrates how collective land ownership can foster economic resilience, combat displacement, and cultivate lasting community wealth.

Introduction

This case study showcases the innovative approach of the PIPCLT in addressing the pressing issue of commercial property ownership inequity in BIPOC communities in Minneapolis, Minnesota.

Figure 5.1: PIPCLT-owned buildings on Pennsylvania Ave. in North Minneapolis. *Photo: Andrea Ellen Reed*



Minnesota's BIPOC owned businesses are underrepresented but outperforming their U.S. peers

Minority-owned businesses (MBEs): Minnesota and United States, 2018

	Population of color as % share of total population	Total # of MBE non employer businesses	% share of total non employers	MBE employer firms	% share of total employer firms
Minnesota	23.7%	56,000	13.5%	7,087	6.7%
United States	42.2%	8,700,000	37.4%	1,048,323	22.7%

	MBE non-employer businesses (\$ revenue per business)	MBE employer firms (# of employees per firm)	MBE employer firms (annual \$ payroll per firm)
Minnesota	\$38,787	12.2	\$327,000
United States	\$35,184	9.4	\$323,000

Source: US Census, Nonemployer Statistics

Figure 5.2: Minnesota Employer Startups by Region, 2025

By examining PIPCLT's mission, vision, and operational strategies, this case study illuminates the organization's initiatives in promoting economic justice and community empowerment through the proven community-driven ownership of commercial land.

The concept of a commercial land trust is grounded in the principle of de-commodifying land and transforming it into a community asset in perpetuity. It works by removing land from the speculative market, turning it into a community-owned asset. This case study demonstrates how through this approach, PIPCLT has helped BIPOC business owners obtain property, supported underserved communities, and challenged systems of racialized capitalism that have historically limited BIPOC communities' access to economic opportunities. By examining PIPCLT's goals, methods, and outcomes, the case study demonstrates the transformative nature of community-driven property ownership.

PURPOSE AND PROBLEM

Racial inequities in homeownership and business ownership in Minneapolis today are deeply connected

to the region's history. While the Twin Cities have become home to many large, successful companies, Black, Indigenous, and other communities of color have often been left out of opportunities to build wealth. In some cases, their communities were intentionally harmed, such as in the demolition of the Rondo neighborhood in St. Paul during highway construction in the 1950s and 60s, which displaced hundreds of Black families and businesses (Fullilove, 2004; Nelson, 2021). These historical injustices continue to shape present-day realities. Today, the Twin Cities have some of the largest racial gaps in the country in areas like income, education, homeownership, and health (Metropolitan Council, 2014; U.S. Census Bureau, 2020). Data also show a notable disparity: the Minneapolis–St. Paul region both generates more jobs and has a significantly higher poverty rate than surrounding regions.

As Minneapolis works to address the longstanding inequities faced by its BIPOC communities, the city also holds unique assets and opportunities to create a more equitable and inclusive future. One such opportunity lies in expanding wealth-building

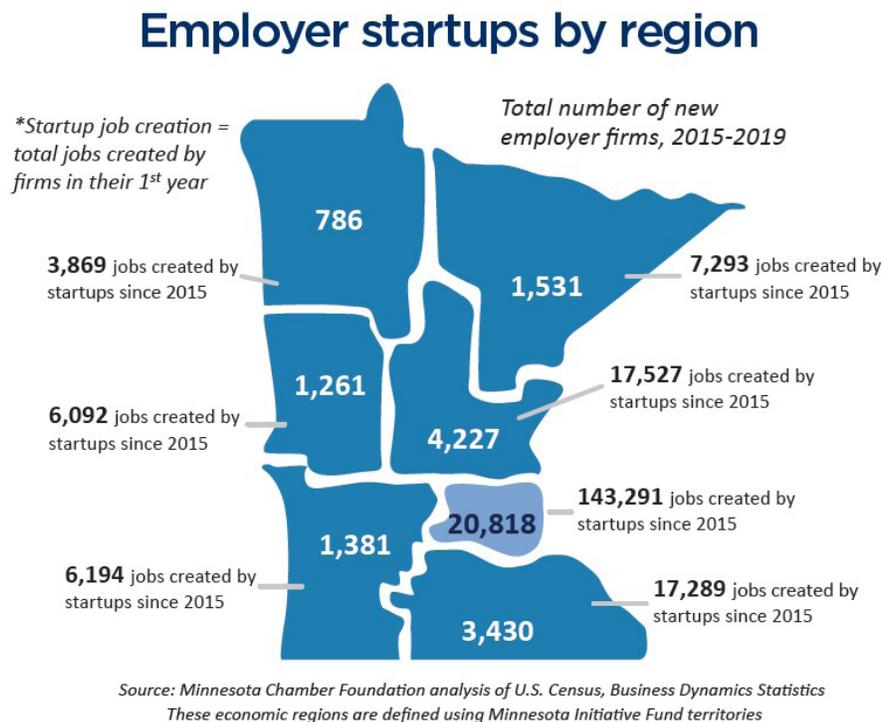
pathways for youth—an often overlooked group in conversations about ownership and economic mobility. By supporting youth-led initiatives in both residential and commercial real estate, the city can help young people gain experience, build equity, and shape their communities. While advancing BIPOC homeownership and entrepreneurship are critical strategies for building intergenerational wealth, these efforts must be aligned with broader equity goals in rental housing, workforce development, education, transportation, health, and policy. Addressing these interconnected areas is essential to fostering long-term stability and opportunity for all Minneapolis residents.

There is a persistent racial gap in commercial property ownership, and real estate assets in majority-Black communities are undervalued by an average of 23% compared to similar properties in majority-White neighborhoods (UNC School of Government, 2021). At the same time, BIPOC-owned businesses remain underrepresented in Minnesota’s economy. Despite making up 23.7% of the state’s population, people of color account for only 13.5% of

non-employer business owners and just 6.7% of employer firm owners (U.S. Census Bureau, 2021). These disparities highlight systemic barriers to property ownership and entrepreneurship, and the urgent need for initiatives like PIPCLT to create equitable opportunities. See Figure 5.1 for a visual representation of these disparities.

The demographic analysis reveals the substantial growth trajectory of BIPOC-owned businesses in Minnesota. For example, BIPOC business ownership in Minnesota rose from 6.3% of businesses in 2007 to 11.1% in 2017. Between 2012 and 2018, the state experienced a net increase of 15,522 minority-owned businesses. By 2018 there were 63,097 minority-owned firms, which accounted for 12.3% of all businesses in Minnesota. This growth was observed in both employer- and non-employer businesses, with minority-owned employer firms increasing by 25.4% and minority-owned non-employers increasing by 33.6% during the same period. In 2018, BIPOC-owned businesses employed over 87,000 people and generated \$2.3 billion in payroll, representing significant economic contributions.

Figure 5.3: Minnesota BIPOC-Owned Businesses Compared to U.S. Peers



Despite these positive trends, disparities persist in terms of employment and revenue among businesses owned by BIPOC individuals, underscoring the need for targeted interventions to support BIPOC entrepreneurs in scaling their ventures and accessing equitable opportunities for growth and prosperity.

PIPCLT seeks to tackle this issue through the rent-to-own and full ownership and acquisition models, providing Minnesota BIPOC business owners with opportunities for long-term, affordable ownership of commercial spaces, thereby addressing displacement. Through its mission-driven approach to (re)develop and preserve long-term affordable commercial spaces through community-driven ownership of land, PIPCLT confronts systemic inequities and creates a more inclusive and prosperous economic landscape for BIPOC entrepreneurs.

OVERVIEW OF CHALLENGES FOR BIPOC ENTREPRENEURS

In Minneapolis, Minnesota, small businesses, especially those owned by BIPOC entrepreneurs, encounter numerous challenges that hinder their growth and sustainability. The box provides an overview of the major challenges specific to this geographic area.

Addressing these challenges requires collaborative and community-driven efforts that prioritize equity, inclusivity, and economic justice. Models like PIPCLT's empower BIPOC entrepreneurs by providing access to affordable commercial space,

Challenges for Minneapolis BIPOC Entrepreneurs

1. Limited Access to Affordable Commercial Space:

In Minneapolis, the availability of affordable commercial space is a pressing issue for small businesses. Rising property values and gentrification in certain neighborhoods have led to increased rents and property costs, making it difficult for BIPOC entrepreneurs to find suitable locations to establish or expand their businesses.

2. Displacement and

Gentrification: Gentrification pressures in Minneapolis have resulted in the displacement of longstanding businesses, cultural institutions, and residents, particularly in historically BIPOC neighborhoods. As wealthier residents move in and property values rise, small businesses often face increased rent costs or are forced out of their locations, leading to the loss of community assets and cultural diversity.

3. Lack of Access to Capital:

BIPOC-owned small businesses in Minneapolis often struggle to access capital and financing needed to start or grow their ventures. Discriminatory lending practices, limited access to traditional financial institutions, and a lack of collateral or credit history create significant barriers for BIPOC entrepreneurs seeking loans or investment capital.

4. Limited Business Support

Services: Many small businesses in Minneapolis lack access to essential support

services and resources, such as business development assistance, technical training, and mentorship programs. BIPOC entrepreneurs, in particular, may face challenges in accessing these services due to systemic barriers, language barriers, or a lack of awareness about available resources.

5. Racial and Economic

Inequities: Structural racism and economic disparities persist in Minneapolis, contributing to the marginalization of BIPOC-owned businesses. BIPOC entrepreneurs often face systemic barriers to success, including unequal access to education, employment opportunities, and business networks, which impact their ability to compete and thrive in the local economy.

6. Limited Community-Minded Ownership of Commercial

Property: A lack of community-centered commercial property ownership—whether by absentee landlords, speculative investors, or even some local owners—can create instability for small businesses. Without long-term, affordable lease agreements and supportive landlord-tenant relationships, entrepreneurs face uncertainty that prevents them from investing in their businesses or planning for the future. Increasing access to mission-driven or community-led ownership models can help create more supportive and sustainable commercial environments.

promoting community ownership, and fostering economic resilience. By addressing the root causes of inequity and investing in BIPOC-owned businesses, initiatives like PIPCLT contribute to building more equitable and vibrant communities in Minneapolis, where all businesses can thrive.

ADVANCING ANTI-DISPLACEMENT POLICY AND PRACTICE

BIPOC communities in Minneapolis–St. Paul face disproportionate risks of displacement due to gentrification and ongoing economic redevelopment. These risks are deeply rooted in a history of racial exclusion, disinvestment, and discriminatory development practices. Rising commercial rents are pricing local entrepreneurs out of the market. A 2020 report from the University of Minnesota’s Center for Urban and Regional Affairs (CURA) found that 70% of Minneapolis neighborhoods experiencing rapid development showed signs of cultural displacement, particularly among Black- and immigrant-owned businesses (CURA, 2020).

These challenges aren’t unique to the Twin Cities. Across the country, gentrifying neighborhoods are seeing commercial rents increase by over 200% between 2000 and 2016, pushing out long-established small businesses that can no longer afford to operate (Institute for Local Self-Reliance, 2016). Nationally, an estimated 30–40% of small businesses in rapidly gentrifying areas are forced to close within a decade due to escalating costs and redevelopment (National Community Reinvestment Coalition, 2019). Suburban communities surrounding the Twin Cities, such as Richfield, Bloomington, Maplewood, and Roseville, are also beginning to experience similar pressures, particularly in increasingly diverse neighborhoods.

Minneapolis has a unique opportunity to lead in advancing anti-displacement policies and practices that protect small businesses and foster economic inclusion. Investing in community-centered strategies, such as commercial land trusts and long-term affordability policies, can ensure that BIPOC entrepreneurs have the opportunity to thrive without fear of being displaced.

Benefits for Stakeholders of Addressing Commercial Gentrification and Promoting BIPOC-Owned Small Businesses

Government: Governments benefit from reduced social tensions and the preservation of diverse communities, contributing to social stability and cohesion. Additionally, sustainable BIPOC-owned businesses can lead to increased tax revenues and economic growth.

Public: The public benefits from a more inclusive and diverse local economy, with greater access to a variety of goods, services, and cultural experiences. This can enhance quality of life and contribute to the overall vitality of neighborhoods.

Private Sector: Private businesses, particularly those owned by BIPOC entrepreneurs, benefit from increased opportunities for growth and sustainability. Moreover, fostering a diverse business ecosystem can lead to innovation, creativity, and competitiveness in the marketplace.

Institutions: Institutions such as community development organizations, nonprofits, and educational institutions benefit from strengthened partnerships and community engagement. They support BIPOC-owned businesses by providing funding, mentorship, network access, and policy advocacy to advance equitable economic development and build more inclusive local economies.

Community: Local communities benefit from the preservation of their cultural identity, economic resilience, and social cohesion. BIPOC-owned businesses often serve as anchors within neighborhoods, providing employment opportunities, fostering community pride, and contributing to local revitalization efforts.



Figure 5.4: PIPCLT offices at 1819 Lowry Ave. in North Minneapolis. *Photo: Andrea Ellen Reed*

Case Study Approach

For this study, PIPCLT used multiple data sources to explore disparities in business ownership and economic opportunities for people of color in the Twin Cities. The organization collected data using both qualitative and quantitative methods to capture a holistic picture of entrepreneurship and business ownership dynamics among people of color in Minneapolis.

PIPCLT's approach to data collection seeks to answer the following questions:

- What are the racial disparities in commercial property ownership and business performance in the Twin Cities?
- How do BIPOC-owned businesses perform compared to peers when provided with equitable ownership opportunities?
- What structural barriers inhibit BIPOC entrepreneurs from acquiring and maintaining commercial property ownership in Minneapolis?

To answer the above questions, PIPCLT developed a mixed-methods approach to integrate public data, institutional resources, and community-driven primary research. Over 6 years, PIPCLT has tracked data from the U.S. Census, Integrated Public Use Microdata Series, and the University of Minnesota to examine racial disparities in business ownership, employment, and poverty in the Twin Cities. These sources revealed that while BIPOC-owned businesses remain underrepresented, they outperform peers when adequately supported.

PIPCLT's established baseline uses historical data on business performance and commercial property ownership in underserved neighborhoods. Ongoing evaluation efforts include regular surveys, updated public datasets, and project-specific monitoring to adapt business practices and community wealth. Success is measured by growth in BIPOC commercial property ownership, business sustainability supported by PIPCLT, and reduced displacement.

Leading Organization

PIPCLT, originally initiated as a pilot project under the City of Lakes Community Land Trust (CLCLT) in 2018, has distinguished itself as a leading organization in Minneapolis for developing innovative anti-displacement tools. Leveraging the rich experience garnered from its roots with CLCLT—one of the nation’s largest residential land trusts—PIPCLT has effectively adapted and applied the land trust model to commercial properties, emphasizing community control and long-term affordability for BIPOC entrepreneurs.

PIPCLT’s approach integrates innovative financing, property acquisition, and entrepreneur development programs to create affordable commercial spaces for BIPOC and other underserved business owners. An example is the 35th and Penn Avenue North project, which has revitalized two commercial properties occupied by long-time BIPOC business owners. By preventing displacement and preserving local businesses, PIPCLT lives out its commitment to community-driven growth. This is achieved by providing an affordability investment towards the purchase of commercial properties, typically bringing 20–40% of the overall purchase price. The land is then placed in trust and governed by community ownership, ensuring long-term affordability and community control of neighborhood development.

LEADERSHIP AND ORGANIZATIONAL STRUCTURE

PIPCLT’s leadership team is focused on helping communities of color build wealth through property ownership. While our staff is relatively small, our Board of Directors consists of a diverse mix of industry leaders. PIPCLT is proudly woman- and BIPOC-led, with a majority of our board members identifying as BIPOC individuals. This leadership structure ensures that our operations and collaborations are deeply rooted in the lived experiences and needs of the communities PIPCLT serves.

From insights into systemic inequities to strategic vision for equitable development, PIPCLT’s diverse leadership brings a wealth of experience and perspectives that drive its mission to promote equitable development and address systemic barriers. Among them are individuals who have held senior roles in insurance, business consulting, nonprofit leadership, diversity-focused enterprises, healthcare program management, and construction engineering. Additionally, an entrepreneur who sits on the board contributes business acumen and community engagement skills. This collective expertise ensures a comprehensive approach to addressing systemic barriers and promoting equitable development.

“
PIPCLT’s approach integrates innovative financing, property acquisition, and entrepreneur development programs to create affordable commercial spaces for BIPOC and other underserved business owners.
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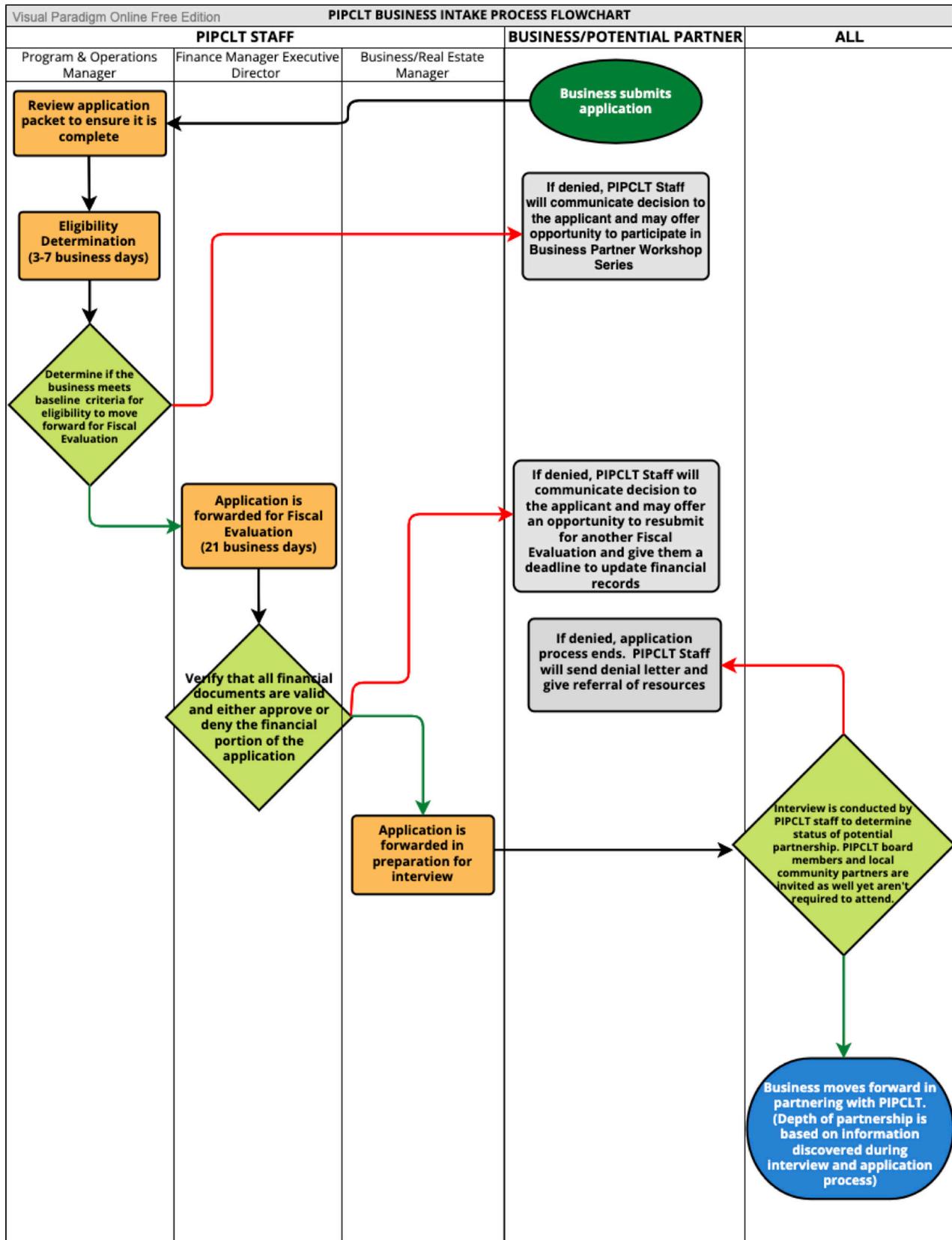
PIPCLT currently operates with five full-time staff members and an annual organizational budget of approximately \$2,098,634, with support from key funders including the Minneapolis Foundation, Target Foundation, and St. Paul and Minnesota Foundation. Its leaders prioritize providing the necessary resources, support, and infrastructure to enable innovation by allocating funding, time, and expertise to innovative projects and initiatives

within the organization. They also provide mentorship, guidance, and professional development opportunities to help build team members’ skills and realize their innovative ideas.

PIPCLT INITIATIVES

The initiatives designed to combat displacement in the Twin Cities share themes that address the historical racial inequities in property ownership and entrepreneurship. These initiatives’ main goal is to create pathways for BIPOC populations. Recognizing the historical exclusion of communities of color from economic opportunities, we focus on entrepreneurship and property ownership to provide the tools to make multi-generational wealth possible for historically underserved communities affected by gentrification.

Figure 5.5: PIPCLT Business Partner Intake Process



Another critical focus of these anti-displacement initiatives is on dismantling systemic barriers that have long hindered BIPOC individuals from achieving success in business ownership. Challenges such as limited access to credit, a lack of social networks, and underrepresentation in higher-revenue industries have perpetuated economic disparities. By addressing these obstacles, PIPCLT initiative models level the playing field for aspiring entrepreneurs of color.

In addition to supporting entrepreneurship, the PIPCLT model recognizes that broader equity across essential areas—such as education, health, and workforce development—is key to achieving lasting economic stability. This holistic approach goes beyond promoting ownership; it seeks to repair the intergenerational harm experienced by communities of color in the Twin Cities. By focusing on reducing racial wealth gaps and fostering an inclusive economic environment, these efforts work to build a foundation for sustainable and long-term prosperity on a neighborhood-level basis.

Neighborhood Context

This case study explores the intricacies of racialized capitalism, which is the concentration of capital, multi-generational wealth, and investment patterns that have systematically benefited White communities at the expense of BIPOC and immigrant communities in Minnesota, with a specific focus on small business ownership and displacement. The area under examination reveals a demographic composition of 48% Black or African American, 25% White, and 15% Asian, highlighting significant disparities in economic conditions. In Minneapolis, the poverty rate for Black or African American residents stands at 42%, compared to just 13% for White (non-Hispanic) residents. Similarly, the unemployment rate is starkly different, with 29% of Black or African American individuals unemployed compared to 6% of their White counterparts. Additionally, the median household income for Black or African American families is \$25,000, whereas White families earn around \$60,000.

The roots of these disparities are deeply intertwined with historical and systemic issues, including discriminatory lending practices, limited access to capital,

Minneapolis Racial & Ethnic Diversity Index 2021

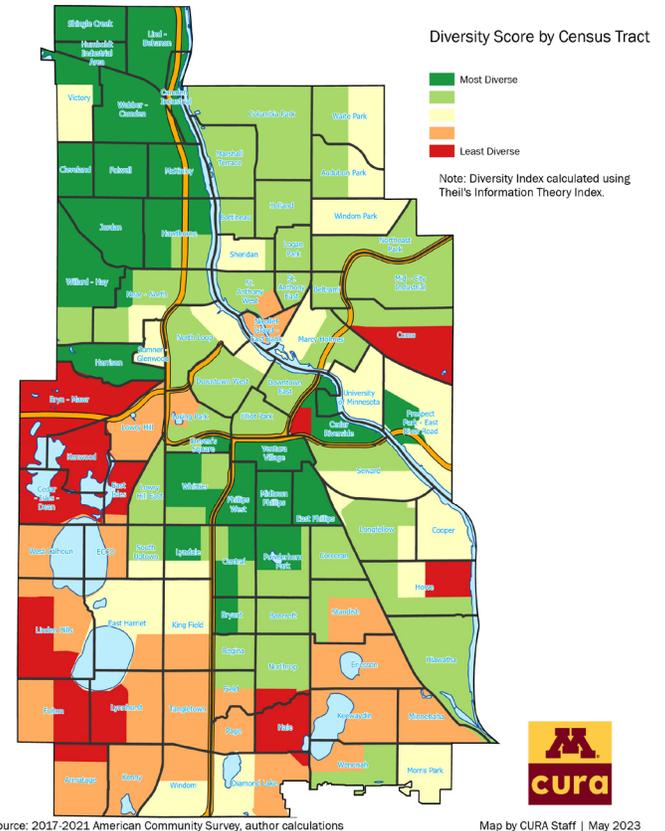


Figure 5.6: Minneapolis Racial & Ethnic Diversity Index, 2021

unexpected inflation, and unequal access to critical resources. The legacy of events such as the destruction of the Rondo community in St. Paul has severely impacted wealth-building opportunities for BIPOC communities. Despite the Twin Cities being a hub for billion-dollar corporations, BIPOC residents have long faced barriers to economic prosperity. The concentration of BIPOC households in certain neighborhoods, coupled with unequal home and commercial property ownership, has further widened the wealth gap.

Recent challenges, including the COVID-19 pandemic and the aftermath of George Floyd's murder, have intensified existing disparities, particularly for African American business owners. These events have underscored the urgent need for innovative solutions to address systemic inequities in the small business climate.

Despite recent gains, Minnesota’s entrepreneurs of color face persistent barriers. BIPOC business ownership in Minnesota is increasing at a rapid pace. By building wealth through entrepreneurship, the state’s racially and ethnically diverse entrepreneurs could potentially reduce persistent racial and ethnic gaps in income and wealth. However, Native Americans and people of color are still underrepresented among business owners relative to their share of the state’s adult population. BIPOC-owned businesses tend to be smaller and have lower revenues than those owned by Whites, and persistent barriers to expansion—including limited credit access—may inhibit their success. Additionally, sectoral disparities are significant; BIPOC-owned businesses often operate in industries with lower gross receipts and fewer employees compared to their White counterparts. Our analysis of current statistics and research in this area highlights both recent trends and long-standing barriers, and points to a need for more detailed data.

PIPCLT’s efforts are focused on creating a more equitable economic landscape where BIPOC entrepreneurs have access to necessary resources, can build wealth, and contribute to the vibrancy of their communities. The success of these initiatives will be gauged by their ability to provide tangible support, such as gap funding, and whether they meet the demand for commercial space in underserved areas, ultimately promoting economic justice and community empowerment across Minnesota.

Overall, while there are positive trends in the growth of BIPOC-owned businesses in Minnesota, there are persistent disparities in representation, economic outcomes, and access to resources compared to White-owned businesses. Addressing these disparities requires targeted interventions and policies aimed at reducing barriers to entry and fostering equitable opportunities for BIPOC entrepreneurs.

Figure 5.7: Anthony Martin, owner of Kashh Kartel hair studio and PIPCLT tenant. *Photo: Andrea Ellen Reed*



About Minnesota BIPOC Business Owners

Demographics:

- Minnesota's population comprises approximately 23.7% people of color, yet they are underrepresented in business ownership.
- BIPOC individuals represent only 13.5% of all non-employer business owners and a mere 6.7% of employer firm owners, indicating a substantial gap in entrepreneurship.

Business growth:

- Between 2012 and 2018, Minnesota experienced a notable increase in minority-owned businesses, with a net gain of 15,522 firms, totaling 63,097 firms by 2018.
- Both employer and non-employer BIPOC-owned businesses saw growth during this period, with employer firms increasing by 25.4% and non-employers by 33.6%.

Economic contribution:

- In 2018, BIPOC-owned businesses had significant economic impact in Minnesota, employing over 87,000 people and generating \$2.3 billion in payroll.
- However, there's still a gap in employment and revenue compared to White-owned businesses, suggesting the need for targeted support to enhance growth and prosperity among BIPOC-owned ventures.

Comparison to national trends:

- While Minnesota's BIPOC-owned businesses show growth trends, the level of representation and economic outcomes still lag behind national averages. According to the U.S. Small Business Administration, in 2021, the representation and economic outcomes are behind the national average, where approximately 18.3% of all employer firms are minority-owned, compared to significantly lower rates in several states and regions.
- National data on BIPOC business ownership and economic performance can provide a benchmark for assessing Minnesota's progress and identifying areas for improvement.

Real estate market and policy trends:

- Access to property ownership is a critical factor in business success, and initiatives like PIPCLT aim to address systemic barriers in this regard.
- Real estate policies and market trends should be analyzed to understand their impact on BIPOC entrepreneurs' ability to establish and grow their businesses.

Anti-Displacement Strategies and Tools

A commercial land trust is grounded in the principle of de-commodifying land and transforming it into a community asset in perpetuity. By removing land from the speculative market, the trust seeks to facilitate property ownership for BIPOC business owners, provide essential amenities to underserved communities, and create conditions for a circular economy. This approach disrupts systems of racialized capitalism that have historically marginalized BIPOC communities from property ownership and economic opportunities.

STRATEGY 1: FULL OWNERSHIP AT POINT OF ACQUISITION

The full ownership model aims to empower BIPOC business owners by facilitating the direct purchase of commercial properties. The conceptualization of this strategy is rooted in the belief that owning land provides a foundation for wealth-building and economic stability within marginalized communities. The intent is to transform the land into a community asset that can be leveraged for future growth.

Key indicators for measuring effectiveness of this model include acquiring 5–10 properties within targeted neighborhoods and achieving a 10% annual growth in membership. Short-term outcomes focus

SWOT ANALYSIS

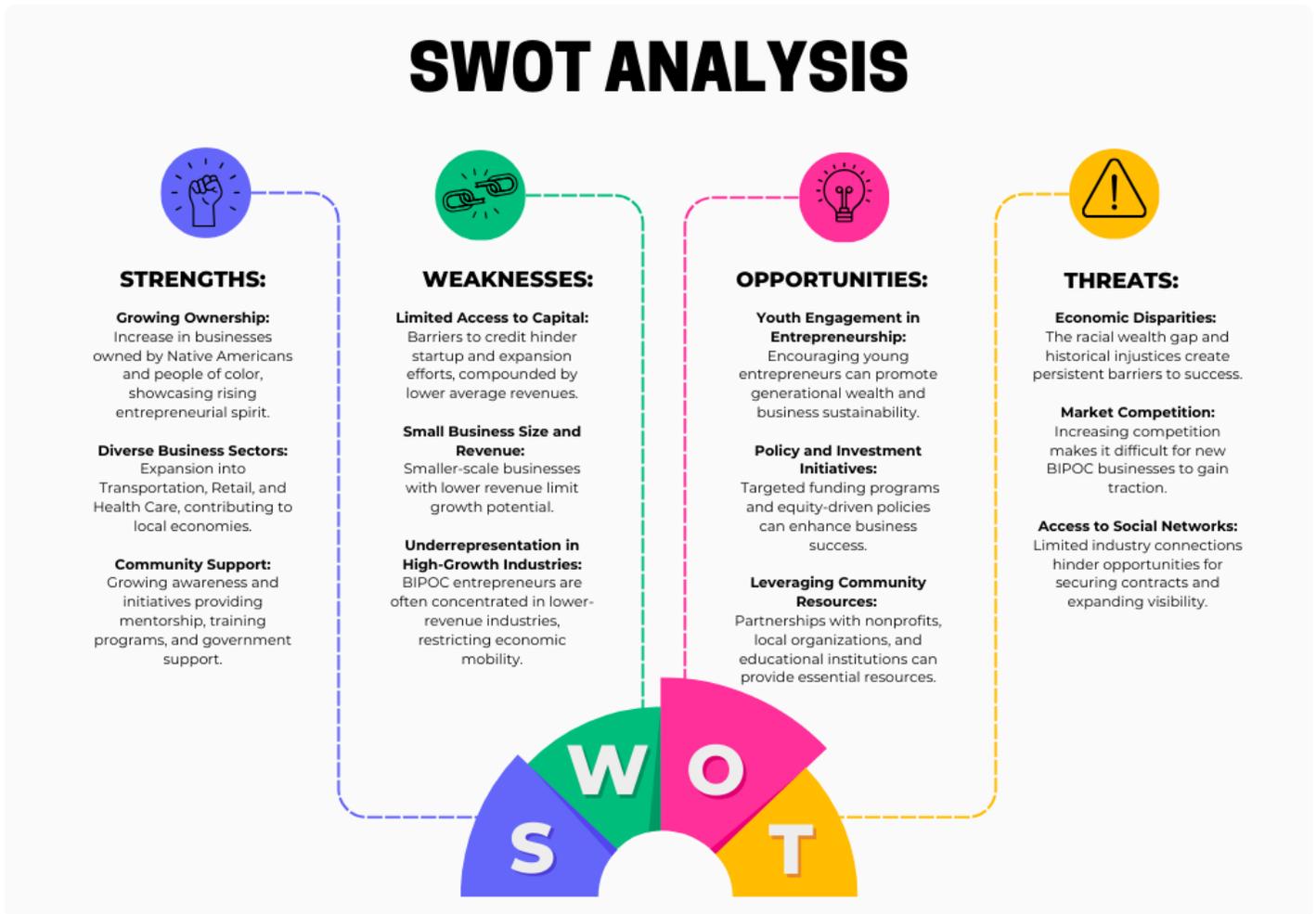


Figure 5.8: This SWOT analysis of the challenges and opportunities that BIPOC small business owners in the Minneapolis–St. Paul region face shows the need for strategic support and community engagement to nurture an inclusive entrepreneurial landscape.

on securing gap funding (20–40%) to assist entrepreneurs with property purchases and establishing necessary organizational infrastructure. Medium-term impacts will be evaluated by monitoring the sustained funding from public sectors and the establishment of a membership fund for property improvements.

Implementation to date includes partnerships with local BIPOC business owners and organizations, and future plans involve scaling operations to increase property acquisitions and community engagement. Evaluation will involve assessing the effectiveness of organizational efforts against the set goals, alongside shifts in community economic conditions, ensuring alignment with the overarching mission.

STRATEGY 2: RENT-TO-OWN

The rent-to-own model serves as an accessible pathway for BIPOC entrepreneurs to secure commercial spaces without the immediate financial burden of a full purchase. Conceptualized as a means to lower entry barriers, this strategy intends to cultivate a sense of ownership and community involvement while providing flexibility to business owners.

Effectiveness will be measured through indicators such as the number of tenants successfully transitioning to ownership, overall tenant satisfaction, and the enhancement of community amenities. Short-term outcomes will focus on establishing lease agreements at below-market rates and assessing tenant financial health. Medium-term



Figure 5.9: In addition to selling beauty products and accessories, small business owner and PIPCLT tenant “Ms. Princess” uses her store to collect items for community members in need. *Photo: Andrea Ellen Reed*

impacts will be evaluated based on the successful transition of tenants to ownership and the extent of community benefits generated through improved services and amenities.

Implementation to date includes purchasing properties for leasing and ongoing negotiations with potential tenants. Future plans involve expanding the number of properties available for rent-to-own arrangements and securing additional funding to support these initiatives. Evaluation will include regular assessments of tenant progress and community feedback, ensuring that the strategy aligns with the organization’s goals of fostering economic empowerment and stability in underserved communities.

Analysis and Recommendations

Across the country, BIPOC business owners face systemic barriers to accessing affordable commercial space. PIPCLT’s model of community land trust ownership can serve as an important tool in combating these barriers by preserving small and local businesses through anti-displacement tools. While urban development and growth are inevitable, they do not have to lead to the displacement of BIPOC small businesses.

PIPCLT’s model provides a transformative pathway to community-driven property ownership. This community-centered approach gives power back

to those who have historically been disenfranchised and shut out from owning land and also pushes back against gentrification by preserving neighborhood identity. Community model preservation can allow cities to revitalize and become more dynamic by being more inclusive and equitable.

PIPCLT's experience has shown that property ownership alone will not sustain BIPOC-owned small businesses. Many small businesses in the United States face challenges accessing capital, adapting to market fluctuations, and maintaining operational capacity. Land ownership can enable a business venture, but without additional support, long-term stability is not guaranteed. PIPCLT has learned that combining ownership opportunities to technical assistance, business development resources, and flexible financing is essential to ensure entrepreneurs can succeed.

PIPCLT has also learned the importance of designing strong administrative systems. Early organizational challenges, including inconsistent property intake processes and limited use of evaluation tools, revealed the need for stronger infrastructure. External challenges have included navigating opaque procurement and property disposition processes, which are time-intensive. The organization's experience with delayed public-sector approvals and complex compliance requirements underscore the need for more flexible policies at the municipal level. Local governments must adapt their systems to accommodate community land trusts and non-speculative acquisition strategies.

It is likewise important that institutions address barriers to capital that BIPOC entrepreneurs face, even when they have high-quality business plans and there is community demand for their services. PIPCLT's ability to provide equity support has been substantial, but addressing the reluctance of traditional lenders and scaling and replicating work like PIPCLT's will require a broader range of actors, including community development financial institutions funds (CDFIs), mission-driven lenders, and flexible public investment.

In an ideal scenario, community nonprofit organizations and the local government would collaborate to address and remove systemic barriers. This work would allow for better economic outcomes throughout the city, not just for BIPOC business owners. Such a vision should be an inspiration for nonprofit practitioners to begin this work themselves, even in the face of entrenched systems.

Ultimately, PIPCLT's model is replicable. The organization's experiences in Minneapolis provide a blueprint for other cities committed to advancing economic justice. Key points include adaptable local policy, targeted financial support, capacity building, and a focus on community agency. Community land trusts can serve as a tool to promote small business sustainability, prevent displacement, and build wealth when conditions align.

CHALLENGES AND LESSONS LEARNED: NAVIGATING STRUCTURAL BARRIERS TO COMMUNITY OWNERSHIP

PIPCLT's core mission to support BIPOC business owners in gaining commercial property ownership through a land trust model has faced significant headwinds from entrenched policy, funding, and infrastructure gaps.

One of the greatest barriers has been the lack of affordable, code-compliant commercial space in BIPOC communities. The cost to acquire and rehabilitate these properties, paired with city-mandated building and fire code updates, has created a high barrier to entry for local entrepreneurs and community-rooted businesses. Displacement happens through rising rents, and when these properties are lost to speculative investors, often before community partners can intervene.

Local Policy and Procurement Processes Are a Double-Edged Sword

The city procurement and property disposition processes have often been opaque and time-consuming, posing a substantial challenge to a nimble, community-based initiative like PIPCLT. For example, the delayed acquisition of 19 E 26th Street revealed the steep learning curve in navigating public-sector timelines and compliance requirements.

These delays can result in lost opportunities and increased holding costs, especially when partner entities temporarily hold properties.

Community-based initiatives must understand and effectively navigate the public-sector procurement and property disposition processes. Recognizing the potential for delays and complexities can help organizations plan better and mitigate risks associated with lost opportunities and increased holding costs.

Conversely, the success of the 1819 Lowry Ave property—facilitated through a lease-to-own model—demonstrates that when policy levers and transactional flexibility align, the CLT model can help BIPOC entrepreneurs incubate and transition into property ownership successfully.

Community ownership models thrive when local government policy is designed (or adapted) to accommodate the needs of non-speculative acquisition, allowing CLTs to move with speed and certainty. *Inclusive policy design is essential for scaling community ownership as an anti-displacement strategy.*

Lending, Capital Stacks, and Financial Readiness Are Impacted by Systemic Challenges

Access to capital is another systemic challenge because many BIPOC entrepreneurs cannot secure traditional financing, even with solid business plans and community demand. While PIPCLT provides equity support (20–40%) and technical assistance, conventional lenders are often risk-averse or unaccustomed to working within a CLT framework.

The CLT model assumes stable funding and community support, which may fluctuate due to economic conditions and shifting political priorities. The challenge of rapidly escalating property prices in gentrifying neighborhoods can outpace the CLT's ability to acquire properties without substantial financial backing.

Moreover, large-scale commercial projects are limited by the CLT's ability to secure debt or leverage public/private partnerships. Thus, this reality presents a structural mismatch: community-rooted development is mission-aligned but undercapitalized, while speculative development is well-financed but misaligned with community needs.

A more robust and inclusive financial ecosystem is needed—one that includes mission-driven lenders, CDFIs, and public-sector partners who understand the value of shared equity models and are willing to fund in alignment with community ownership goals.

Internal Learning and Capacity Building

Internally, the absence of a formal property intake pipeline and inconsistent use of the property analysis dashboard resulted in inefficiencies in earlier acquisitions. Recognizing this, PIPCLT strengthened its pre-development process, clarified acquisition criteria, and empowered the development committee to standardize review procedures.

Institutionalizing internal processes supports long-term success. Reliable tools, such as a property dashboard, clearly defined criteria, and a formal intake process, help CLTs scale while remaining mission-aligned.

Key Takeaways for Policy and Practice

- **Community ownership is only as viable as the policy frameworks that support it.** Cities and counties must streamline procurement and disposition practices to accommodate nonprofit and CLT-led development.
- **Policy innovation**, such as lease-to-own models and targeted public investment, can bridge the gap between renters and owners.
- **Strong, trusting partnerships with public agencies and lenders are crucial** to scaling the impact of anti-displacement efforts.
- **Community-rooted organizations must build internal capacity** to evaluate, acquire, and steward properties effectively, even when external conditions are challenging.

ORGANIZATIONAL LEVEL RECOMMENDATIONS

Access to Capital Is Critical

It is vital to advocate for increased funding initiatives aimed explicitly at BIPOC entrepreneurs, including grants and low-interest loans that address existing barriers to credit. Access to capital is critical for these business owners to thrive. Financial institutions should also be encouraged to develop tailored loan products that take into account the unique circumstances and needs of BIPOC business owners.

Educate, Collaborate, Support

Educational and mentorship programs that empower BIPOC entrepreneurs and equip them with essential skills and knowledge should be created and strengthened. Collaborations with local organizations, nonprofits, and academic institutions can further enrich these programs, providing a robust support network with mentorship and training opportunities. Additionally, initiatives that foster youth engagement in entrepreneurship should be prioritized, creating pathways for future generations to build wealth and make a positive contribution to their communities.

Advocate for Your Community Within Your Community

Policy advocacy plays a crucial role in creating a more equitable entrepreneurial landscape. Local governments can implement policies promoting equity in entrepreneurship and homeownership, such as targeted funding programs for BIPOC businesses and incentives for larger companies to partner with minority-owned enterprises. Creating strategic partnerships that leverage community resources can facilitate access to vital networks, allowing BIPOC entrepreneurs to gain visibility and secure contracts.

Foster Awareness and Continue the Dialogue

Efforts to address the economic disparities rooted in historical injustices must continue. Addressing historically based injustices involves fostering awareness and dialogue around the racial wealth gap and its implications for BIPOC entrepreneurs. By building stronger community ties and promoting inclusivity within industry networks, BIPOC business owners can access opportunities that were previously inaccessible.

Conclusion

The systemic barriers to displacing small businesses require a multifaceted approach that prioritizes community-driven solutions, such as the PIPCLT model. Collaboration and adaptability are crucial in overcoming obstacles such as accessing capital, navigating local policies, and enhancing internal capacities. We can create an inclusive urban landscape that values diversity and preserves neighbor-

hood identity by fostering equitable access to commercial properties, which will support the entire local economy.

As cities evolve, implementing supportive policies and expanding financial ecosystems will be crucial in scaling community ownership initiatives. Ultimately, the success of community land trust models depends on a shared commitment from all stakeholders to challenge the status quo and create a more equitable future for BIPOC

entrepreneurs and their communities. We can pave the way for lasting change and empowerment in urban environments through strategic action and sustained advocacy.



Addressing historically based injustices involves fostering awareness and dialogue around the racial wealth gap and its implications for BIPOC entrepreneurs.



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APPENDIX A: PIPCLT PROPERTY PORTFOLIO

See PIPCLT's growing property portfolio, which includes current and developing sites dedicated to equitable economic opportunity through community ownership models like full ownership at acquisition and lease-to-own.

APPENDIX B: PIPCLT OWNERSHIP SCENARIO

Read more about communities PIPCLT serves, the commercial land trust model, our two pathways to ownership, and the broader community benefits of a CLT in this hypothetical ownership scenario, which illustrates how PIPCLT supports and partners with small, underserved business owners.

Chapter 6

Own It to Control It

Little Tokyo's Fight to Sustain Local Businesses by Mobilizing Small Investors in Community-Owned Real Estate

- Miya Iwataki
- Mark T. Masaoka
- Natalie Masuoka, PhD
- Glenn Sanada
- Dean S. Toji, PhD
- Bill Watanabe

Board of Directors, **Little Tokyo Community Impact Fund**

For more information, contact Glenn Sanada, gsanada@socal.rr.com, or Dean Toji, dtoji2@gmail.com

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Executive Summary

Little Tokyo is a 140-year-old neighborhood in downtown Los Angeles with many community-serving small businesses being displaced by gentrification. [The Little Tokyo Community Impact Fund \(LTCIF\)](#) was created in 2017 to resist the displacements. Our analysis indicated that the only way to provide affordable rents was to buy some buildings so that the organization could determine the rents. This case study discusses the decisions and actions LTCIF took to implement our community ownership strategy, including the introduction of several innovative features.

The first decision was to create a community-owned real estate company. Funds would come from within the community, through investments (which the contributor continues to own), rather than donations. Before launching the fund, we assessed community support for it through outreach meetings hosted by community organizations. Finding we had support, we moved ahead.

LTCIF was incorporated as a [social purpose corporation](#). This designation means it can provide public benefits such as those provided by nonprofits, and not only earnings for shareholders. The shares were priced to make widespread share ownership possible, and decision-making was also broadly based, so that LTCIF would be owned and governed by many community members. The call to invest received a quick community response and a substantial amount of capital was raised. We have also gained significant support from a local foundation.

We prepared our first bids on properties in Little Tokyo in late 2023. Just before this case study was published in November 2025, we made our first acquisition. Then there will be much to do to sustainably offer affordable rents.

Throughout this effort, LTCIF's decisions, actions, and accomplishments have fundamentally been based on community relationships, resources, and support. Almost all of its work has been carried out by volunteers, including the board of directors and other participants. Funds were raised from individuals and from community organizations, which also hosted outreach events and gave other forms of support.

Introduction

Community ownership of buildings can be used to directly provide affordable rents to small businesses threatened by displacement. But where can the necessary funds come from when public and private grants are practically nonexistent? [The Little Tokyo Community Impact Fund \(LTCIF\)](#) chose a strategy of raising funds by asking for many small investments from community members who have agreed to accept minimal returns in order to help acquire buildings. This is an uncommon approach, and it required the introduction of several innovative features. However, every community faces barriers to funding, and real estate is expensive in most places, so LTCIF's model may be useful elsewhere.

The beneficiaries of LTCIF's community ownership project will include small businesses that survive by receiving affordable rents. Little Tokyo could gain a



Figures 6.1 and 6.2: The LTCIF logo contains a Little Tokyo landmark, the *yagura* (fire tower or watchtower), a tribute to the immigrant Issei generation designed by David Hyun in the [Japanese Village Plaza](#). Photo: Steve Nagano.





Figure 6.3: Unveiling of the mural *Home Is Little Tokyo* in 2005. Ideas for the mural came directly from community members, who later helped paint it alongside muralists Tony Osumi, Sergio Diaz, and Jorge Diaz. Photo courtesy of Little Tokyo Service Center.

more balanced retail mix that is more likely to prevail through swings of the economy, and it could prevail as a unique place enjoyed by so many visitors. Little Tokyo is also sustained as the regional hub and a national center of the Japanese American community. Philanthropic foundations and public entities may use this project to inform their programs for supporting retail neighborhoods threatened by displacements.

We hope that other communities resisting small business displacements find this approach to be a useful addition to their toolkit of strategic options. With this case study we intend to demonstrate the feasibility of this approach by sharing our experience in conceiving and implementing this strategy.

Case Study Approach

This case study was carried out by the LTCIF Board of Directors. It is a self-study from a practitioner's viewpoint, examining our decision-making process, actions, and outcomes. The study was conducted through a series of group discussions in which all members of the board of directors and other LTCIF participants took part. The discussions were supported by data compiled from formal meeting records, organizational documents, and individuals' informal notes.

We identified a set of key questions to address and developed a chronology of events, activities, and decisions that provided empirical reference points to anchor our analysis. The questions and findings comprise the main subsections of the community ownership strategies section.

Leading Organization

LTCIF is responsible for developing and implementing the community ownership strategy of acquiring and operating buildings in order to provide affordable rents to retail businesses in Little Tokyo. It was created specifically for this purpose: to protect community-serving local businesses from displacement. LTCIF is a relatively new organization (formed in 2017) with deep roots. The founding members have been involved in a wide variety of Little Tokyo and Japanese American and Asian American community activities and organizations for over five decades, often following the involvements of their families for a century. This development of the organization and its community ownership strategy is the focus of the case study.

LTCIF has a 16-member board of directors elected annually by shareholders, as well as a president, vice president, secretary, and treasurer. Several committees have been formed as needed to carry out particular tasks. Nearly all of LTCIF's work has been conducted by board members and other volunteers, along with some grant-supported part-time staffing. Legal and accountancy services were contracted.

We have been assisted throughout by our informal relationships to the [Little Tokyo Service Center](#) (LTSC), especially by board members Bill Watanabe

Figure 6.4: The LTCIF Board of Directors visits a prospective property, which became their first purchase in September 2025.

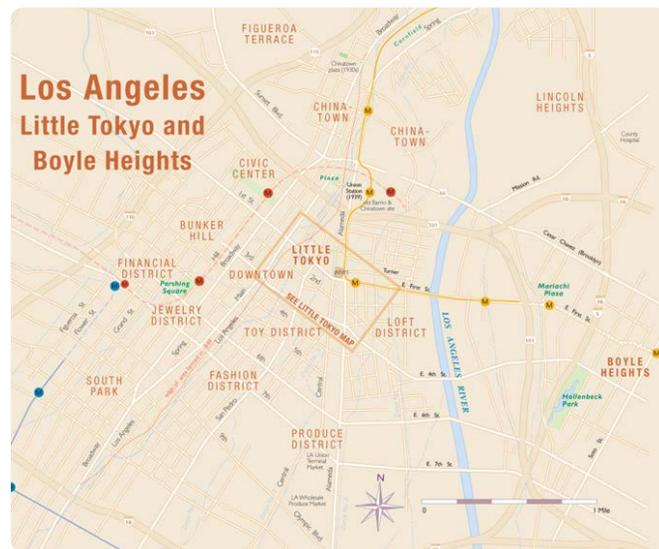


Figure 6.5: Little Tokyo's Location in Downtown Los Angeles. Photo courtesy of Ben Pease, [Japantown Atlas](#).

and Takao Suzuki, respectively, the founding and current LTSC executive directors. Many of the board members are also involved in other Little Tokyo community organizations.

Neighborhood Context

LTCIF was created to counteract the wave of displacements that began increasing in the last decade. The crisis was the most recent in Little Tokyo's history of exclusion, building, forced removal, rebuilding, evictions, and resistance.

Little Tokyo is a 140-year-old community in downtown Los Angeles with an enduring heritage of Japanese American history, culture, arts, traditions, foods, and businesses. The community grew rapidly in the 20th century as Japanese immigrants arrived, settled, and soon became the largest Japanese American enclave in America, and a hub for the farming-based ethnic economy and community throughout the region. During World War II, those economic resources were expropriated and the community removed and incarcerated in federal concentration camps.

Little Tokyo was laboriously rebuilt when the internees returned from the camps, but more displacements followed. Civic center expansion and redevelopment

Figure 6.6: A map created by Little Tokyo Service Center shows visitors where to shop, eat, and explore.



SHOPPING

1. Anima Jungle
2. Anzen Hardware
3. Blooming Art Gallery
4. Bunkado
5. CRFT by Maki
6. Hob Nob
7. Japangeles
8. Ginza USA
9. Little Tokyo Florist
10. Kinokuniya Book Store of America
11. Make Asobi
12. Popkiller
13. Rafu Bussan
14. RIF LA
15. Utsuwa-No-Yakata
16. Shop Ashiya
17. Tokyo Japanese Outlet

EXPLORING

18. Casa Heiwa/ Little Tokyo Service Center
19. Centenary United Methodist Church
20. Far East Lounge
21. Go For Broke National Education Center
22. Higashi Honganji Buddhist Temple
23. Japanese American Cultural and Community Center (JACCC)
24. Japanese American National Museum (JANM)
25. Jodoshu Buddhist Temple
26. Koyasan Buddhist Temple
27. Little Tokyo Library
28. Little Tokyo Towers
29. St. Francis Xavier Japanese Catholic Center
30. Nishi Hongwanji Los Angeles Betsuin
31. Ten Terraces Parking Garage
32. Union Center for the Arts (East West Players, Visual Communications & Tuesday Night Cafe)
33. Union Church of Los Angeles
34. Wakaba Parking Garage
35. Zenshujii Soto Mission

EATING

36. Aloha Cafe
37. Azay
38. Cafe Dulce
39. Donatsu
40. Rakkan Ramen
41. Far Bar
42. Fugetau-Do
43. J1ST Cafe
44. Hana Ichimonme
45. Korea BBQ House
46. Kouraku
47. Las Galas
48. Little Tokyo Ice Cream & Yogurt
49. Sushi Takeda
50. Mitsuru Cafe
51. Mitsuru Sushi & Grill
52. Mr. Ramen
53. Comasa Restaurant
54. Crochon Ramen
55. Rice & Nori
56. Shabu Shabu House Restaurant
57. Pasta e Pasta by Allegro
58. Sushi & Teri
59. Sushi Komasa
60. Sushi Gen
61. Tamon Sushi
62. TaNoTa Takoyaki
63. Tea Master
64. Teishokuya of Tokyo (T.O.T.)
65. Keepers
66. Zencu Sushi & Grill

(urban renewal) beginning in the 1950s triggered massive development: corporate, cultural, and entertainment centers; a regional rail system; and an influx of market-rate housing, restaurants, and other upscale amenities, which continues today. It is now one of three remaining historic Japan Towns in the United States. See Appendix A for a more complete history.

THE NEIGHBORHOOD

Little Tokyo is a district with a five- to eight-block core (in what was once a larger 16–20 block area) with important community institutions in the immediate surrounding area. The predominantly retail district comprises small businesses (especially restaurants), a growing residential population, and major community and cultural institutions. The residential community includes renters in nonprofit affordable housing, privately owned single-room occupancy apartments, and an influx of market-rate condominium owners and renters. Much of the current affordable housing was created by nonprofits as part of a decades-long struggle against residential displacement. Little Tokyo is and always has been a multicultural community with a Japanese American core.

The community-serving retail businesses are mostly very small, with fewer than 10 employees. A large proportion of the proprietors are immigrants, and many of them are women. Some of the remaining legacy businesses have been operational for over 100 years. The neighborhood is a popular destination for local tourism, which is also a contributing force causing gentrification and displacement. Much of this growth and speculation was spurred by the opening of the major metro Little Tokyo Arts District rail hub, in the period 2009–2023.

Little Tokyo is also a critical Japanese American community central place that fosters ethnic identity, social networks, and public presence. Little Tokyo's community/cultural institutions serve a regional and national constituency. There are 170,000 Japanese Americans in the Greater Los Angeles area (Im, 2025). Regionwide Japanese American civic, religious, cultural arts, social service, and sports/recreational organizations are headquartered here. Institutions with a national reach include the Japanese American



Figure 6.7: Community traditions in Little Tokyo include [mochitsuki](#), the process of making mochi—a traditional Japanese New Year's food—by pounding steamed sticky sweet rice with a big wooden mallet in a wooden, stone, or cement pestle. Many Japanese Americans celebrate the holiday this way. Poster from 1991 courtesy of designer/artist [Oris Yamashita](#).

National Museum and organizations that have played a foundational role in national Asian American and Pacific Islander cultural work.¹ Little Tokyo is also the preeminent place from which Japanese Americans speak to fellow Americans on critical issues, especially in defense of civil liberties, through large public gatherings.² It was a hub for Japanese American solidarity with communities that came under attack around the country after September 11, 2001, motivated by their own community's experience during WWII.

In recent decades, Little Tokyo went through a period when business was very slow and was deserted at



Figure 6.8: Vigil in Little Tokyo in 2010 to support civil rights and religious freedoms of Muslim Americans, Arab Americans, and South Asian Americans. Photo courtesy of [Nikkei for Civil Rights & Redress](#) (formerly the National Coalition for Redress/Reparations).

night. Many shops closed. Since then, it has become a popular dining and shopping destination with many new businesses. This has been good for some businesses, but it also has driven gentrification and displacement in the last decade.

In 2017, the 800 Traction Street loft building with six Japanese American artists, workshops, and exhibits was bought by a New York investment firm, which evicted the artists. Rafu Bussan, a dry goods and giftware store since the 1950s, had their building bought out and replaced by Shoe Palace, a global athletic shoe firm, and had to relocate to another nearby site. Three Starbucks restaurants have opened in Little Tokyo. More than 25 local businesses have closed, including two locally owned coffee and tea shops.

During the COVID-19 pandemic, legacy restaurants provided meals to homebound residents for only

\$3 per day with the help of community grants and contributions and volunteers delivering meals. This fed the people, and it helped restaurants and their workers keep afloat. Little Tokyo became a model of cooperation and survival. Still, the pandemic caused substantial losses. Each closure of a legacy restaurant or business was a piece of our history being taken away. Subsequently, the recovery from the pandemic has meant further displacement. The beloved 50-year-old legacy restaurant [Suehiro Cafe](#) was evicted from its long-time location in January 2024. Weekly protests voiced affection for Suehiro and outrage at the ongoing displacements. Small community-serving businesses continue to be vulnerable to swings of the economy from hot to cold.

In 2024, the National Trust for Historic Preservation named Little Tokyo as [one of America's most endangered historic places](#).



Figure 6.9: Little Tokyo community partners came together to support small businesses during the COVID-19 pandemic. Here, [Don Tahara](#), owner of Far Bar, and daughter Jill Tahara prepare meals for [Little Tokyo Eats](#), a joint program of [Little Tokyo Service Center](#), the [Little Tokyo Community Council](#), and [Keiro](#). Through the program, local restaurants provided discounted meals to seniors who were stuck at home. Photo: [Rafu Shimpo](#), courtesy of Little Tokyo Eats.

Community Ownership Strategies

LTCIF employed multiple distinct strategies to pursue community ownership, including:

1. Buying buildings to provide affordable rents.
2. Acquiring the funds to purchase property through community investments rather than donations, with below-market returns that enable affordable rents.
3. Getting community support first.
4. Using a business structure that matches the mission: a social purpose corporation (SPC).
5. Designing the shareholding structure for broad ownership and decision-making power.

6. Selling shares: the call to invest and quick community response.
7. Understanding motivations: Community shareholders invested to protect Little Tokyo's future.
8. Entering the Little Tokyo real estate market: bidding on properties.

1. BUYING BUILDINGS TO PROVIDE AFFORDABLE RENTS. "IF YOU DON'T OWN IT, YOU CAN'T CONTROL IT."

Why did we form LTCIF? In late 2017 about eight members of the Little Tokyo community met to figure out what we could do to fight off gentrification and displacement. Affordable rents needed to be provided. But how? We realized, "If you don't own it, you can't



Figure 6.10: The community rallies to protest the impending eviction of Suehiro Cafe. Photo: J. K. Yamamoto, courtesy of [Rafu Shimpo](#) newspaper.

control it.” We decided to create a community-owned real estate company that would buy buildings and provide affordable rents. A community ownership strategy was needed.

Little Tokyo real estate is expensive—commercial property prices are often above \$2 million. Where could the money for the company come from? There was little or no grant funding available from government and private philanthropies for acquiring real estate to host community-serving businesses. We had no collateral to back up loans. We decided to raise the money from within the community and to depend on receiving many individual contributions.

2. CHOOSING COMMUNITY INVESTMENTS RATHER THAN DONATIONS

Donations were out because the sums needed would require many donations that were larger than most could afford to give. But investments in the company—share purchases—could work. The buyers would continue to own the shares, which they could sell back if necessary.

How much should the shares cost? We answered this question based on our household budgets. We could not possibly donate \$10,000, but we could imagine investing that much. A retired schoolteacher in the group who was married to another retired schoolteacher said he felt that this was possible for his family and would be possible for other families

with the same employment history. Contrary to stereotypes, Japanese Americans aren't rich, but the community does have a solid middle class of families like his. The baby boom cohort, our peer group, is now at the legacy-minded age.

We formed a steering committee to coordinate our work. This committee eventually became the nucleus of the LTCIF Board of Directors. None of the members of this founding group had significant private investment or commercial real estate experience, but people from the community with the needed knowledge and skills soon joined us. Almost all of the activities of LTCIF would be carried out by volunteers, including board members and other participants.

We were stepping into uncharted territory. We weren't aware of any other project using a community investor strategy that could serve as a guide or template. The following discussion describes the challenges, decisions, and actions of a work in progress. With the basic idea in place, we went to work on the next steps: assessing community support for the idea and developing a business structure that suited our mission.

3. GETTING COMMUNITY SUPPORT FIRST

The project would depend on community support, so our first step was to share the basic concept with the community to assess support and to learn their concerns and suggestions. Beginning in 2018, the steering committee held about eight community informational meetings to introduce the proposal's basic ideas. The events took place in Japanese American community centers in the Los Angeles region (see Acknowledgements) and in all, over 150 persons attended.

Although the idea of a community-controlled real estate investment fund was totally new to most of the audiences, it received general broad approval from the community. Attendees raised many crucial

questions, such as how LTCIF would operate, how properties would be selected, and who would make the decisions; these helpful questions were added to our committee's agendas. We could move ahead to incorporation confident that the community supported the idea. A contact list for follow-up was created from the outreach gatherings.

The fact that the steering committee was composed of long-term community activists and volunteers made the level of community trust and support for the venture quite strong. It seemed we were offering a solution to a community need.

4. USING A BUSINESS STRUCTURE THAT MATCHES THE MISSION: A SOCIAL PURPOSE CORPORATION

We worked on the business details at the same time as community outreach. The company we envisioned could be described as a "community-controlled real estate investment trust" with a twist—it incorporates the goal of providing affordable rents to retail businesses, and we needed a compatible corporate form.

Figure 6.11: LTCIF President Bill Watanabe speaking at a community outreach meeting in 2018 at [Gardena Valley Japanese Cultural Center](#). Photo: Steve Nagano.



“ It’s a deal that a retired schoolteacher can do. ”

– LTCIF investor on the level of investment LTCIF initially proposed to community members

Our attorney, who specialized in worker-owned co-ops and social-impact-minded businesses, told us that our project could be established as an SPC, a type of corporation that had been recently approved in California. SPCs can provide public benefits such as those provided by nonprofits (e.g., affordable rents), and not exclusively to meet fiduciary responsibilities (dividends) to shareholders.

5. DESIGNING THE SHAREHOLDING STRUCTURE FOR BROAD OWNERSHIP AND DECISION-MAKING POWER

LTCIF was incorporated in early 2019 as one of the first SPCs in California. For the incorporation process a provisional board of directors was established with the steering committee as the nucleus. A board was elected when there were 50 investors in the fund, in June 2021. The legal costs of incorporation were approximately \$17,000; members of the steering committee covered the costs, and these initial investments were credited toward share purchases when they became available.

The LTCIF investment levels and voting structure are designed for broad participation in community ownership and decision-making power. Share prices had to be high enough to collectively raise the necessary capital but low enough to be affordable to many. We also wanted people of different income levels to be able to participate. We had initially planned a minimum investment of \$10,000. But as we worked on incorporation, with our attorney's advice, we created two share categories with differing minimum investment amounts and eligibility criteria: Class A (with a minimum investment of \$1,000) and Class B (with a \$10,000 minimum). To purchase Class B shares, investors must demonstrate certain combinations of minimum net worth and income. These requirements are intended to prevent investors from risking more than they can afford to lose if the fund fails.



The LTCIF investment levels and voting structure are designed for broad participation in community ownership and decision-making power.



To be eligible to buy Class A shares, investors must have net worth below the B-share requirement, be under age 40, or be employed at a nonprofit organization. One of the main goals of creating A shares was to encourage young adults to participate in the fund. Increasing participation among younger generations is especially important for building the next generation of LTCIF shareholders and leadership who must carry forward the fund's activities over time.

LTCIF's board worked with the state securities regulators to map out an approval to sell shares process suited to the project, which was unusual even among SPCs. The state's requirements for stock offerings are designed for the wealthy directors and investors who are typically involved. When the state understood that both the directors and investors involved in LTCIF are people of more ordinary economic status, they agreed to suitable requirements. Authorization was granted on July 1, 2019.

LTCIF will need to find the balance between affordable rent and financial returns to investors who make the project possible. After the project start-up costs are absorbed, we hope to pay modest dividends. Nonetheless, all investors are

informed that LTCIF can be expected to offer below-market rate returns in terms of dividends paid to investors, because this is necessary to make affordable rents possible. As well, part of fund profits may be reinvested in subsequent properties. We believe that most community investors will accept such a decision because they invested their money in order to support the community businesses.

The LTCIF bylaws are designed to ensure that decision-making is accountable to the community. This includes ensuring that a future board does not decide to seek market rate rents or sell buildings for a profit, as this would violate our founding principles but is possible under the for-profit legal status of the company.

For example, the bylaws state that Class A shareholders must make up at least one-third of the board regardless of their proportion of total amount invested. Both the Class A and Class B directors, voting as separate groups, must approve of any board actions by a two-thirds margin. This effectively gives the A-shares veto power over major decisions. Class A shareholders' decision-making power is proportionately larger than their financial contribution, reflecting the intention that LTCIF will remain anchored in the community's best interests. The board also includes a seat for a nonvoting nonprofit organization observer who does not have to be a shareholder. We believe that these measures equitably distribute power among a wide range of participants. Few (if any) corporations give the small investors equal clout as the larger investors, but LTCIF is designed for substantive community ownership and decision-making.

LTCIF also uses community-friendly legal documents ("offering circulars" and "subscription agreements") that provide necessary information about the business to prospective investors. They are written in plain English that can be understood by someone who is not an experienced investor. LTCIF was one of the first SPCs to be qualified by the state of California to do this type of broad offering.

6. SELLING SHARES: THE CALL TO INVEST AND QUICK COMMUNITY RESPONSE

The board of directors set a goal of raising \$2 million through the sale of shares, which we estimated would be enough to purchase a small commercial property or minimize the need to borrow money to pay for a more expensive one. Before we could call upon the community to invest in the fund, we had to ensure that we would be able to say: "Join us." Every member of the board bought shares.

We reached out in several ways. Most of the outreach and communication was through personal one-on-one conversations, community events, and coverage in local media. Since we had already generated a mailing list from the information sessions, we emailed an announcement of the launch of LTCIF to this list and to our friends. An announcement was placed in the local Japanese American newspaper, the *Rafu Shimpō*, and the news was posted on our website.

Most of the outreach was done by board members and a few other volunteers. For a time, we also received valuable support from grant-supported part-time staff. We used several methods to recruit investors: personal one-on-one conversations with existing connections with board members; community events (at least 14 events), including programs at community centers, churches, and to community organizations; creation of our own website; and media coverage in [Rafu Shimpō](#), on the [local NPR affiliate KCRW](#), and on [local blogs](#). When the COVID-19 pandemic restricted in-person

events, we formed a marketing committee that organized a virtual Little Tokyo tour.

The community quickly responded to the call and invested almost \$700,000 by the end of 2020. It was a great start. Investments have since slowed, but they had reached well over \$900,000 in mid-2025. The strong early response, even during the onset of the pandemic, was probably due to the momentum from the previous two years of outreach.

The slowdown was probably due to the shutdown of in-person events and the lingering effects of the pandemic on community members and organizations. It is also possible that the pattern of investments indicates that we reached the natural limits of our personal networks. We will determine the causes by continuing outreach. Our original \$2 million goal

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The community quickly responded to the call and invested almost \$700,000 by the end of 2020.
... Investments have since slowed, but reached well over \$900,000 in mid-2025.
”

remains in place, and our challenge now is to revive the outreach and communication efforts to community investors, as well as seek other compatible sources of capital. We also undertook an analysis of the social-historical context of the shareholders' motivations and focus group discussions with both Class A and Class B shareholders to better understand our successes to date.

7. UNDERSTANDING MOTIVATIONS: COMMUNITY SHAREHOLDERS INVESTED TO PROTECT LITTLE TOKYO'S FUTURE

LTCIF had 89 shareholders as of the September 2024 annual meeting. There were 29 Class A shareholders and 60 Class B shareholders. The larger Class B shareholders group consists of individuals, families, trusts, and nonprofits, and have many commonalities.

Several investors bought LTCIF shares for children and grandchildren, or planned for them to inherit the shares, so they would be able to point to buildings and say, “My family helped save that for the community.”



Figure 6.12: Younger generations at the Chibi-K Fun Run on Children’s Day (Kodomo no Hi) at the [Japanese American Cultural & Community Center](#). “Chibi” means little kids. Photo: [Mario Reyes](#), courtesy of [Rafu Shimpo](#) newspaper.

Given the higher minimum investment requirement for Class B shares, the majority of individual or family shareholders are generally aged in their 60s and 70s. Most were what the Japanese American community refers to as the Sansei (third) generation—those with grandparents who immigrated from Japan and parents who were born in the United States. The Issei (first) and Nisei (second) generations were those imprisoned in concentration camps during WWII. The Sansei are part of the postwar baby boom generation and share a common experience as the generation post-internment. Their childhood was spent in segregated neighborhoods with a significant Japanese American presence. Through this experience, the Sansei developed a strong sense of ethnic identity and friendships and social networks that have lasted through their lifetimes (see also [Densho Encyclopedia, 2022, on Sansei](#)). Most have personal connections to Little Tokyo and they and their families reside in the Greater Los Angeles area.

Many B shareholders shared memories of Little Tokyo as a critical community space to gather socially and to interact with others with a similar worldview and sense of community responsibility. Preserving this place for the next generation was a key motivation for their participation. Several investors bought shares for children and grandchildren or planned for them to inherit the shares, so they would be able to point to buildings and say, “My family helped save that for the community.”

They were concerned that legacy businesses would not be able to afford to remain in a gentrifying environment, and they knew that some were already being pushed out of Little Tokyo. Their awareness of the problem may be rooted in their experience with evictions caused by Little Tokyo redevelopment (“urban renewal”), a major community issue through the 1970s. Sanseis, then in their 20s, played a leading role opposing evictions and fighting for affordable

housing, community facilities, and cultural and human service facilities. Their activism brought Japanese Americans into the citywide movement for justice in the built environment. The redevelopment struggle was a defining coming-of-age political experience for the generation. The LTCIF project probably feels to them like a continuation into the present.

We correctly assumed that our friends would step up, as they did. But we did not articulate why we thought they would. Looking back, the assumption was based on a Sansei generational resource, a lifelong identity and social network we took for granted—probably because it was the basis for so many past community endeavors.

It is harder to generalize about the Class A shareholder group, because of their smaller numbers and heterogeneity. Most are Japanese Americans from the Los Angeles area. Most are under 40 and grew up in neighborhoods that were not as ethnically concentrated as those where previous generations of Japanese Americans grew up. Others qualify with assets below the Class B threshold or by working at nonprofits.

Many have ancestries that combine Japanese immigrants and U.S.-born Japanese Americans, and many have mixed ethnic/racial ancestry. They have often been part of pan-Asian social settings. As a result they have a less intensive Japanese American-specific social network. Nevertheless, they feel connected to the Japanese American part of their ethnic heritage.

In the focus groups, the Class A shareholders talked about the importance of protecting space in Little Tokyo and the challenges from rising real estate costs. One said that she did not see becoming a shareholder as a financial decision, but rather that her investment was a way for her to take part in an important community project and to play her own personal role in helping to preserve a community

“ One Class A investor said she did not see becoming a shareholder as a financial decision, but rather a way for her to take part in an important community project and play her own personal role in helping to preserve a community space. ”

space for others. Another shared that the financial commitment was an important personal commitment to be socially invested in the neighborhood and the community. Class A shareholders saw the \$1,000 purchase as an entry to greater participation and foresaw the likelihood that they would invest more money to become Class B shareholders as their financial stability improved over time.

The shareholders suggested that the fund could use buildings to provide a community space that could create a new vision for Little Tokyo that currently does not exist, such as a venue for music and other performing arts. This might be a social-cultural need of younger community members that Little Tokyo could serve and should be explored.

The level of participation in the A-shares has been gratifying, especially because \$1,000 is a large sum for a younger or lower-income person to invest, and because their looser social networks make outreach more difficult. We believe that creating the A-share category was a good strategy for recruiting younger community members to participate in the project and become the future leaders of the fund. However, engaging younger participants is challenging and it will require more investment of time and creative energy to develop an effective recruitment strategy.

It was very clear that both groups valued Little Tokyo and members of both groups spoke of the need to protect small businesses from displacement by gentrification, confirming that our perspectives were aligned with those of the community. The speed and volume with which the investments arrived had demonstrated the strength of their convictions and confirmed our confidence in the community. Knowledge of the community informed our basic strategy and qualitative research that we conducted for this study should help guide our future outreach and communications.

8. ENTERING THE LITTLE TOKYO REAL ESTATE MARKET: BIDDING ON PROPERTIES

Commercial real estate was new to us. It was essential that we understood the financial feasibility of potential projects to make realistic, successful bids on properties, so LTCIF formed a Real Estate Committee, which is tasked to develop strategies for property acquisition.



Figure 6.13: The Food History of Little Tokyo Tour visits [Fugetsu-Do](#), the renowned mochi and manju shop established in 1903. Led by the [Little Tokyo Historical Society](#), the tour is part of Little Tokyo Community Council's [Delicious Little Tokyo](#) program.

Members of the committee are professionals with a background and interest in real estate analysis and include board members and other volunteers. The committee was fortunate to include the director of development of the LTSC.³ Members of this committee provide their expert insights and past work experience to help the board of directors understand what types of real estate investments they should consider. The LTCIF also created a Social Impact Committee. The Real Estate Committee worked closely with the Social Impact Committee to help assess whether properties met the mission of the fund.

The Real Estate Committee first focused on understanding the key elements in identifying and acquiring potential real estate. It developed a series of case studies (2018–2021), modeling project feasibility based on an actual Little Tokyo building, though one

not up for sale. They examined the effects of various financing scenarios (equity/debt ratios), rents, expense growth, and returns to investors. The case studies were used as a guide for preparing bids on properties and to explain our approach to potential community investors and institutional investors. The main points became part of our community outreach event presentations. The committee also wrote policy guidelines that identify the priorities for properties to acquire (historical significance, specific location) and tenant characteristics (legacy business longevity, startups, goods, and services). See Appendices B and C for more information on how LTCIF assesses the feasibility of acquiring potential properties in Little Tokyo and what the potential benefits may be for investors, the community, and small business tenants.

In 2020, LTCIF engaged a real estate broker specializing in Little Tokyo who helped begin inquiries about a half-dozen properties. Other properties came on the market, but these were far too expensive for LTCIF to purchase. Thanks to our relationship with LTSC, we were able to identify two potential acquisitions. Analyzing these properties and preparing bids allowed LTCIF to learn how the financing could be structured, in the context of competing against the market/investors. The team prepared a bid for the first property at a financially feasible purchase price. However, the owner took the property off the market, for reasons unknown. We submitted a bid on the second opportunity, but a buyer that was able to agree to a shorter closing period purchased it instead. This experience highlighted the need for an extended escrow period as well as additional project financing, whether from the public or private sector.

We recognized a need to identify potential appropriate investors willing to partner with LTCIF. We recently began discussions with a local foundation and another organization with a development background. We are optimistic about this relationship. The early discussions identified a possible partnership format. The project

could be organized as a limited liability corporation (LLC), which is common in real estate projects. The LLC would be for a project (e.g., one building). This may best suit an investor that prefers to focus on a single property, rather than to make a commitment to LTCIF's work on other future projects. An investment by the local foundation could encourage investments by other foundations, and the LLC partnership format could be a template for their participation.

We recognize that our approach is unfamiliar to philanthropic foundations. LTCIF met with several local foundations in early 2021, who showed interest but did not ultimately provide funding. We think we needed to show that foundation endowment managers could responsibly invest in our project, and a longer-term strategy would provide the context for participation. We formed a Financial Institution Strategy Committee that drafted a model envisioning a pipeline of projects at various stages of development, a sequence of five buildings in 10 years.⁴

Many affordable retail spaces are needed to support the array of businesses that nurture a thriving community. The model is a framework for financial planning of developments, including our reinvestments, and it provides potential investors a view of how they might contribute to more than just a single building.

Because the neighborhood retail displacement crisis has deepened, foundations may be seeking sound approaches to direct investment in the built environment. If our approach succeeds in bringing in foundation capital, it could encourage foundation policies that would support similar projects in other communities.

THE WORK IN PROGRESS: OUR FIRST PURCHASE

When this case study was written, LTCIF had progressed to a point where we could submit viable bids to acquire properties in Little Tokyo, and a very promising financing arrangement was close to realization. Just as we were about to publish the case study, we [closed escrow on our first property](#), located

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If our approach succeeds in bringing in foundation capital, it could encourage foundation policies that would support similar projects in other communities.
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Figure 6.14: Everybody is invited to join the annual [Nisei Week](#) Ondo Public Street Dancing finale in the [Little Tokyo Historic District](#), seen here in 2011. LTCIF's first property is on the far left. *Photo: Mike Murase.*

in the Little Tokyo Historic District. The next challenge will be to offer affordable rents within a financially sustainable operation, and to bring in great tenants—the goal of the project. We are close to achieving our goal.

Analysis and Recommendations

We have four primary recommendations for others venturing into this model of community ownership.

1. Don't give up on the community investor strategy.

LTCIF's core strategy of achieving community ownership by raising capital from many small

investors has not yet been fully tested. The quick flow of share purchases by community members was greatly diminished by the COVID-19 pandemic and its aftermath. The early wave of investment can be considered a partial proof of concept for our strategy, but not whether it could raise enough on its own to purchase a property. We will learn how effective the strategy is when we resume outreach to potential community investors.

2. Have realistic expectations. The feasibility of the strategy depends on the cost of the project and whether it can be met with the expected amount of community investments at share prices affordable to prospective investors.

3. Early activism and a strong board are key. An active, hands-on volunteer board can accomplish much and is especially necessary in the early phases before there are funds for paid staffing, and for as long as the community investment strategy is active. A strong board consisting of well-known and respected members of the target community is necessary.

The board must also recruit other participants knowledgeable about every key aspect of real estate financing (debt/equity and public/private sources), development and management, legal structures, communications, and operations. In particular, volunteers help make affordable rents possible because they reduce the expenditures on work performed for the project, which are otherwise paid for from investments and rent income.

The board must be willing to personally ask for investments by individual investors. Because this is usually a direct personal invitation, board members should make their investments before asking other community members. The message can then be “Join us,” rather than “Give us.” Investors will know that we will make prudent decisions, because it’s our money, too. The board should not be paid or derive personal financial benefits from community investments.

4. Understand the human geography of the community. The basis for the geographically widespread support for the project is that Little Tokyo is the social-cultural central place for Japanese Americans in Southern California. The emotional connection of the community to this particular place makes our project viable. Similarly, projects in other neighborhoods are likely to have relevance and affection well beyond the local area. Projects such as ours should explicitly rely on such relationships, which may be a source of support.

WHAT WORKED?

- We created a socially responsible real estate fund, made possible by incorporating as a California SPC, which can pursue goals similar to nonprofits. A policy consideration is that not all states offer SPCs, and the specifics vary among those that do. Policy advocacy might be required.

- We assessed the level of community support before formally launching LTCIF and found it to be strong. We were able to raise over \$900,000 from many individual investors.
- We have developed a relationship with a local foundation that will probably make a large investment to join LTCIF in acquiring property.
- We continue to have a very active, committed volunteer board of directors.
- We have raised our identity in Little Tokyo and in the regional Japanese American community, as well as in the region generally.

WHAT COULD BE IMPROVED?

- We could better utilize of our website and other social media to reach out to prospective shareholders and maintain contact with existing shareholders.
- We need to build bridges with sources of capital, such as foundations and corporate socially focused funds.
- We need to keep focusing on building a new generation of leaders.
- We need to continue to expand our engagement with local stakeholders.
- Although Little Tokyo is the historic center of the Southern California Japanese American community, many individuals and families have a stronger focus on the neighborhoods where they live. In our outreach, we must continue emphasizing not only Little Tokyo’s historical significance but also its ongoing role as a regional hub and national center for the Japanese American community.

Conclusion: Community, Community, Community

Most of what LTCIF has accomplished is based on community relationships and resources. The volunteers (board of directors and other participants) who have done nearly all of the work on this project have come from the community.

Several of our volunteers, especially in the Real Estate Committee, were experienced professionals in their field, with expertise which would have been



Figure 6.15: [Great Leap's FandangObon](#) brings together the Japanese, Mexican, and African American communities [into one circle](#) to share participatory music and dance traditions and celebrate Mother Earth. Communal dancing is also central to the Japanese midsummer Obon festival, which celebrates and expresses indebtedness/appreciation for our deceased ancestors. Photo: Mike Murase, courtesy of [Great Leap](#).

prohibitively expensive if they were paid as consultants. The project was only made possible by community volunteers. Funds were raised from individuals and community organizations, who were reached through personal ties. These organizations include our likely partners in the first real estate development. Surprisingly to us, the sense of community connections is so deep-seated that until this self-study, we did not articulate it. It was an unspoken assumption that gave us a sense of what actions were possible. Our experience suggests that other communities may also have internal resources and capabilities that they are overlooking.

We are not aware of any other project using the strategy we have used in LTCIF. However, we know

every community has raised funds out of its own pockets to meet their needs for facilities. This is especially true of communities of people of color, even when impoverished, who had no other option because external support has been nonexistent (or worse, because community property has often been expropriated in various ways).

Financial resources raised from within the community enhance autonomous power and independence. When government funding is unreliable and community needs outpace philanthropic capabilities (although both sources are absolutely necessary), this traditional community-funded approach may become even more important. Every community has some ability to gather their financial resources as a basic survival

strategy. Put in historical context, this “innovation” may actually take us “back to the future.”

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Endnotes

¹ Little Tokyo is home to many community/cultural institutions with a reach that is regional, national, or both. It includes Buddhist temples and Christian churches (Centenary United Methodist Church, <https://centenarydtla.org/>; Higashi Honganji Buddhist Temple, <https://hhbt-la.org/>; Koyasan Beikoku Betsuin of Los Angeles, <http://www.koyasanbetsuin.org/>; Nishi Hongwanji Los Angeles Betsuin, <https://www.nishihongwanji-la.org/>; St. Francis Xavier Church—Japanese Catholic Center (Maryknoll), <https://sfxcjcc.org/>; Union Church of Los Angeles, <https://unionchurchla.org/>; Zenshuji Soto Mission, <https://www.zenshuji.org/>); [Little Tokyo Service Center](#); [Terasaki Budokan](#) recreational center; [Japanese American Cultural and Community Center](#); the long-standing Japanese American newspaper [Rafu Shimpo](#) (established in 1903); [Go for Broke Monument National Education Center](#); [Visual Communications](#) (film production and media arts center, 1970); and the [East West Players theater](#) (in Little Tokyo since 1998). Also see “Welcome to Little Tokyo,” <https://www.ltsc.org/sbp-find-a-vendor/>.

² In the 1970s and 1980s Little Tokyo was a center of organizing to win a federal government apology and financial compensation for the WWII mass imprisonment of Japanese Americans (“redress and reparations”). It is the site of the annual Day of Remembrance commemorating Presidential Executive Order 9066, which authorized the WWII incarcerations. Atomic bomb survivors, many of whom were Nisei, memorialize the bombings of Hiroshima and Nagasaki at a Little Tokyo temple, where they call for universal nuclear disarmament. Little Tokyo is a place where the lessons of the internment are made into a bridge to other communities. Shortly after 9/11, Japanese Americans quickly gathered to show support for Muslims Americans who were subjected to prejudices, suspicions, and fears disturbingly similar to those experienced by Japanese Americans. More recently, the community spoke out against the Central American migrant detention camps (one of which held Japanese Americans during WWII). See also Jenks (2008).

³ LTSC has developed over 1,000 units of affordable housing throughout the local region, and has acquired, developed, and managed over 12,000 square feet of retail space.

⁴ The model illustrates how an institution could provide capital (as an investment, low-cost loan, or recoverable grant). It includes various combinations of sources and types of capital, payment priorities, costs of equity (return on investment), and costs of debt (interest) for five hypothetical properties. This model is still under construction and must be tested in conversation with foundations.

APPENDIX A: AN OVERVIEW OF LITTLE TOKYO HISTORY

By Miya Iwataki

In 1884, a Japanese seaman named Hamanosuke Shigeta jumped ship, came to Los Angeles, and opened a restaurant at 340 E. First St. (Kame Restaurant), the first Japanese-owned business recorded at City Hall. A small Issei (first-generation Japanese American) community followed and the first Little Tokyo was born.

It was never easy. Federal laws limited immigration and denied citizenship. California was ground zero for anti-Japanese hate, alien land laws, and anti-miscegenation acts. Despite pervasive racism, restrictive housing covenants, and discrimination, the fighting spirit of the Issei was strong. A community infrastructure of churches, temples, hospitals, businesses, and community institutions blossomed. Little Tokyo became a place our people could call home. By 1941 the U.S. Census recorded 30,000 Japanese residents in Little Tokyo. Some of the businesses, buildings, and institutions still stand in Little Tokyo today, testimonials to a legacy of community cohesion and solidarity in the face of oncoming challenges.

Internment. “Race prejudice, wartime hysteria and a failure of political leadership” (Commission on Wartime Relocation and Internment of Civilians, 1982) set the stage for President Franklin D. Roosevelt’s Executive Order 9066 on February 19, 1942, ordering the forced removal and unjust imprisonment of 120,000 Americans of Japanese ancestry into barbed wire, armed guard, concentration camps. Churches, temples, homes, and shops were shuttered. Little Tokyo became a ghost town. Properties were “acquired” by the city of Los Angeles. Some describe this as the first wave in Little Tokyo redevelopment history.^a

Urban Renewal. After Camp, Japanese Americans began to rebuild their community. The city of Los Angeles rolled out a civic center expansion plan, which targeted historic neighborhoods and buildings in Little Tokyo and Bunker Hill for the 1953 construction of the Parker Police Center complex. Two of the most vibrant blocks of Little Tokyo that had been the core of the neighborhood fell victim to the massive demolition project. Hundreds of Japanese Americans were displaced, raising

memories of forced removal and loss of property less than 10 years earlier.

Redevelopment. In the 1970s, more plans to extend the civic center deeper into Little Tokyo created a strong community outcry, resulting in a proposed redevelopment plan with housing, a community center, office buildings, and a recreational center. Coalitions of residents, businesses, and community such as Little Tokyo People’s Rights Organization challenged evictions and fought every step of the way for the city to honor its commitments.

Ebbs and Flows. During the 1980s and 1990s, Little Tokyo saw the community stand together, speak out for, and celebrate winning reparations for the harms caused by unjust imprisonment in the WWII concentration Camps.

Over the next decades, who could have predicted a COVID-19 pandemic that would change the face of communities around the world, or the Metro Regional Connector, which runs through the heart of Little Tokyo, creating one of the busiest traffic hubs in L.A. outside of Union Station? It both sparks outside interest and has forced legacy mom-and-pop stores to close or relocate in the face of untenable rent increases and building owners eager to capitalize on increasing land values. Yet it now seems almost prescient that several years before these upheavals and challenges, people were preparing.

Coda. Gentrification is a process that looks to the future but comes at the expense of our past. Unless the real estate that houses legacy businesses, our cultural institutions, can be secured, the future of Little Tokyo will always be uncertain.

There were once 43 Little Tokyos, Japantowns, Nihonmachi in the United States. Today only three historical Japantowns survive. Our communities—from Cambodia Town to Chinatown, from Leimert Park to Echo Park—are all fighting for survival, against the evils of gentrification, displacement, outside developers, rising rents.

We are the cultural keepers of our neighborhoods. If you don’t own it, you don’t control it. This year, 2025, marks the 141st anniversary of Little Tokyo. Hamanosuke Shigeta never dreamed his Kame Restaurant would grow into a place that would be known as Little Tokyo, the legacy and soul of the Japanese American people.^b

APPENDIX B: UNDERWRITING PROCESS

The following is the general project-based analysis currently used by LTCIF to assess the feasibility of acquiring potential properties in Little Tokyo. The initial preliminary analysis is based on available information and is continually improved by LTCIF board members as the project moves forward. These steps include:

1. Preliminary analysis: Completed prior to submitting an offer and may include time to present the project to partners and funding sources.
2. Due diligence analysis: Third-party review and preliminary financial analysis in consultation with potential partners.
3. Underwriting: Finalizing financial analysis and finalizing terms and conditions of any other project partner (including applications and documentation required by partners).
4. Closing: Closing the financing from all partners.
5. Operations: Begin operations (leasing agreements with potential tenants).

1. Market Analysis: Tenants

- a. Current rent/lease requirements: Need to determine the market rates, terms, and trends. Included are expenses the tenant must pay (affected by whether they are triple net leases and whether there are automatic rent increases or increases tied to other indexes).
 - b. Rate ability for legacy businesses: What do legacy businesses need as it relates to space costs?
- ### 2. Market Analysis: Analysis of like properties in Little Tokyo
- a. Current available inventory: What properties are available for sale, their price per square foot (SF), condition, and other restrictions that may affect value.
 - b. Prior sales, including price per SF, condition, and terms of financing and closing.
 - c. Other: Financing conditions such as all cash, owner carry, or public sector financing assistance. Are the properties investor driven or for new local business startup or expansion?

3. Specific Properties: Cash Flow Analysis

- a. Past cash flow analysis: Requested from the property owner.
 - b. Comparison of market data: Are the expenses in line with the market? If not, why not?
 - c. Added management/reserves requirements: Requirements from partners (added lender/investor requirements). Pertinent to public sector sources and socially responsible funding resources. Added terms include operating or capital reserve requirements, audited financial statements or other operating reports, and requirements for LTCIF: What are the terms for LTCIF (interest, term, or other conditions)?
 - d. Terms and conditions required by project partners (timing of funds). Are the funds available for acquisition or improvement expenses? Are the funds short term or do the rates/terms adjust over certain time periods?
 - e. Cash available for debt service: Comparison of income to expenses over a term based on requirements of the funding sources.
 - f. Determination of debt service coverage.
 - g. Maximum blended interest rate test: What interest rate can the project withstand based on the debt service coverage?
 - h. Pro forma cash flow analysis.
 - i. Property valuation: Based on income approach and comparison to market.
- ### 4. Property development costs: Includes the following:
- a. Improvement costs: Seismic, equipment (HVAC) and other needed improvements.
 - b. Third-party review costs: Appraisal or other third-party reports required by partners, such as environmental, soils, parking, and engineering.
 - c. Escrow expense.
 - d. Realtor expenses.
 - e. Property sales price.
- ### 5. Feasibility:
- a. Gap analysis: Comparison of project costs to funding availability.
 - i. Adjusting terms and financing conditions (negotiations).
 - ii. Seeking additional equity resources.
 - b. Balancing terms and conditions of financing partners (and LTCIF).
 - i. Financing terms.
 - ii. Timing conditions.

APPENDIX C: LTCIF INVESTMENT POLICY/GUIDELINES, 2020

Properties (What properties we will invest in)

1. Priority:
 - a. Sites with historical/community significance.
 - i. Sites located within the inner Little Tokyo target area (map).
 - ii. Sites adjacent to Little Tokyo (map).
 - b. Other structures.
 - i. Sites located within the inner Little Tokyo target area (map).
 - ii. Sites adjacent to Little Tokyo (map).
 - c. Sites in other communities with historic/community significance.
2. Financial Analysis: Meets financial guidelines (need to develop).
 - a. Commitment within lending parameters of the fund.
 - b. Underwriting:
 - i. Approved project development and operating proforma.
 - ii. Service provided by LTSC.
 - c. Financial preference:
 - i. Flexible terms: Patience, willing to carry financing if needed.
 - ii. Availability of financing, if needed.
 - iii. Prospect of appreciation.

Tenant (What businesses will benefit from the below market terms)

1. Priority:
 - a. Longevity
 - i. Businesses owned and operated by the original owner/family for more than 40 years.
 - ii. Businesses operating in Little Tokyo for more than 40 years.

2. Same as the first priority but for
 - a. 30 years.
 - b. 20 years.
 - c. 10 years.
 - d. 5 years.
 - e. 2 years.
 - f. 1 year.
 - g. Startup:
 - i. Startup businesses (operating less than one year) that provide goods or services that have traditionally operated in Little Tokyo and may no longer be here.
 - ii. Startup businesses (operating less than one year) that provide goods or services needed in Little Tokyo.
 - iii. New startup businesses that provide goods or services needed in Little Tokyo.
3. Financial Analysis: Meets financial requirements (need to develop).
 - a. Documentation requirement.
 - b. Terms of agreement (need to develop).
 - c. Underwriting.

Appendix Endnotes

^a During those years, African Americans from the South came to Los Angeles seeking wartime jobs but could not find places to live due to restrictive housing covenants. Little Tokyo did not have such covenants. African Americans moved in, established businesses and nightclubs, and the area became known as “Bronzeville.” When the war ended, the wartime jobs dried up, Japanese Americans were released, and many returned to Little Tokyo. Today a city Historic-Cultural Monument Historical Marker stands outside the site of the Finale Club where jazz greats Charlie “Bird” Parker and Miles Davis played together.

^b Bunkado Gift Shop at 340 E. First Street proudly displays a bronze plaque and historical marker at the very site where Kame Restaurant stood 141 years ago.

Conclusion

● Reemberto Rodriguez & Dejuan Johnson

These case studies demonstrate the intense personal and organizational commitment that exists across the country to create policies, programs, and projects that advance community ownership. While there is no single definition for what “community ownership” means, these case studies collectively show that the term embodies key values and principles.

First, wealth that is created in a community should strive to stay in the community. This applies whether the original investment was from sources within the community or those outside the community, such as from public grants or private philanthropy. Local investment keeps capital circulating in the community through business-to-business purchases of goods and services, employee spending in the neighborhood, and other local transactions that multiply the impact. Keeping capital in the community is a tried-and-true way of strengthening community assets, and community ownership makes these localized investments possible.

Second, the entrepreneurship spirit of innovation and practicality is key to fermenting community ownership. Trial and error is a must and so is learning from failures. This oftentimes requires taking risks that go beyond the individual, as community ownership is a collective endeavor. The entrepreneurs and trailblazers in these case studies clearly demonstrate that practicality, tenacity, and adaptability are key to the success of any community ownership venture.

Third, partnerships and collaborations are indispensable to the success of community ownership. No one can succeed alone, neither organizationally nor as a leader. Engaging the community by working with partners and collaborators is simply a must. This

means meaningfully and consistently interacting with those who help make the community what it is and what they hope it will be. This engagement may include all levels of government, financial institutions, and nonprofit, civic, and faith organizations. Negotiations and compromise are part of the process. However, whatever the means, being clear about the strategic end-point—community ownership—is vital to achieving the goal.

Fourth, a willing public sector—though not always in lock step with the leading organization’s values—is also a major component of successful community ownership. Building consensus where interests, agendas, and goals intersect is more important than winning on a particular issue. The agendas of the public sector can be varied, with many constituencies to serve. Agendas can conflict with each other. Identifying and nurturing relationships with elected officials, department directors, and key staff who understand and support the value of community ownership can prove tremendously beneficial in the short and long term.

Fifth, there always seems to be a champion who committed personally and deeply to the community ownership concept and implementation. This individual toiled long and hard as a servant-leader for years. Sometimes that champion was an instrumental



Staff of the community-serving nonprofit HOMEY (Homies Organizing the Mission to Empower Youth), which operates in a building the Mission Economic Development Agency purchased to preserve affordable commercial space in San Francisco's Mission District. *Photo: Malcolm Wallace*

protagonist in the origin story of an organization. They may not have been an expert in the intricacies of community ownership, but they embraced the possibilities for community ownership to lift up and transform the community. They focused the organization's energy on ensuring community ownership was the driving force of programmatic foci and a core organizational value.

The case studies in this collection were written to be widely disseminated and directly used. They are for anyone interested in the topic of community

ownership, including nonprofits, organizational staff, board members, funders, public officials, consultants, and academics. The authors were happy to tell their stories because they believe community ownership is a strategy that more communities can and should adopt. They want their lessons to be learned—and models replicated in more places and at larger scales. They want other communities to know what is possible when advocates work collaboratively to build wealth and stability for local small businesses. We invite you to read and share their stories widely with your networks.