

Webinar

ULI Colorado: Equitable Access to Capital

Date: February 16, 2022

00:00:00 --> 00:00:00: Yeah.

00:00:18 --> 00:00:21: Hello everyone, thank you for joining us.

00:00:21 --> 00:00:25: This event is about equitable access to capital real estate development by all for all.

00:00:25 --> 00:00:27: And we are so pleased that we get such an

00:00:27 --> 00:00:29: amazing panel and group of speakers here for you today

00:00:30 --> 00:00:33: and we're just going to jump in and get started.

00:00:33 --> 00:00:37: Before we do, the audience will be muted throughout the

00:00:37 --> 00:00:41: session.

00:00:41 --> 00:00:41: You're welcome to submit comments and questions through

00:00:41 --> 00:00:44: the chat

00:00:44 --> 00:00:46: box and we'll get to them at the end of

00:00:46 --> 00:00:47: the event.

00:00:47 --> 00:00:51: During our Q&A and we are recording this event and

00:00:51 --> 00:00:54: the recording will be available afterwards.

00:00:54 --> 00:00:56: I'm going to turn it over to our new executive

00:00:56 --> 00:00:57: director,

00:00:57 --> 00:01:02: Ronnie Milton. Thank you Mary Ann and thank you for

00:01:02 --> 00:01:03: our panelists.

00:01:03 --> 00:01:07: I'm the new executive director of ULI Colorado.

00:01:07 --> 00:01:10: I want to welcome you to this event and I

00:01:10 --> 00:01:14: also want to welcome you to an opportunity to join

00:01:14 --> 00:01:17: us for another slate of events that we have for

00:01:17 --> 00:01:19: this month and the next.

00:01:19 --> 00:01:22: If you can see here we've got on February 23rd

00:01:22 --> 00:01:24: celebrating Colorado Springs.

00:01:24 --> 00:01:29: Is there 150th anniversary? The mayor will be speaking.

00:01:29 --> 00:01:31: This is a virtual event and so we encourage you

00:01:31 --> 00:01:32: to join.

00:01:32 --> 00:01:35: Our young Leaders group is going to have a detour,
00:01:35 --> 00:01:37: which is their version of a tour.
00:01:37 --> 00:01:40: The expansion of the Colorado Convention Center on the
24th
00:01:40 --> 00:01:43: and then we have our new Member Coffee.
00:01:43 --> 00:01:45: It's on March 3rd. This is where you can get
00:01:45 --> 00:01:48: an opportunity to see other new members of you like
00:01:48 --> 00:01:52: Colorado get a chance to understand our structure and how
00:01:52 --> 00:01:55: our membership works. The committees that we have and
ways
00:01:56 --> 00:01:59: that you can volunteer and add value to organization.
00:01:59 --> 00:02:02: The deadline for partnership forum that is.
00:02:02 --> 00:02:06: An excellent opportunity that we have for young leaders is
00:02:07 --> 00:02:07: the third.
00:02:07 --> 00:02:12: That application is out. I believe someone will drop that
00:02:12 --> 00:02:16: in the chat for me and then related to our
00:02:16 --> 00:02:18: DI initiative is our read,
00:02:18 --> 00:02:21: listen and watch and that is an excellent opportunity for
00:02:22 --> 00:02:24: you get a chance to dive deep into our topic
00:02:24 --> 00:02:28: for this discussion on March 10th will be reparations.
00:02:28 --> 00:02:31: You can read the article from The Atlantic listen.
00:02:31 --> 00:02:35: Or watch whatever time permits for you,
00:02:35 --> 00:02:37: and that will also be in the chat,
00:02:37 --> 00:02:40: and then any of these reports or webinars.
00:02:40 --> 00:02:44: A lot of different opportunities to dive deeper is on
00:02:44 --> 00:02:46: our knowledgeyoualive.org website,
00:02:46 --> 00:02:50: so I will stop there up thinking I'll stop there
00:02:50 --> 00:02:51: and turn it over.
00:02:51 --> 00:02:56: Oh, let me make very important mention.
00:02:56 --> 00:02:59: Special thank you to our annual sponsors.
00:02:59 --> 00:03:02: This allows us to do the programming and and provide
00:03:02 --> 00:03:04: for you though the work that we do and the
00:03:05 --> 00:03:07: value add that we bring to the table and so
00:03:07 --> 00:03:10: thank you so much for all of our annual sponsors
00:03:10 --> 00:03:12: and with that I will turn it back
00:03:12 --> 00:03:13: over to you Mary.
00:03:14 --> 00:03:19: Thank you Rodney. For our event today we have some
00:03:19 --> 00:03:24: amazing speakers lined up for you after our quick welcome.
00:03:24 --> 00:03:28: We have a keynote address by Dayton Peterson who is
00:03:28 --> 00:03:30: the author of the City report,
00:03:30 --> 00:03:34: closing the racial inequality gaps and she's a chief economist
00:03:34 --> 00:03:36: of the Conference Board.
00:03:36 --> 00:03:39: I will mention that she's currently on medical leave so

00:03:39 --> 00:03:42: we have pre recorded her her presentation and she won't
00:03:42 --> 00:03:45: be available to join us for the Q&A today.
00:03:45 --> 00:03:47: But if you do have questions for her,
00:03:47 --> 00:03:50: you're welcome. To put them in the chat box and
00:03:50 --> 00:03:51: we can relay them to her.
00:03:51 --> 00:03:56: After her presentation, we have a local panel featuring Jenny
00:03:56 --> 00:04:00: Rogers who's the VPN market leader of Denver for
enterprise
00:04:00 --> 00:04:02: Community partners,
00:04:02 --> 00:04:07: James Johnson on the Community Investment Trust
manager for solid
00:04:07 --> 00:04:10: rock Community Development Corporation,
00:04:10 --> 00:04:14: Solomon Munga is the vice president and commercial lender
of
00:04:14 --> 00:04:17: Midwest One Bank and Justin Gilmore,
00:04:17 --> 00:04:21: who's a project manager for Gilmore Construction Corp.
00:04:21 --> 00:04:25: After these presentations, we'll have a Q&A with the
audience
00:04:25 --> 00:04:26: moderated by Mark Marshall,
00:04:26 --> 00:04:30: who's the Vice President of Real estate for Rocky Mountain
00:04:30 --> 00:04:30: communities.
00:04:30 --> 00:04:32: And with that, I'd love to turn it over to
00:04:32 --> 00:04:33: Mark Marshall.
00:04:37 --> 00:04:38: Thank
00:04:38 --> 00:04:40: you Mary Ann. In addition to being Vice President of
00:04:40 --> 00:04:42: real estate at Rocky Mountain Communities,
00:04:42 --> 00:04:46: I'm also the Co. Chair of the Diversity,
00:04:46 --> 00:04:50: Equity and inclusion. City at you all.
00:04:50 --> 00:04:54: I one of the things that we've talked about that
00:04:54 --> 00:04:56: with the murder of George Floyd.
00:04:56 --> 00:04:59: Everything just started out. Light started.
00:04:59 --> 00:05:02: We showed him a lot of areas that we know
00:05:02 --> 00:05:07: have been inequities throughout our society for years here
and
00:05:07 --> 00:05:09: what brought us to this panel.
00:05:09 --> 00:05:12: Here is one of our series of conversations that we've
00:05:12 --> 00:05:13: had through our read,
00:05:13 --> 00:05:16: watch and listen program. So.
00:05:16 --> 00:05:21: I did today, specifically our for our keynote speaker.
00:05:21 --> 00:05:25: Dana Peterson arose when I saw her articles when she
00:05:25 --> 00:05:26: was at Citibank.
00:05:26 --> 00:05:30: She Co authored a report while she was there,
00:05:30 --> 00:05:31: closing the racial equity gap.

00:05:31 --> 00:05:35: The economic cost of black inequality in the US and
 00:05:35 --> 00:05:36: that really,
 00:05:36 --> 00:05:41: really resonated with me and it just started pointing out
 00:05:41 --> 00:05:45: some of the inequalities here or that are structural year
 00:05:45 --> 00:05:47: for us in our society.
 00:05:47 --> 00:05:49: I've got a few links that I'll put in.
 00:05:49 --> 00:05:52: I won't steal any Adeena's Thunder before a presentation,
 00:05:52 --> 00:05:54: but I'll add some links in.
 00:05:54 --> 00:05:57: I'll add the link to her report as well as
 00:05:57 --> 00:06:00: a couple of other more timely articles that I saw
 00:06:00 --> 00:06:01: just today.
 00:06:01 --> 00:06:05: One from the Washington Post and another from USA
 TODAY
 00:06:05 --> 00:06:08: around these same issues here,
 00:06:08 --> 00:06:11: but. With that I will.
 00:06:11 --> 00:06:13: Get the panel started here.
 00:06:13 --> 00:06:15: I'll turn it over here at Beck,
 00:06:15 --> 00:06:18: Mary Ann. To get our initial panel started here with
 00:06:18 --> 00:06:19: our keynote speaker,
 00:06:19 --> 00:06:21: Dana. So thank you.
 00:06:23 --> 00:06:25: Thank you so much, Mark and thank you for your
 00:06:25 --> 00:06:26: leadership of our diversity,
 00:06:26 --> 00:06:30: equity and Inclusion Committee. Our first speaker is Dana
 Peterson,
 00:06:30 --> 00:06:33: who just mentioned she's a chief economist with the
 Conference
 00:06:33 --> 00:06:34: Board and Co.
 00:06:34 --> 00:06:39: Author of the well known report closing the racial inequality
 00:06:39 --> 00:06:39: gaps.
 00:06:39 --> 00:06:43: This is a prerecorded presentation so she'll jump right into
 00:06:43 --> 00:06:43: it.
 00:06:47 --> 00:06:48: I'm going to be discussed.
 00:06:55 --> 00:07:00: Think how we can close racial inequality gaps in America.
 00:07:00 --> 00:07:03: Well, let's first take a look at how much these
 00:07:03 --> 00:07:04: gaps are costing us.
 00:07:04 --> 00:07:07: Some of the gaps include wages,
 00:07:07 --> 00:07:11: education, homeownership and also business access to
 capital.
 00:07:11 --> 00:07:15: And all of these gaps contribute to the overall wealth
 00:07:15 --> 00:07:19: gap that we see between black Americans and their peers
 00:07:19 --> 00:07:20: in America.
 00:07:20 --> 00:07:22: We did a study and we found out that if
 00:07:22 --> 00:07:25: we added up these gaps over the last 20 years,

00:07:25 --> 00:07:28: it would be equivalent to \$16 trillion.

00:07:28 --> 00:07:33: That's right, \$16 trillion, which is in astounding number.

00:07:33 --> 00:07:37: Let's look at how we came up with this number.

00:07:37 --> 00:07:40: Let's talk about the racial wage gap.

00:07:40 --> 00:07:43: If we looked at the amount of money that white

00:07:43 --> 00:07:47: Americans as particular white males are making relative to their

00:07:47 --> 00:07:48: cohorts,

00:07:48 --> 00:07:52: the difference is \$6.8 trillion over the last 20 years.

00:07:52 --> 00:07:56: And if we compare it made the comparison between white

00:07:56 --> 00:07:58: males and black Americans,

00:07:58 --> 00:08:01: then that difference would be \$2.7 trillion over the last

00:08:02 --> 00:08:02: 20 years,

00:08:02 --> 00:08:06: or a loss of 2/10 of GDP each year.

00:08:06 --> 00:08:11: That black Americans aren't generating for the economy.

00:08:11 --> 00:08:14: Let's look at it. Take a look at the next

00:08:14 --> 00:08:14: gap.

00:08:14 --> 00:08:17: High access to higher education.

00:08:17 --> 00:08:20: So if we looked at the difference between the number

00:08:20 --> 00:08:25: of people in particular white persons who are earning college

00:08:25 --> 00:08:27: degrees versus black persons,

00:08:27 --> 00:08:29: we'd see a pretty significant gap.

00:08:29 --> 00:08:32: And if we added up the lifetime income that black

00:08:33 --> 00:08:36: Americans are missing out of over 20 year period,

00:08:36 --> 00:08:39: well that we saw over the last 20 years,

00:08:39 --> 00:08:42: then it would be equivalent to anywhere from 90 to

00:08:42 --> 00:08:43: \$113 billion.

00:08:43 --> 00:08:47: This is just astounding. Imagine what you can do with

00:08:47 --> 00:08:50: that amount of money in terms of investing in your

00:08:50 --> 00:08:53: families and investing in your communities.

00:08:53 --> 00:08:57: Another gap is with respect to housing credit access.

00:08:57 --> 00:09:00: When we look at the number of black households that

00:09:00 --> 00:09:02: could have been created if they had access to housing,

00:09:02 --> 00:09:07: it would have equated to 770,000 black homeowners.

00:09:07 --> 00:09:10: Imagine if each of those black homeowners then bought a

00:09:10 --> 00:09:14: car or bought furniture or appliances or lawn care equipment

00:09:14 --> 00:09:15: for those homes,

00:09:15 --> 00:09:20: we would have added up roughly \$218 billion in GDP

00:09:20 --> 00:09:23: over that time period of 20 years.

00:09:23 --> 00:09:27: So this is again really astounding numbers.

00:09:27 --> 00:09:30: And then finally, if we look at fair and equitable

00:09:30 --> 00:09:32: lending for black entrepreneurs.

00:09:32 --> 00:09:37: Roughly \$13 trillion in business revenue was not created over

00:09:37 --> 00:09:41: the last 20 years because black businesses either did not

00:09:41 --> 00:09:45: have money or access to credit to keep keep their

00:09:45 --> 00:09:48: doors open, or they were never able to create those

00:09:48 --> 00:09:49: businesses at all.

00:09:49 --> 00:09:52: Another way of looking at it is looking at thinking

00:09:52 --> 00:09:55: about how many jobs were not created.

00:09:55 --> 00:09:59: Roughly 6 million jobs a year were not created because

00:09:59 --> 00:10:04: black entrepreneurs did not have access to credit and financing.

00:10:04 --> 00:10:08: The interesting thing is that when we look at the

00:10:08 --> 00:10:10: different points of financing,

00:10:10 --> 00:10:14: black entrepreneurs are actually pretty equal in terms of their

00:10:14 --> 00:10:18: ability and actually slightly better in terms of their ability

00:10:18 --> 00:10:22: of gaining or collecting funds early in early stages of

00:10:22 --> 00:10:25: financing, such as gaining money from friends and family or

00:10:25 --> 00:10:27: from their own personal savings.

00:10:27 --> 00:10:32: However, when you look at subsequent rounds of financing,

00:10:32 --> 00:10:35: they trail behind their white counterparts.

00:10:35 --> 00:10:38: Including access to capital from banks,

00:10:38 --> 00:10:44: venture capitalists, capital markets, Angel investors need a study by

00:10:44 --> 00:10:49: the Small Business Association revealed that for black Americans or

00:10:49 --> 00:10:54: black entrepreneurs they are the most likely group to be

00:10:54 --> 00:10:57: denied access to funding at every level of financing.

00:10:57 --> 00:11:01: Whether they are asking for credit cards,

00:11:01 --> 00:11:04: money from Angel investors, money from friends and family,

00:11:04 --> 00:11:07: or even from. Banking and credit unions.

00:11:07 --> 00:11:09: They are the most likely to say that they did

00:11:09 --> 00:11:12: not receive the amount of funding that they requested.

00:11:12 --> 00:11:14: Now some of this may have to do with things

00:11:14 --> 00:11:16: like credit scores,

00:11:16 --> 00:11:19: but again, many of these people already successful and already

00:11:19 --> 00:11:23: very driven and have already raised their own capital from

00:11:23 --> 00:11:25: amongst their own sources.

00:11:25 --> 00:11:27: So there's gotta be something else here.

00:11:27 --> 00:11:32: So what if we close all of these gaps?

00:11:32 --> 00:11:37: The wage gap, education, housing and also access to financing?

00:11:37 --> 00:11:42: Well, we could generate almost \$5 trillion through the next

00:11:42 --> 00:11:44: five years in terms of GDP,
 00:11:44 --> 00:11:48: or that's roughly 1/2 percentage of GDP growth every year.
 00:11:48 --> 00:11:52: If we think about how quickly the US economy was
 00:11:52 --> 00:11:54: growing before the pandemic,
 00:11:54 --> 00:11:57: the US is growing about 2 1/2%.
 00:11:57 --> 00:11:58: If we could add another half percent,
 00:11:58 --> 00:12:01: that's 3% growth. That's really outstanding growth,
 00:12:01 --> 00:12:04: and that would be achieved just by getting rid of
 00:12:04 --> 00:12:09: these gaps between what African Americans and Black
 Americans in
 00:12:09 --> 00:12:09: the US.
 00:12:09 --> 00:12:13: Are facing in terms of generating wealth versus their white
 00:12:13 --> 00:12:14: counterparts.
 00:12:16 --> 00:12:20: So what can governments, individuals,
 00:12:20 --> 00:12:24: firms, and nonprofits do to help close the racial inequality
 00:12:24 --> 00:12:24: gap?
 00:12:24 --> 00:12:26: Well, first, let's just think about the government.
 00:12:26 --> 00:12:29: Certainly when we think about monetary policy,
 00:12:29 --> 00:12:32: it's so important for the Federal Reserve to think about
 00:12:32 --> 00:12:36: how its policies are impacting communities of color and
 making
 00:12:36 --> 00:12:40: sure that it's focused on its dual mandate not only
 00:12:40 --> 00:12:44: low inflation but also making sure that there's full
 employment
 00:12:44 --> 00:12:47: that everyone is being employed including.
 00:12:47 --> 00:12:51: Persons of color. It's also financial inclusion,
 00:12:51 --> 00:12:57: making sure that. Governments. Implement laws that ensure
 that no
 00:12:57 --> 00:12:59: one is left out,
 00:12:59 --> 00:13:02: especially with respect to employment.
 00:13:02 --> 00:13:06: Governments can also provide housing incentives and tax
 reforms that
 00:13:06 --> 00:13:10: are beneficial for people to start building wealth.
 00:13:10 --> 00:13:13: Another idea is guaranteed income.
 00:13:13 --> 00:13:18: Others are investing in building wealth and then finally
 providing
 00:13:18 --> 00:13:21: laws such as salary history bans that that.
 00:13:21 --> 00:13:27: That would enable people who would normally be excluded
 from.
 00:13:27 --> 00:13:31: Being able to advocate for their own wages now in
 00:13:31 --> 00:13:32: terms of firms,
 00:13:32 --> 00:13:35: there's internal work as well as external work that can
 00:13:35 --> 00:13:36: be done internally.
 00:13:36 --> 00:13:39: Firms can make sure that they are supporting diversity,

00:13:39 --> 00:13:43: equity and inclusion initiatives. They can also ensure that they

00:13:43 --> 00:13:46: have diverse slates when they're hiring,

00:13:46 --> 00:13:49: making sure that they have retention initiatives to keep the

00:13:49 --> 00:13:51: best talent of color,

00:13:51 --> 00:13:55: and also reviewing firing plans and making sure that communities

00:13:55 --> 00:13:58: of color are not unduly harmed whenever there's.

00:13:58 --> 00:14:02: Reduction in staffing and then externally businesses can think about

00:14:02 --> 00:14:04: corporate social responsibility.

00:14:04 --> 00:14:08: Investing in your community and then also making sure that

00:14:08 --> 00:14:12: you're developing metrics and tracking to see whether or not

00:14:12 --> 00:14:14: you are actually meeting those goals.

00:14:14 --> 00:14:17: And then most importantly, well also importantly,

00:14:17 --> 00:14:20: is adding black board members not just one but many

00:14:20 --> 00:14:24: to have that voice in terms of advising companies and

00:14:24 --> 00:14:27: how best to make sure that they are addressing their

00:14:27 --> 00:14:28: D and I initiatives both.

00:14:28 --> 00:14:33: Internally, as well as externally thinking about individuals well before

00:14:33 --> 00:14:36: we go there just thinking about nonprofits,

00:14:36 --> 00:14:38: nonprofits can partner with firms,

00:14:38 --> 00:14:43: partner with individuals, partner with communities and partner with governments

00:14:43 --> 00:14:47: as well as educate and advocate in terms of closing

00:14:47 --> 00:14:49: these racial economic gaps.

00:14:49 --> 00:14:51: And then finally, what can individuals do?

00:14:51 --> 00:14:55: Well, there's a variety of things that that individuals and

00:14:55 --> 00:14:56: persons can do.

00:14:56 --> 00:14:59: First of all, educate education.

00:14:59 --> 00:15:03: Making sure that you're educating yourself and financial literacy.

00:15:03 --> 00:15:08: Preferred gratification that means investing not only in yourself,

00:15:08 --> 00:15:11: but in your financial well being.

00:15:11 --> 00:15:12: And then there's embracing risk.

00:15:12 --> 00:15:14: Many of us may have insurance,

00:15:14 --> 00:15:17: but it's important to also invest in stocks and bonds

00:15:18 --> 00:15:21: and commodities and other types of assets that in housing

00:15:21 --> 00:15:23: that build wealth over time.

00:15:23 --> 00:15:27: Also advocating for yourself especially on the job,

00:15:27 --> 00:15:31: making sure that you're asking for bigger responsibilities is stretch

00:15:31 --> 00:15:33: assignment the international assignment.

00:15:33 --> 00:15:39: Uh. More advanced activities, whatever it is,

00:15:39 --> 00:15:41: make sure that you're speaking up for yourself.

00:15:41 --> 00:15:44: Also be mobile. Be willing to move around the country.

00:15:44 --> 00:15:47: Move around the world or just move positions,

00:15:47 --> 00:15:52: move jobs, change careers. Do things that will allow you

00:15:52 --> 00:15:53: to be able to.

00:15:53 --> 00:15:56: Increase your knowledge as well as your income so that

00:15:56 --> 00:16:00: you can build wealth and then finally flex your political

00:16:00 --> 00:16:03: power in your communities at the ballot box.

00:16:03 --> 00:16:06: Make sure that your voice is being heard.

00:16:06 --> 00:16:11: So again these racial inequality gaps are very costly,

00:16:11 --> 00:16:16: costing the US economy and all of us roughly \$16

00:16:16 --> 00:16:19: trillion over a 20 year period.

00:16:19 --> 00:16:21: However, if we close these gaps,

00:16:21 --> 00:16:23: we could generate so much growth.

00:16:23 --> 00:16:25: That would benefit not only black Americans,

00:16:25 --> 00:16:29: but all Americans. Thank you so much for your time

00:16:30 --> 00:16:34: focused on the racial wealth gap and by now you

00:16:34 --> 00:16:36: indicate that in almost every case.

00:16:45 --> 00:16:47: Apologies for the technical issues.

00:16:47 --> 00:16:52: Our next panelist is Jenny Rogers Jenny welcome.

00:16:52 --> 00:16:55: Thank you. Thank you Mary Ann and thank you so

00:16:55 --> 00:16:57: much to you Ally for inviting me to be on

00:16:57 --> 00:16:58: this panel.

00:16:58 --> 00:17:02: I'm Jenny Rogers. I'm a vice president and market leader

00:17:02 --> 00:17:06: here at Enterprise Community Partners and I am located in

00:17:06 --> 00:17:09: Denver and serve the state of Colorado.

00:17:09 --> 00:17:11: Those of you who may not know enterprise,

00:17:11 --> 00:17:15: we are a national affordable housing nonprofit organization.

00:17:15 --> 00:17:20: We work on everything from policy at the Capitol in

00:17:20 --> 00:17:25: Washington DC all the way to owning and managing

00:17:25 --> 00:17:28: properties

00:17:28 --> 00:17:33: in the eastern part of the United States.

00:17:33 --> 00:17:35: We are housing fine answers and we also are program

00:17:35 --> 00:17:39: operators on the ground,

00:17:39 --> 00:17:39: so I wanted to talk today about a new program

00:17:39 --> 00:17:39: that we have.

00:17:39 --> 00:17:41: It's about a year old called.

00:17:41 --> 00:17:45: Equitable path forward and Dana really set it up well

00:17:45 --> 00:17:49: describing why it's so important to make sure that we

00:17:49 --> 00:17:53: have equity in the real estate industry because we know

00:17:53 --> 00:17:57: that business access to capital as she said it is
00:17:57 --> 00:18:00: lacking for bipack developers.
00:18:00 --> 00:18:04: So enterprise at enterprise we have three goals.
00:18:04 --> 00:18:07: We have a goal of increasing the housing supply.
00:18:07 --> 00:18:10: We have a goal of advancing racial equity and we
00:18:10 --> 00:18:11: have a goal.
00:18:11 --> 00:18:14: Of building resilience and upward mobility,
00:18:14 --> 00:18:17: and we feel like equitable path forward is a great
00:18:17 --> 00:18:20: program for digging into all three of these goals.
00:18:20 --> 00:18:24: It's a \$3.5 billion initiative nationally,
00:18:24 --> 00:18:27: to counter racial inequities and housing.
00:18:27 --> 00:18:30: If you want to go to the next slide.
00:18:30 --> 00:18:34: So what was the challenge that we were trying to
00:18:34 --> 00:18:35: to solve here?
00:18:35 --> 00:18:39: Racial and equities we know exist in the real estate
00:18:39 --> 00:18:45: industry and those racial inequities perpetrate racial
disparities in communities
00:18:45 --> 00:18:47: that we work in.
00:18:47 --> 00:18:50: I'm proud to work for an organization that's led by
00:18:50 --> 00:18:53: as a senior leadership team that is all bipac individuals,
00:18:53 --> 00:18:58: and so they really came together from our lending
investment.
00:18:58 --> 00:19:03: Programmatic and. Policy lenses and decided that we really
needed
00:19:03 --> 00:19:07: to do something to challenge these racial inequities.
00:19:07 --> 00:19:10: If we go to the next slide.
00:19:10 --> 00:19:13: So Equitable Path forward is,
00:19:13 --> 00:19:16: as I said, it's a national effort.
00:19:16 --> 00:19:21: We're really trying to. Solve for racial wealth gaps and
00:19:21 --> 00:19:26: underrepresentation in the real estate industry.
00:19:26 --> 00:19:30: So while we know that for decades the affordable housing
00:19:30 --> 00:19:34: community and the commercial real estate sector sectors
have been
00:19:34 --> 00:19:39: very lucrative for mostly white LED organizations that control
them
00:19:39 --> 00:19:44: even as they serve and create affordable rental homes
primarily
00:19:44 --> 00:19:48: in neighborhoods of color and for people of color.
00:19:48 --> 00:19:53: That individuals of color are woefully underrepresented in the
industry.
00:19:53 --> 00:19:55: So as you see on this slide,
00:19:55 --> 00:19:59: 2% of real estate management firms are minority owned only
00:19:59 --> 00:19:59: 1%
00:19:59 --> 00:20:04: of the total assets under management are controlled by

minority

00:20:04 --> 00:20:06: owned firms and only 16%

00:20:06 --> 00:20:11: of community development corporations are minority lead.

00:20:11 --> 00:20:15: Next slide. Thank you as Mark said and he just

00:20:15 --> 00:20:19: put links to a few new articles in the chat.

00:20:19 --> 00:20:25: This is a well documented and urgent unmet need.

00:20:25 --> 00:20:30: We've got a few examples here of articles and statements

00:20:30 --> 00:20:31: from the press.

00:20:31 --> 00:20:37: Identifying the lack of capital that exists for Bipac developers.

00:20:37 --> 00:20:42: Next slide. So our plan.

00:20:42 --> 00:20:46: It's audacious. We want to try to rebalance power and

00:20:46 --> 00:20:48: profit in the real estate sector,

00:20:48 --> 00:20:53: and we know that capitalist power and power shapes communities.

00:20:53 --> 00:20:58: Next slide. So we've got a three prong strategy to

00:20:58 --> 00:21:03: meet the needs of bipac developers through our CDF I

00:21:03 --> 00:21:04: loan fund.

00:21:04 --> 00:21:08: We are have plans to fill the capital gap in

00:21:08 --> 00:21:13: housing created by decades of systemic racism by investing directly

00:21:13 --> 00:21:15: in diverse developers,

00:21:15 --> 00:21:20: we plan to strengthen bipac and historically marginalized housing providers

00:21:20 --> 00:21:24: through the provision of advisory services and other supports for

00:21:24 --> 00:21:26: those developers.

00:21:26 --> 00:21:29: And then we're also trying to create new career pathways

00:21:29 --> 00:21:33: in the real estate industry that will diversify leadership in

00:21:33 --> 00:21:34: the industry.

00:21:34 --> 00:21:37: Next slide. As I said,

00:21:37 --> 00:21:39: we have a 3 pronged approach.

00:21:39 --> 00:21:44: We threw our. Our fund raising efforts I'm pleased to

00:21:44 --> 00:21:49: say that we have raised over \$350 million in our

00:21:49 --> 00:21:54: growth fund to scale the operations and market share of

00:21:54 --> 00:21:58: developers of color and address historic inequities in the real

00:21:58 --> 00:22:00: estate industry.

00:22:00 --> 00:22:04: From the start, a critical component of Equitable Path forward

00:22:04 --> 00:22:08: was to reframe the perception of risk in the underwriting

00:22:08 --> 00:22:10: process to finance a real estate deal.

00:22:10 --> 00:22:14: Today, most underwriters require \$1,000,000 in liquidity.

00:22:14 --> 00:22:17: Had \$5 million in net worth if you're a developer

00:22:17 --> 00:22:18: of color,

00:22:18 --> 00:22:20: this often presents a conundrum.

00:22:20 --> 00:22:23: You need to work on large projects in order to

00:22:23 --> 00:22:27: build your balance sheet and meet investor requirements,

00:22:27 --> 00:22:30: but without a hefty balance sheet to start with,

00:22:30 --> 00:22:34: it's nearly impossible to build your Forte portfolio along with

00:22:34 --> 00:22:37: employing more flexible underwriting standards.

00:22:37 --> 00:22:42: We've created a first in its kind standby guarantee facility,

00:22:42 --> 00:22:45: which is meant to address this challenge.

00:22:45 --> 00:22:48: Our credit enhancement tool creates access to new sources

00:22:48 --> 00:22:53: of investment for developers whose balance sheets don't meet

00:22:53 --> 00:22:53: traditional investor requirements,

00:22:53 --> 00:22:57: and it also allows these developers to avoid third party

00:22:57 --> 00:22:59: Co guarantor requirements,

00:22:59 --> 00:23:03: which have historically served as an impediment to these

00:23:04 --> 00:23:04: groups growth.

00:23:04 --> 00:23:08: That way we are leveling the playing field for developers

00:23:08 --> 00:23:11: of color so they can hold on to more of

00:23:11 --> 00:23:13: their profits and growth potential.

00:23:13 --> 00:23:17: Not only is this growth fund going to immediately unlock

00:23:17 --> 00:23:21: capital to developers who have been locked out of the

00:23:21 --> 00:23:23: traditional investor pools.

00:23:23 --> 00:23:26: But the operating history that follows will create change in

00:23:26 --> 00:23:30: the system by providing to the capital markets that are

00:23:30 --> 00:23:32: proving to these capital markets.

00:23:32 --> 00:23:36: These investments are well worth making within their

00:23:36 --> 00:23:37: required risk adjusted returns,

00:23:37 --> 00:23:41: and that will in turn unlock exponentially greater investment

00:23:41 --> 00:23:44: in these housing providers in the communities they serve.

00:23:44 --> 00:23:48: As I said, we're also providing advisory services,

00:23:48 --> 00:23:54: so we've raised \$15 million that's going towards a funding.

00:23:54 --> 00:24:01: Everything from pre development resources for for

00:24:01 --> 00:24:09: developers providing business services and evaluation support and partnerships with bipac

00:24:09 --> 00:24:14: lead organizations and CDF eyes to build out a national network.

00:24:14 --> 00:24:17: We are also starting a leadership program at enterprise.

00:24:17 --> 00:24:21: A two year leadership program that is a partnership with

00:24:21 --> 00:24:24: historically black colleges and universities to bring.

00:24:24 --> 00:24:28: New candidates and to our own organization in the field

00:24:28 --> 00:24:32: in order to grow diversity in the real estate industry.

00:24:32 --> 00:24:38: Next slide. So so far this is our 2021 end

00:24:38 --> 00:24:40: of year results.

00:24:40 --> 00:24:44: We're really happy that we've raised \$350 million in capital.

00:24:44 --> 00:24:49: We have also raised \$163 million in these in grant

00:24:49 --> 00:24:54: commitments and have 35 developers who have accessed 1

00:24:54 --> 00:24:59: \$3 million flexible lines of credit in order to help

00:24:59 --> 00:25:04: build their businesses. Twenty of those organizations are

00:25:04 --> 00:25:05: taking us

00:25:05 --> 00:25:08: up on the.

00:25:08 --> 00:25:12: Offer of advisory services and we also have a cohort

00:25:12 --> 00:25:15: of developers who are working together to in a peer

00:25:15 --> 00:25:18: sharing environment in order to support each other.

00:25:18 --> 00:25:22: As they grow their businesses.

00:25:22 --> 00:25:27: Next slide. I'm going to get a little bit into

00:25:27 --> 00:25:29: the detail of the developer advisory services that we're

00:25:29 --> 00:25:34: offering

00:25:34 --> 00:25:37: on the next slide.

00:25:37 --> 00:25:42: So consulting services that are offered to developers through

00:25:42 --> 00:25:47: Equitable

00:25:47 --> 00:25:55: Path forward include a few different elements.

00:25:55 --> 00:26:00: Were providing organizational assessments and consulting

00:26:00 --> 00:26:02: plans.

00:26:02 --> 00:26:05: Technical assistance by those in our organization who work

00:26:05 --> 00:26:08: on

00:26:08 --> 00:26:13: housing,

00:26:13 --> 00:26:16: finance, asset management, investment access to capital

00:26:16 --> 00:26:21: resources,

00:26:21 --> 00:26:26: and then we're monitoring and evaluating the effectiveness of

00:26:26 --> 00:26:30: this

00:26:30 --> 00:26:34: support so that we can.

00:26:34 --> 00:26:39: Modify and change the program as needed.

00:26:39 --> 00:26:44: Overtime as I said, we're also offering peer sharing and

00:26:44 --> 00:26:49: power building as part of the program.

00:26:49 --> 00:26:54: We've created a national bipac peer to peer learning

00:26:54 --> 00:26:59: network.

00:26:59 --> 00:27:04: We have enterprise train facilitated trainings,

00:27:04 --> 00:27:09: speakers best practice presentations all offered to those who

00:27:09 --> 00:27:14: are

00:27:14 --> 00:27:19: interested through Equitable path forward and then a peer

00:27:19 --> 00:27:24: network

00:27:24 --> 00:27:29: that is informing our policy agenda at the national,

00:27:29 --> 00:27:34: state and local level. Next slide.

00:27:34 --> 00:27:39: Our partners are developers and investors slide.

00:26:39 --> 00:26:44: So this slide provides a little bit of information on

00:26:44 --> 00:26:49: what we're looking for in the development partners that were

00:26:49 --> 00:26:53: we're seeking to bring in and provide capital to.

00:26:53 --> 00:26:55: They need to be bipac LED,

00:26:55 --> 00:26:57: so that means 50% of a board.

00:26:57 --> 00:27:03: Or if you have a CEO Executive director managing partner

00:27:03 --> 00:27:05: who identifies as BIPAC.

00:27:05 --> 00:27:08: For one of our larger lines of credits,

00:27:08 --> 00:27:12: we're asking or looking for developers who have successfully completed

00:27:12 --> 00:27:16: three real estate development projects and looking for those who

00:27:16 --> 00:27:18: have a proven track record with enterprise.

00:27:18 --> 00:27:22: We also actually have created a second line of credit,

00:27:22 --> 00:27:25: a little bit more flexible line of credit that's off

00:27:25 --> 00:27:28: our balance sheet for organizations that have less capacity,

00:27:28 --> 00:27:33: less experience, and maybe have provided or created one real

00:27:33 --> 00:27:35: estate development in there.

00:27:38 --> 00:27:42: Overtime and so really experience can vary depending on the

00:27:42 --> 00:27:46: the financial product that we're trying to match to the

00:27:46 --> 00:27:47: organization.

00:27:47 --> 00:27:52: We're trying to solve for challenges that have traditionally been

00:27:52 --> 00:27:55: barriers for liquidity or guarantee requirements,

00:27:55 --> 00:27:58: so another one of the resources that we are providing

00:27:58 --> 00:28:02: to organizations is the standby guarantee for organizations that are

00:28:02 --> 00:28:06: building using the low income housing Tax Credit program.

00:28:06 --> 00:28:12: Next slide. So I'm hoping that as you listen to

00:28:13 --> 00:28:13: this,

00:28:13 --> 00:28:17: your organization, your development company,

00:28:17 --> 00:28:20: or one that you know may be interested in accessing

00:28:20 --> 00:28:24: Equitable Path forward financial resources from enterprise.

00:28:24 --> 00:28:28: If that's the case, I hope that you will contact

00:28:29 --> 00:28:29: me.

00:28:29 --> 00:28:32: It can be a point person for those at enterprise

00:28:32 --> 00:28:36: who are overseeing this program and would love to see

00:28:36 --> 00:28:40: more Colorado organizations participate and access these resources.

00:28:40 --> 00:28:41: Thank you.

00:28:46 --> 00:28:47: Thank you so much, Jenny.

00:28:47 --> 00:28:49: Our next speaker is James

00:28:50 --> 00:28:51: welcome James. Hey, thank
00:28:51 --> 00:28:54: you Mary Ann and thank you you alive for the
00:28:54 --> 00:28:58: opportunity to speak present on this panel.
00:28:58 --> 00:29:00: Such a awesome group of people.
00:29:00 --> 00:29:02: But yeah, my name is James Johnson.
00:29:02 --> 00:29:05: I am the Community Investment trust manager over at solid
00:29:05 --> 00:29:09: Rock Community Development Corporation and we are a
00:29:09 --> 00:29:12: Corporation where we're focused in the Southeast,
00:29:12 --> 00:29:15: not just the southeast but the city in general.
00:29:15 --> 00:29:19: And really. Trying to bring the change that we want
00:29:19 --> 00:29:21: to see within our community.
00:29:21 --> 00:29:26: Go ahead, Marianne. So as I said today,
00:29:26 --> 00:29:29: we'll be speaking about the Southeast Community
00:29:29 --> 00:29:33: Investment trust,
00:29:33 --> 00:29:35: OK? OK Mary, thank you.
00:29:35 --> 00:29:39: So what is a Community investment trust?
00:29:39 --> 00:29:43: And I just wanted to give a brief overview for
00:29:43 --> 00:29:48: those who do not know UULI was a significant catalyst
00:29:48 --> 00:29:52: for getting the initial studies done in the Southeast
00:29:52 --> 00:29:56: community
00:29:56 --> 00:29:59: in Colorado Springs. So what is a community investment for
00:29:59 --> 00:30:02: us is a financial inclusion tool that addresses asset poverty
00:30:02 --> 00:30:03: and low income neighborhoods through communal
00:30:03 --> 00:30:05: ownership.
00:30:05 --> 00:30:10: One of the things that we're experiencing or when it
00:30:10 --> 00:30:13: comes to low income borrowers,
00:30:13 --> 00:30:16: they just. Their faces so many hurdles,
00:30:16 --> 00:30:19: whether that's higher chain or higher fees when it comes
00:30:19 --> 00:30:22: to investing or just not knowing how.
00:30:22 --> 00:30:24: So one of the beautiful things about this model was
00:30:24 --> 00:30:26: that you're able to go to a class and sit
00:30:26 --> 00:30:27: amongst your peers and be able to learn what it
00:30:27 --> 00:30:31: is to be an investor and uncover that money to
00:30:31 --> 00:30:31: actually be able to put in a low dollar amount
00:30:31 --> 00:30:33: as you see,
00:30:33 --> 00:30:35: for \$10 or so. OK,
00:30:35 --> 00:30:38: Mary
00:30:38 --> 00:30:39: Ann. So
00:30:39 --> 00:30:41: one of the things I wanted to do is there's
00:30:41 --> 00:30:44: only one of these right now existing in the country.
00:30:44 --> 00:30:47: We will be the second one.
00:30:47 --> 00:30:50: The first one is in Portland,

00:30:41 --> 00:30:44: OR, and I wanted to show some capture some data

00:30:44 --> 00:30:48: from their their latest impact of investment report where you

00:30:48 --> 00:30:49: can see.

00:30:49 --> 00:30:53: The returns that the resident investors are experiencing

00:30:53 --> 00:30:56: 2018.

00:30:56 --> 00:31:00: You know they were coming in at \$10 a share.

00:31:00 --> 00:31:01: Then a year later, you're almost up to another \$5

00:31:01 --> 00:31:04: so you can see.

00:31:04 --> 00:31:06: Over time. It really shows the power of of ownership

00:31:06 --> 00:31:07: and what it can do when it's attached to a

00:31:07 --> 00:31:09: real,

00:31:09 --> 00:31:12: tangible property. In this case,

00:31:12 --> 00:31:17: a commercial retail center. OK,

00:31:17 --> 00:31:23: Mary Ann. So of 20 participants and I discussed that

00:31:23 --> 00:31:24: they received much higher returns from a CIT than from

00:31:24 --> 00:31:27: a bank.

00:31:27 --> 00:31:28: Six express you know particular assignment in receiving their

00:31:28 --> 00:31:32: annual

00:31:32 --> 00:31:36: dividend.

00:31:36 --> 00:31:40: You know motivation from. You know investing in a property

00:31:40 --> 00:31:42: is now find out that it translates into different areas

00:31:42 --> 00:31:44: that are financial literacy or the financial well being.

00:31:44 --> 00:31:45: Some respondents are now looking at,

00:31:45 --> 00:31:48: you know, saving up to to get a house.

00:31:48 --> 00:31:51: Others are looking at hey,

00:31:51 --> 00:31:52: how do I get into the stock market now and

00:31:52 --> 00:31:53: just getting getting familiar with your financial literacy so that

00:31:53 --> 00:31:56: it's not?

00:31:56 --> 00:31:57: You know, it's not taboo.

00:31:57 --> 00:32:03: It's not a stigma to talk about it at the

00:32:03 --> 00:32:08: kitchen table.

00:32:08 --> 00:32:12: OK, Maria. I saw I really enjoyed this this slide

00:32:12 --> 00:32:14: so we did a breakdown and they looked at the

00:32:14 --> 00:32:15: reasons for investing in the CIT.

00:32:15 --> 00:32:18: You know top the top of the list was general

00:32:18 --> 00:32:21: investment,

00:32:21 --> 00:32:22: right? People do understand that it is worthwhile and they

00:32:22 --> 00:32:25: want to have that security within their lives and for

00:32:25 --> 00:32:27: their families.

00:32:27 --> 00:32:33: They just don't have access to it.

00:32:33 --> 00:32:37: OK, Mary Ann. So what we've been working on.

00:32:37 --> 00:32:37: For the past year and a half is really trying

00:32:37 --> 00:32:37: to.

00:32:37 --> 00:32:41: Find the right property within Southeast Colorado Springs.

00:32:41 --> 00:32:44: As you know, last year we had one of the

00:32:44 --> 00:32:48: hottest ZIP codes in the country 80916 where homes were

00:32:48 --> 00:32:52: literally being listed and turn around and being sold within

00:32:52 --> 00:32:56: four days on market. So we're really excited.

00:32:56 --> 00:32:59: When we came upon this opportunity to make this a

00:32:59 --> 00:33:02: CIT property and one of the things as you can

00:33:02 --> 00:33:02: see,

00:33:02 --> 00:33:07: essentially located in the southeast side of Colorado Springs,

00:33:07 --> 00:33:09: but we have. A youth center or excuse me,

00:33:09 --> 00:33:10: not a youth center. We have,

00:33:10 --> 00:33:12: you know, the YMCA right up the street from the

00:33:12 --> 00:33:13: property.

00:33:13 --> 00:33:16: We have Sierra High School when we do also have

00:33:16 --> 00:33:19: a youth center at the property that solid rock also

00:33:19 --> 00:33:22: does run for the youth in the area as well

00:33:22 --> 00:33:25: as mentoring, homework, studying and as you can see on

00:33:25 --> 00:33:28: this in the front these two big parcels right there

00:33:28 --> 00:33:29: that are vacant.

00:33:29 --> 00:33:31: We have a lot of great opportunity in which we

00:33:31 --> 00:33:33: can do with that to make it a mixed use

00:33:33 --> 00:33:36: and to really just connect it more so to the

00:33:36 --> 00:33:38: property as well. OK, Mary Ann.

00:33:40 --> 00:33:42: So these are just going to be some of the

00:33:42 --> 00:33:42: next slides.

00:33:42 --> 00:33:44: They're just going to be some shots of the property

00:33:44 --> 00:33:47: and trying to really give you some perspective on what

00:33:47 --> 00:33:47: we're dealing with,

00:33:47 --> 00:33:50: so this property is 38,000 square feet.

00:33:53 --> 00:33:57: And currently. You know there's not too much activity going

00:33:57 --> 00:33:58: there.

00:33:58 --> 00:33:59: You would almost think it's vacant,

00:33:59 --> 00:34:01: but it's really not. But we have some.

00:34:01 --> 00:34:04: You know, business owners that have been there for up

00:34:04 --> 00:34:07: to five years and we're really just looking at how

00:34:07 --> 00:34:10: we can activate this space with a different mix of

00:34:10 --> 00:34:12: retail and nonprofit clients. OK?

00:34:15 --> 00:34:16: So this is one of my favorites,

00:34:16 --> 00:34:18: so you can see this.

00:34:18 --> 00:34:20: It really gives you perspective of what we're looking at

00:34:20 --> 00:34:21: in the property.

00:34:21 --> 00:34:24: We have the beautiful mountain views and it's just,
00:34:24 --> 00:34:28: you know, a such a unique space that's well connected.
00:34:28 --> 00:34:30: One of the things we're really focused on was public
00:34:31 --> 00:34:33: transportation is a walkable for the neighbors to get to.
00:34:33 --> 00:34:36: Can they hop on the bus at anytime and get
00:34:36 --> 00:34:37: there?
00:34:37 --> 00:34:41: And so all these criteria that we're looking for we're
00:34:41 --> 00:34:44: really focus on making sure we can meet them all,
00:34:44 --> 00:34:47: OK? And you could just and so this is one
00:34:47 --> 00:34:50: of the renderings that we picture for the area you
00:34:50 --> 00:34:53: know for the tenants and it's,
00:34:53 --> 00:34:55: it's really just sleek and modern.
00:34:55 --> 00:34:58: We wanted to keep a urban field so that it
00:34:58 --> 00:35:02: doesn't actually just totally not blend in with the area.
00:35:02 --> 00:35:04: I guess it's the best way to say it,
00:35:04 --> 00:35:07: but you know, as we see we this very simple
00:35:07 --> 00:35:08: clean designs.
00:35:08 --> 00:35:12: This really going to be attractive for neighborhood residents
and
00:35:12 --> 00:35:15: those new businesses that will be located into the property.
00:35:15 --> 00:35:17: To make it their home.
00:35:17 --> 00:35:21: OK. So currently as I said with the property in
00:35:21 --> 00:35:23: our tenant mix,
00:35:23 --> 00:35:24: we have some faith based organizations.
00:35:24 --> 00:35:27: There a hair salon. As I said,
00:35:27 --> 00:35:30: a solid rock. We also operate abuse center out of
00:35:30 --> 00:35:31: the property,
00:35:31 --> 00:35:35: but we're in the process of doing a feasibility study
00:35:35 --> 00:35:37: on what our potential tenants can be.
00:35:37 --> 00:35:38: Some of those you know,
00:35:38 --> 00:35:43: early childhood development center Harrison Credit Union
has expressed interest
00:35:43 --> 00:35:43: in hey,
00:35:43 --> 00:35:46: we would love to be able to have a satellite
00:35:46 --> 00:35:50: office there because there is no immediate banking
institution.
00:35:50 --> 00:35:52: And I think if we could have you know these
00:35:52 --> 00:35:56: these businesses that not only generate foot traffic to the
00:35:56 --> 00:35:56: business,
00:35:56 --> 00:35:59: but really serve the Community.
00:35:59 --> 00:36:01: I think it's a wonderful thing.
00:36:01 --> 00:36:06: OK, Marianne? So what we have been doing is conducting
00:36:06 --> 00:36:09: focus groups and a lot of the feedback that we

00:36:10 --> 00:36:10: were.

00:36:10 --> 00:36:14: We were receiving one of the majority of attendees were

00:36:14 --> 00:36:17: women and that kind of tracks with what we're seeing

00:36:17 --> 00:36:18: in East Portland,

00:36:18 --> 00:36:21: and you know our attendees.

00:36:21 --> 00:36:24: They expressed that they would like to have a bookstore.

00:36:24 --> 00:36:26: There's no local bookstore. There's no,

00:36:26 --> 00:36:28: there's no coffee shop. There's no clothing store.

00:36:28 --> 00:36:31: There's no, you know, sit down restaurant.

00:36:31 --> 00:36:34: One of the things within southeast that we're finding out

00:36:34 --> 00:36:35: is that families.

00:36:35 --> 00:36:38: Have disposable income and they they're looking for a place

00:36:38 --> 00:36:39: to spend it,

00:36:39 --> 00:36:42: but they have to travel outside the southeast community to

00:36:42 --> 00:36:43: do that,

00:36:43 --> 00:36:47: and they're spending upwards towards \$3 million a year on

00:36:47 --> 00:36:49: just eating out.

00:36:49 --> 00:36:52: So how do we? How do we capture that that

00:36:52 --> 00:36:55: money so that it stays within the area,

00:36:55 --> 00:37:00: right? Go ahead, Marianne. And so one of the things

00:37:00 --> 00:37:04: in regards to doing with our marketing plan or our

00:37:04 --> 00:37:08: focus group scuse ME was really getting that feedback as

00:37:08 --> 00:37:11: well. And one of the things we got was,

00:37:11 --> 00:37:13: hey, I I kind of understand this,

00:37:13 --> 00:37:16: but how do how do you make it more accessible

00:37:16 --> 00:37:19: and easier to understand language?

00:37:19 --> 00:37:21: So we really been working hard and dialing down that

00:37:21 --> 00:37:24: piece so that neighbors are able to to explain it

00:37:24 --> 00:37:27: as quick as they need to be to their neighbors

00:37:27 --> 00:37:29: to help alleviate that. That mystery.

00:37:32 --> 00:37:36: OK, Mary Ann. So we have been fund raising.

00:37:36 --> 00:37:38: Currently solid rock Community Development Corporation.

00:37:38 --> 00:37:41: We have raised 1,000,000 in total funding.

00:37:41 --> 00:37:43: And we had numerous partners come in to help us.

00:37:43 --> 00:37:47: Our latest partner that we've been working with is the

00:37:47 --> 00:37:51: city of Colorado Springs on the Community Development

00:37:51 --> 00:37:55: Division and

00:37:51 --> 00:37:55: they have they have been fierce advocates of hey,

00:37:55 --> 00:37:57: you guys are Community Development Corporation.

00:37:57 --> 00:38:00: Where did development division we should be working

00:38:00 --> 00:38:05: together.

00:38:00 --> 00:38:05: So really nurturing those those relationships and

00:38:00 --> 00:38:05: collaborating has gone

00:38:05 --> 00:38:08: a long way and getting us to this point of

00:38:09 --> 00:38:10: the property.

00:38:10 --> 00:38:10: OK,

00:38:10 --> 00:38:12: Ann.

00:38:11 --> 00:38:12: Mary

00:38:12 --> 00:38:12: So

00:38:12 --> 00:38:16: what's next for us? Currently we are conducting our due

00:38:16 --> 00:38:19: diligence on the property and then after that we will

00:38:20 --> 00:38:20: be purchasing.

00:38:20 --> 00:38:23: If anyone on the call happens to know a SEC

00:38:23 --> 00:38:26: attorney in Denver that we could work with or locally

00:38:26 --> 00:38:27: in the springs,

00:38:27 --> 00:38:30: please shoot. Please shoot me a email.

00:38:30 --> 00:38:33: We would love that. As far as the next part

00:38:33 --> 00:38:36: is getting this setup and it's such a unique model

00:38:36 --> 00:38:39: that you know we need all the help we can

00:38:39 --> 00:38:41: get and those who really would like to have that

00:38:41 --> 00:38:43: kind of on their resume for.

00:38:43 --> 00:38:46: Being community involved or community outreach,

00:38:46 --> 00:38:48: and then I'll yeah, we're going to continue creating our

00:38:48 --> 00:38:50: fund raising and financing structure.

00:38:50 --> 00:38:52: And, you know, get this project across the line.

00:38:52 --> 00:38:57: And yeah, go ahead. Mary Ann's.

00:38:57 --> 00:38:58: So that, yes, so that's it.

00:38:58 --> 00:39:00: So if you have any questions or anything,

00:39:00 --> 00:39:02: please reach out to me.

00:39:02 --> 00:39:05: I'm happy to go over everything and everything I can

00:39:05 --> 00:39:07: about this project.

00:39:07 --> 00:39:07: Thank you.

00:39:08 --> 00:39:10: Thank you so much James.

00:39:10 --> 00:39:11: What a amazing new model.

00:39:11 --> 00:39:14: I'm excited to see what happens from that.

00:39:14 --> 00:39:16: And yeah, please be in touch.

00:39:16 --> 00:39:20: Our next speaker is Solomon Muwanga welcome Solomon.

00:39:22 --> 00:39:29: Thank you, Marianne. We're happy to be here this afternoon.

00:39:29 --> 00:39:33: Thanks for the invitation. Like Mary Ann said,

00:39:33 --> 00:39:36: my name is Solomon Monga.

00:39:36 --> 00:39:39: And the commercial banker VP,

00:39:39 --> 00:39:43: Commercial Banking with Midwest Fund Bank.

00:39:43 --> 00:39:50: And midwestone bank. I'm going to provide a a perspective

00:39:50 --> 00:39:52: from a micro.

00:39:52 --> 00:39:56: You know micro level on the lending side.

00:39:56 --> 00:40:01: There's some my experiences and also give me how Bates,
00:40:01 --> 00:40:05: especially private banks, kind of approach.
00:40:05 --> 00:40:11: Commercial real estate, conventional banking and then also
discuss some
00:40:11 --> 00:40:15: of the challenges you know that the Bipac community might
00:40:15 --> 00:40:20: face with this type of structure of conventional lending that
00:40:20 --> 00:40:25: the banks, most banks and banking industry given reused so
00:40:25 --> 00:40:26: real quick.
00:40:26 --> 00:40:29: Midwest Bank where publicly traded,
00:40:29 --> 00:40:34: well established 85 year plus company headquartered out of
Iowa
00:40:34 --> 00:40:36: and we covered full market.
00:40:36 --> 00:40:41: Full state market area. So we are considering a community
00:40:41 --> 00:40:43: regional community bank.
00:40:43 --> 00:40:49: You know about five billion \$5 billion in assets so.
00:40:49 --> 00:40:51: Fairly, you know good, says bank.
00:40:51 --> 00:40:54: Not truly a really small community bank,
00:40:54 --> 00:40:56: but you know we have enough assets to win.
00:40:56 --> 00:40:59: So five years ago we opened our first office in
00:40:59 --> 00:41:04: downtown Denver and where we focus on both business
commercial
00:41:04 --> 00:41:08: real estate and relationship banking primarily so my role as
00:41:08 --> 00:41:12: a commercial banker and part of a strong team of
00:41:12 --> 00:41:16: very experienced bankers will be in this market for awhile
00:41:16 --> 00:41:20: is to provide dedicated and personalized service.
00:41:20 --> 00:41:27: 12 community. Investors real estate investors.
00:41:27 --> 00:41:31: Business owners, you know in different industries,
00:41:31 --> 00:41:35: you know, I really feel like my unique skill is
00:41:35 --> 00:41:36: too.
00:41:36 --> 00:41:40: I have a strong belief and ability.
00:41:40 --> 00:41:46: To advocate advice and provide consultative services to our
clients.
00:41:46 --> 00:41:48: So in my discussion today.
00:41:48 --> 00:41:53: I will really focus on the fundamentals of of commercial
00:41:53 --> 00:41:54: real estate.
00:41:54 --> 00:41:58: Jenn underwriting guidelines and and the challenges that
people in
00:41:58 --> 00:42:02: the BIGPARK our community might face to get you know,
00:42:02 --> 00:42:04: approved for the conventional real estate loan,
00:42:04 --> 00:42:08: especially non owner. Tried real estate.
00:42:08 --> 00:42:10: Could you please move to the next slide?
00:42:12 --> 00:42:14: So that's just our market area,
00:42:14 --> 00:42:18: so missioning with four different States and we have over

00:42:18 --> 00:42:19: 34 offices.

00:42:19 --> 00:42:24: Next slide please. So you know the basics are really

00:42:24 --> 00:42:25: seem.

00:42:25 --> 00:42:27: Most banks not only community,

00:42:27 --> 00:42:29: Midwest Bank or Community banks,

00:42:29 --> 00:42:34: we really look at. Are the simple basic criteria which

00:42:34 --> 00:42:37: we consider the five CS of credit.

00:42:37 --> 00:42:41: This is a system used by lenders to gauge the

00:42:41 --> 00:42:44: creditworthiness of potential borrowers.

00:42:44 --> 00:42:48: You know the system weighs 5 characteristics of the

00:42:48 --> 00:42:51: borrower.

00:42:48 --> 00:42:51: The conditions of the loan.

00:42:51 --> 00:42:54: And try to estimate the chance of default.

00:42:54 --> 00:42:59: As consequently, the risk of a financial wars to lender,

00:42:59 --> 00:43:03: so really the five Caesar character which is reflected by

00:43:03 --> 00:43:06: the applicants for the history you know,

00:43:06 --> 00:43:09: we consider part of the credit history.

00:43:09 --> 00:43:11: The Faycal score will also look at the experience in

00:43:12 --> 00:43:15: the relevant industry or whatever asset class you're looking

00:43:15 --> 00:43:15: to

00:43:15 --> 00:43:15: invest in.

00:43:15 --> 00:43:17: For example, if they're trying to,

00:43:17 --> 00:43:23: you know, like. James Johnson was talking about,

00:43:23 --> 00:43:25: you know, investing in, say,

00:43:25 --> 00:43:30: retail, commercial retail. What experience do they have in

00:43:30 --> 00:43:32: this

00:43:30 --> 00:43:32: type of asset class?

00:43:32 --> 00:43:35: In the past, the capacity is really talking about cash

00:43:35 --> 00:43:37: flow or the ability to repay the loan,

00:43:37 --> 00:43:40: and in commercial real estate for non owner occupied,

00:43:40 --> 00:43:44: it is really the ability of that asset to generate

00:43:44 --> 00:43:48: cash flow stabilized cash flow to be able to repay

00:43:48 --> 00:43:49: the loan.

00:43:49 --> 00:43:51: The computer is really the skin in the game.

00:43:51 --> 00:43:53: You know the the stakeholders,

00:43:53 --> 00:43:56: what what? What kind of money can they bring to

00:43:56 --> 00:43:57: the table?

00:43:57 --> 00:44:00: These certain launch values that.

00:44:00 --> 00:44:04: Depending on the quality of the asset and the age

00:44:04 --> 00:44:08: of the asset that the bank would require.

00:44:08 --> 00:44:10: The Collabora is you know again you know where is

00:44:11 --> 00:44:11: it located?

00:44:11 --> 00:44:14: What kind of condition is it in?

00:44:14 --> 00:44:17: And then we look at the the the valuation of
00:44:17 --> 00:44:21: the collateral and the valuation can be best in comparable
00:44:21 --> 00:44:24: sales or the ability to generate income or the cost.
00:44:24 --> 00:44:27: If it's a new build of constructing that.
00:44:27 --> 00:44:31: So finally the conditions and not not not not a
00:44:31 --> 00:44:35: whole lot of people have any control of that because
00:44:35 --> 00:44:37: in talk about you know the prevailing.
00:44:37 --> 00:44:41: Interest rates and other economic factors.
00:44:41 --> 00:44:44: What's going on in the local market with this strong
00:44:44 --> 00:44:44: market,
00:44:44 --> 00:44:48: you know, like the previous presenter James Johnson was
00:44:49 --> 00:44:51: talking
00:44:52 --> 00:44:52: about how the ZIP code in Coral Springs is a
00:44:52 --> 00:44:56: hot market.
00:44:56 --> 00:44:59: You know, that's a condition that's ongoing based on demand
00:44:59 --> 00:45:03: and a lot of people moving into Colorado.
00:45:03 --> 00:45:07: Next slide, please. So why are these?
00:45:07 --> 00:45:08: Why do these guidelines create inherent challenges to the
00:45:08 --> 00:45:12: bike
00:45:12 --> 00:45:14: park,
00:45:14 --> 00:45:17: investors or community? And I feel personally again,
00:45:17 --> 00:45:22: this is my personal opinion.
00:45:22 --> 00:45:25: This in my experience. That these are really rooted in
00:45:25 --> 00:45:29: the shortcomings of the conventional financing slash
00:45:29 --> 00:45:30: underwriting system and
00:45:30 --> 00:45:34: what I mean by those shortcomings.
00:45:34 --> 00:45:37: I really will put them in in generally in three
00:45:37 --> 00:45:43: categories.
00:45:43 --> 00:45:47: At first local copy you know in General Koschik with
00:45:47 --> 00:45:48: your skin in the game is it's really hard to
00:45:48 --> 00:45:49: come from these communities without any generational or
00:45:49 --> 00:45:51: outside additional
00:45:51 --> 00:45:54: familiar income support as opposed to the mainstream or
00:45:54 --> 00:45:56: white
00:45:56 --> 00:46:00: community.
00:46:00 --> 00:46:02: And I've seen that a lot.
00:46:02 --> 00:46:07: You know, we have a lot of people.
00:46:07 --> 00:46:07: Young people motivated people who come to me and they
00:46:07 --> 00:46:07: would like to set the project,
00:46:07 --> 00:46:07: but unfortunately they do not have that ability.
00:46:07 --> 00:46:07: To provide the cash input,
00:46:07 --> 00:46:07: which is typically can run anywhere between and 20 to
00:46:07 --> 00:46:07: 30%

00:46:07 --> 00:46:10: based on the asset class or the quality of the
00:46:10 --> 00:46:11: asset.
00:46:11 --> 00:46:14: Again, I'm talking specifically about investment real estate.
00:46:16 --> 00:46:20: Secondly, I feel this is Jenna lack of capacity.
00:46:20 --> 00:46:24: You know, sometimes when the asset is not stabilized,
00:46:24 --> 00:46:29: we do look at the at the guarantors outside cash
00:46:29 --> 00:46:32: flow streams to support,
00:46:32 --> 00:46:36: you know. To support a new or additional project,
00:46:36 --> 00:46:40: you know. This is lacking in a lot of by
00:46:40 --> 00:46:43: park investors or new investors.
00:46:43 --> 00:46:46: To you know, we don't have that that additional outside
00:46:47 --> 00:46:47: capacity.
00:46:47 --> 00:46:49: You know and then last,
00:46:49 --> 00:46:51: I would say, you know,
00:46:51 --> 00:46:54: simply prior project or real estate development experience.
00:46:54 --> 00:46:59: So it's a chicken. Or egg scenario analogy,
00:46:59 --> 00:47:02: what came first in order to be approved by the
00:47:02 --> 00:47:04: bank as a real estate investor,
00:47:04 --> 00:47:07: you have to have experience.
00:47:07 --> 00:47:12: Past experience in doing similar projects like Jenny Rogers
00:47:12 --> 00:47:14: mentioned
00:47:14 --> 00:47:17: one of their criteria.
00:47:17 --> 00:47:19: They're looking at what other projects with a smaller or
00:47:19 --> 00:47:23: not that you've done before,
00:47:23 --> 00:47:26: so traditionally that's not been the case because those
00:47:26 --> 00:47:31: opportunities
00:47:31 --> 00:47:35: have not been very common in in in our communities.
00:47:35 --> 00:47:38: Next slide, please. So I look at this as you
00:47:38 --> 00:47:40: know what can be done well,
00:47:40 --> 00:47:41: you know what are the potential opportunities or solutions
00:47:41 --> 00:47:45: and
00:47:45 --> 00:47:46: a lot of these have been discussed with the prior
00:47:46 --> 00:47:50: presenters.
00:47:50 --> 00:47:54: You know, you know all the way from educational
00:47:54 --> 00:47:58: opportunities
00:48:00 --> 00:48:07: and technical training.
00:48:07 --> 00:48:07: On mentorship and support, you know,
00:48:07 --> 00:48:12: and then also, and I'll talk a little bit more.
00:48:12 --> 00:48:15: My next slide, I'll discuss some specific examples.
00:48:15 --> 00:48:18: Financial infrastructure, you know what are the alternative
00:48:18 --> 00:48:21: alternative funding
00:48:21 --> 00:48:24: sources?
00:48:24 --> 00:48:27: There specifically for the bike Park Community for example,

00:48:12 --> 00:48:16: IE like the Community development financial institution,
00:48:16 --> 00:48:17: which is a new concept.
00:48:17 --> 00:48:21: Newer concept in the last five or so years where
00:48:21 --> 00:48:26: they are financial institutions that have specifically been set
up
00:48:26 --> 00:48:31: to provide credit and financial services primarily to
underserved markets
00:48:31 --> 00:48:34: and populations. You know. Also,
00:48:34 --> 00:48:38: partnerships with other nonprofits and other investment.
00:48:38 --> 00:48:41: Rules of buy parking to be deals kind of the
00:48:41 --> 00:48:45: same concept that James Johnson James Johnson was
talking about,
00:48:45 --> 00:48:48: that they're doing on the local level in Colorado Springs.
00:48:48 --> 00:48:51: So obviously you can see a lot of overlap in
00:48:51 --> 00:48:54: some of the conversations we're having.
00:48:54 --> 00:48:58: They also relevant in the commercial real estate real estate
00:48:58 --> 00:49:01: site to both commercial and residential.
00:49:01 --> 00:49:04: Also, you know there's an opportunity to keep encouraging
them,
00:49:04 --> 00:49:10: prioritizing Bipap, Bipap owners and investors in these new
infill
00:49:10 --> 00:49:12: or inner city.
00:49:12 --> 00:49:19: Realistic community projects that experience experiencing
rejuvenation and gentrification.
00:49:19 --> 00:49:22: I think if the local government and local policy plan
00:49:22 --> 00:49:24: is really making it priority,
00:49:24 --> 00:49:26: they will give people an opportunity to at least get
00:49:27 --> 00:49:30: involved in and get that experience or capacity that was
00:49:30 --> 00:49:31: mentioned before that.
00:49:31 --> 00:49:35: Underwriting. You know another thing that I think that I
00:49:35 --> 00:49:39: own the business side that maybe the federal government
has
00:49:39 --> 00:49:42: done a very good job is everybody is from there
00:49:42 --> 00:49:44: with the the Federal Guarantee program.
00:49:44 --> 00:49:49: The SBA program that has also established eligibility
incentives for
00:49:49 --> 00:49:52: women owned or minority businesses.
00:49:52 --> 00:49:56: If they're creating jobs in the SBA 7A or 504
00:49:56 --> 00:49:57: programs will be nice.
00:49:57 --> 00:49:59: If you know they kind of have,
00:49:59 --> 00:50:03: the more you know the resources of federal government can
00:50:03 --> 00:50:03: be.
00:50:03 --> 00:50:08: Available and expand to investment real estate because right
now

00:50:08 --> 00:50:13: that's only applicable to either working capital for operating companies

00:50:13 --> 00:50:16: that are women owned primarily,

00:50:16 --> 00:50:18: or if it's commercial real estate,

00:50:18 --> 00:50:19: it has to be on occupied,

00:50:19 --> 00:50:24: meaning an operating business is occupying that business.

00:50:24 --> 00:50:28: So you know, that's all I had for slides,

00:50:28 --> 00:50:33: but I'm going to provide some micro or anecdotal examples

00:50:33 --> 00:50:35: that I've run across.

00:50:35 --> 00:50:39: In my experience here working the local market for the

00:50:39 --> 00:50:41: last 20 plus years.

00:50:41 --> 00:50:43: You know I'll start off with a challenging story.

00:50:43 --> 00:50:48: I had Mr be a longtime client of mine who's

00:50:48 --> 00:50:49: now retired.

00:50:49 --> 00:50:54: Who purchased about 200 acres with Roland after he retired

00:50:54 --> 00:50:58: from working for full for Xcel Energy for 20 +

00:50:58 --> 00:51:03: 30 years he he published purchased 2200 acres of rolling

00:51:03 --> 00:51:07: in the mountains and for the next 10 years try

00:51:07 --> 00:51:11: to get a group of African American investors with a

00:51:11 --> 00:51:15: drain to build a a summer sport recreational camp retreat

00:51:15 --> 00:51:20: for inner city youth. To go up there and just

00:51:21 --> 00:51:21: kind of,

00:51:21 --> 00:51:24: you know, introduce them to the mountain life and you

00:51:24 --> 00:51:27: know that's why everybody wants to car rider.

00:51:27 --> 00:51:29: Experience that and grow that.

00:51:29 --> 00:51:31: Well, a few years ago he gave up on his

00:51:31 --> 00:51:33: dream he felt which is really sad.

00:51:33 --> 00:51:37: He only needed about you know about 1510 to 15

00:51:38 --> 00:51:39: impressed as he felt.

00:51:39 --> 00:51:43: And then, ironically, he sold it a couple years ago

00:51:43 --> 00:51:45: to any investor.

00:51:45 --> 00:51:49: Who subdivided it into 1028 quads for this course.

00:51:49 --> 00:51:52: If membership resolve and sold those out in in very

00:51:52 --> 00:51:53: short order,

00:51:53 --> 00:51:57: that tells you the depth of resources that mainstream can

00:51:57 --> 00:51:57: do,

00:51:57 --> 00:52:00: and he tried for 10 years and failed.

00:52:00 --> 00:52:01: Well, I have another story,

00:52:01 --> 00:52:04: but this is a sexist story.

00:52:04 --> 00:52:08: You know, I've only met a few successful minority

00:52:08 --> 00:52:10: commercial

00:52:08 --> 00:52:10: real estate investors,

00:52:10 --> 00:52:16: but one notably is a local minority owned company.

00:52:16 --> 00:52:18: I will throw out a name there.

00:52:18 --> 00:52:21: I'm sure a lot of people in the community and

00:52:21 --> 00:52:24: our next speaker might have heard of them and they've

00:52:25 --> 00:52:28: been around since 1989 called Civil Technologies,

00:52:28 --> 00:52:30: Inc. They are that were the 1st.

00:52:33 --> 00:52:38: Woman on man. General contractor that I've known that has

00:52:38 --> 00:52:41: been around in the five points area,

00:52:41 --> 00:52:44: which is one of those inner city areas that I

00:52:44 --> 00:52:48: mentioned that has recently in the last 5-10 years,

00:52:48 --> 00:52:54: been completely. Being regional rejuvenated and it's been

00:52:54 --> 00:52:56: gentrified with

00:52:56 --> 00:52:59: a lot of new businesses.

00:52:59 --> 00:53:07: A lot of new residential development.

00:53:07 --> 00:53:10: But this this particular? Companies within the five points.

00:53:10 --> 00:53:14: It's been very successful and it's still there,

00:53:14 --> 00:53:19: so they were able to to really be successful and

00:53:19 --> 00:53:23: they feel they've debunked the myth that bipac on companies

00:53:23 --> 00:53:25: can thrive and flourish in their own neighborhoods.

00:53:25 --> 00:53:27: You know, and I think that's a great example that

00:53:27 --> 00:53:29: you know that we need to,

00:53:29 --> 00:53:32: you know. Again, they they were able to get involved

00:53:32 --> 00:53:35: with a lot of help from local government and local

00:53:35 --> 00:53:40: government levels and get involved and get a piece of

00:53:40 --> 00:53:42: this project. Awarded today. I'll also mention some financing

00:53:42 --> 00:53:45: alternative

00:53:45 --> 00:53:47: examples if you could.

00:53:47 --> 00:53:50: Some of the things that I've I've noted,

00:53:50 --> 00:53:55: I've been able to. To find a few large scale

00:53:55 --> 00:54:01: initiatives that have been launched across the country,

00:54:01 --> 00:54:02: specifically attempting to overcome these financing barriers

00:54:02 --> 00:54:05: faced by the

00:54:05 --> 00:54:10: BIPAP communities.

00:54:10 --> 00:54:12: An example that I found in 2021.

00:54:12 --> 00:54:18: These Greystone that's it. It's a leading national commercial

00:54:18 --> 00:54:20: real

00:54:20 --> 00:54:24: estate finance company.

00:54:24 --> 00:54:30: Partnered with Housing Association of nonprofit developers

00:54:30 --> 00:54:33: hand and lodged

00:54:33 --> 00:54:35: equity in action.

00:54:35 --> 00:54:38: This is a partnership that was launched to increase access

00:54:38 --> 00:54:41: to working capital for real estate developers specifically and

00:54:41 --> 00:54:44: investors

00:54:44 --> 00:54:47: in the Black Indigenous persons of color community.

00:54:33 --> 00:54:36: And you know, there's a website there that you can
00:54:36 --> 00:54:36: check it out.

00:54:36 --> 00:54:38: I think this is a really good.

00:54:40 --> 00:54:42: A policy move and I think this is something that
00:54:42 --> 00:54:45: I like seeing done in Colorado and our local market
00:54:45 --> 00:54:47: and more of the Community markets.
00:54:47 --> 00:54:50: Midwest World Bank is in.
00:54:50 --> 00:54:53: Then membership will portunity's that I also mentioned earlier
in
00:54:53 --> 00:54:55: potential opportunities.

00:54:55 --> 00:54:58: In this example I want to thank Marianne.
00:54:58 --> 00:55:01: She pointed this out to me as a new,
00:55:01 --> 00:55:05: newly minted member of ULII would like to highlight some
00:55:05 --> 00:55:08: of this work that's being done by you,
00:55:08 --> 00:55:11: lie through their highly successful,
00:55:11 --> 00:55:14: ready, or real estate diversity initiative.
00:55:14 --> 00:55:19: Which is a real estate development training and mentorship
program?

00:55:19 --> 00:55:23: Specifically for women and people of color.
00:55:23 --> 00:55:26: This program is apparently now in his 13th year,
00:55:26 --> 00:55:29: and the curriculum covers the whole different spectrum of real
estate development,
00:55:29 --> 00:55:30: educational opportunities, training, and including financial
00:55:30 --> 00:55:37: performer.

00:55:37 --> 00:55:43: And different kinds of. Educational opportunities,
00:55:44 --> 00:55:46: so I think this is very good.
00:55:46 --> 00:55:49: Opportunities that I think that have.
00:55:49 --> 00:55:54: Really will can help overcome some of these inherent
challenges.

00:55:54 --> 00:55:59: You know that conventional lending doesn't really address
and and
00:55:59 --> 00:56:03: can provide the capacity the confidence they experience.
00:56:03 --> 00:56:08: And also help raise capital so we can get more
00:56:08 --> 00:56:11: bipac investors represented.
00:56:11 --> 00:56:16: As you know, borrowers with the conventional programs.
00:56:16 --> 00:56:18: So that's kind of my.
00:56:18 --> 00:56:21: I might take from a banking commercial banking perspective
and
00:56:21 --> 00:56:24: I want to thank you again for the opportunity.
00:56:24 --> 00:56:26: Let me know if you have any questions.
00:56:28 --> 00:56:29: Thank you so much Solomon,
00:56:29 --> 00:56:32: and thank you for helping to promote our real estate
00:56:32 --> 00:56:33: diversity initiative.

00:56:33 --> 00:56:37: If anyone on this hall has questions about ready as
00:56:37 --> 00:56:38: we call it,
00:56:38 --> 00:56:41: please feel free to put them in the chat or
00:56:41 --> 00:56:41: email us.
00:56:41 --> 00:56:42: After this event, we'd
00:56:42 --> 00:56:44: love to hear from you.
00:56:44 --> 00:56:45: And
00:56:45 --> 00:56:47: final speaker today is Justin Gilmore.
00:56:47 --> 00:56:48: Welcome Justin.
00:56:49 --> 00:56:52: Thanks Marianne. Ready is a great program.
00:56:52 --> 00:56:55: I'm already Alam. I see a couple other ready alums
00:56:55 --> 00:56:56: in here as well,
00:56:56 --> 00:56:59: so those are y'all that aren't part of it to
00:56:59 --> 00:57:00: join.
00:57:00 --> 00:57:02: It's a great program. Get to learn a lot.
00:57:02 --> 00:57:05: It's great to exposure and it's great networking event.
00:57:05 --> 00:57:08: So yeah, please if you can take a look at
00:57:08 --> 00:57:10: I'm pretty sure Marianne.
00:57:10 --> 00:57:13: I'll drop a link in the in the chat box
00:57:13 --> 00:57:14: for everybody.
00:57:14 --> 00:57:16: But as I said, my name is Justin Gilmore.
00:57:16 --> 00:57:20: With Gilmore Construction, we are a family owned business.
00:57:20 --> 00:57:23: We've been in business for 25 years.
00:57:23 --> 00:57:27: This year it's it's been a it's been a long
00:57:27 --> 00:57:31: journey for us and the reason why you know.
00:57:31 --> 00:57:33: Mary Ann asked me to be a part of this
00:57:33 --> 00:57:35: panel is because I'm I'm sort of the boots on
00:57:35 --> 00:57:36: the ground.
00:57:36 --> 00:57:40: I'm, you know, we have experienced a lot of these
00:57:40 --> 00:57:44: challenges that some of you may be may be facing
00:57:44 --> 00:57:46: out or questioning.
00:57:46 --> 00:57:47: And we're still facing them.
00:57:47 --> 00:57:50: We're still trying to figure out ways to get through
00:57:50 --> 00:57:50: them,
00:57:50 --> 00:57:55: so my perspective is that of a small business trying
00:57:55 --> 00:57:59: to grow and the development realm.
00:57:59 --> 00:58:01: You would think us being in in,
00:58:01 --> 00:58:05: you know, business for 25 years going from a very
00:58:05 --> 00:58:11: small contractor to one of the largest minority contractors in
00:58:11 --> 00:58:13: Colorado that we would find easy,
00:58:13 --> 00:58:18: easy success in being able to transition over to development.
00:58:18 --> 00:58:21: Through all the connections that we've made over the past

00:58:21 --> 00:58:21: 25 years,
00:58:21 --> 00:58:24: but it really has not been that simple.
00:58:24 --> 00:58:29: We face challenges. We still face challenges and it's as
00:58:29 --> 00:58:34: as everybody as Jenny Solomon James has spoken to as
00:58:34 --> 00:58:35: Dana spoke to,
00:58:35 --> 00:58:39: you know, all those challenges are still prevalent there for
00:58:39 --> 00:58:39: us,
00:58:39 --> 00:58:43: even as being successful business owners.
00:58:43 --> 00:58:47: Next slide, please. So uhm di,
00:58:47 --> 00:58:49: it's being thrown out there,
00:58:49 --> 00:58:51: you know there's a lot of there was a lot
00:58:51 --> 00:58:55: of social injustice and social awareness that has happened
over
00:58:55 --> 00:58:56: the past few years.
00:58:56 --> 00:59:00: And there's been a real big push for corporations to
00:59:00 --> 00:59:03: really step up and and really help out the bipac
00:59:03 --> 00:59:08: and and really push the DDI initiative which you know
00:59:08 --> 00:59:10: is and applies to all of them.
00:59:10 --> 00:59:11: Really appreciate it. 'cause it it?
00:59:11 --> 00:59:15: I think it lends opportunity for.
00:59:15 --> 00:59:18: Those who have not been able to find those opportunities,
00:59:18 --> 00:59:21: it's lending them the avenues in which you know,
00:59:21 --> 00:59:24: we can start getting into there and and exploring and
00:59:24 --> 00:59:28: and trying to get into those networks and seeing how
00:59:28 --> 00:59:32: we can leverage that not just within those corporations,
00:59:32 --> 00:59:35: but possibly within your own corporations.
00:59:35 --> 00:59:40: Jewel I did a service survey in real estate in.
00:59:42 --> 00:59:46: 2021 in regards to, you know,
00:59:46 --> 00:59:49: DI in real estate and what does that look like
00:59:49 --> 00:59:52: and how are how are corporations and real estate attacking
00:59:52 --> 00:59:54: and approaching this?
00:59:54 --> 00:59:56: And a lot of a lot of positives came out
00:59:56 --> 01:00:00: of that because a lot of the corporations are really
01:00:00 --> 01:00:02: starting to push towards you,
01:00:02 --> 01:00:06: know, inclusiveness with within their own corporation.
01:00:06 --> 01:00:11: You know, taking recognition of bipac people in their core
01:00:11 --> 01:00:12: in their corporation.
01:00:12 --> 01:00:14: Giving women who have, you know,
01:00:14 --> 01:00:19: have not had the opportunity and and have not had
01:00:19 --> 01:00:23: equitable access to you know that that glass ceiling,
01:00:23 --> 01:00:28: even the LGBTQ movement then and all that pushing.
01:00:30 --> 01:00:32: Pushing all that as well,

01:00:32 --> 01:00:36: you know it's it's. It's great to see that everything
 01:00:36 --> 01:00:38: is moving that direction,
 01:00:38 --> 01:00:39: but even with all that,
 01:00:39 --> 01:00:42: there's still a challenge right next slide,
 01:00:42 --> 01:00:46: please. So why did we get into this?
 01:00:46 --> 01:00:48: Why are we doing this and and we all have
 01:00:48 --> 01:00:50: this dream and I think you know to everybody all
 01:00:51 --> 01:00:52: the panelists before we spoke to,
 01:00:52 --> 01:00:54: you know we we want to be able to help
 01:00:54 --> 01:00:55: our communities,
 01:00:55 --> 01:00:59: right? We want to be able to offer these opportunities
 01:00:59 --> 01:01:01: for entrepreneurial ship.
 01:01:01 --> 01:01:04: It's great, you know what James is doing in Colorado
 01:01:04 --> 01:01:07: Springs that's offering that community entrepreneurial ship.
 01:01:07 --> 01:01:10: We want to be able to sit there and say,
 01:01:10 --> 01:01:14: hey, this is our community we're from this community.
 01:01:14 --> 01:01:16: And we want to help our community.
 01:01:16 --> 01:01:20: So if we have the knowledge and the understanding,
 01:01:20 --> 01:01:24: let's build our communities. In a read,
 01:01:24 --> 01:01:26: watch and listen, Mary Ann,
 01:01:26 --> 01:01:28: thank you Marianne for this.
 01:01:28 --> 01:01:32: She spoke up and she said that as a white
 01:01:32 --> 01:01:32: woman,
 01:01:32 --> 01:01:35: she even being a developer.
 01:01:35 --> 01:01:39: She couldn't go into a black community and say,
 01:01:39 --> 01:01:41: hey, I want to help build your community.
 01:01:41 --> 01:01:44: The best people for that are the people from that
 01:01:44 --> 01:01:44: community.
 01:01:44 --> 01:01:47: So we need to be able to try to uplift
 01:01:47 --> 01:01:49: those people and and try to inspire them,
 01:01:49 --> 01:01:52: right? And that's that's why I got into it.
 01:01:52 --> 01:01:53: That's why I love it.
 01:01:53 --> 01:01:56: I wanna I wanna help build these communities I want
 01:01:56 --> 01:01:59: to help create generational wealth to where you know
 01:01:59 --> 01:02:03: people's grandkids can be proud of those communities that their
 01:02:03 --> 01:02:06: grandparents help build. We can help with the with the housing
 01:02:06 --> 01:02:10: crisis you know in Denver alone we need 50,000 affordable
 01:02:10 --> 01:02:12: units in the next five years.
 01:02:12 --> 01:02:15: There's not 10 developers that are out there right now
 01:02:15 --> 01:02:18: that can help meet that demand.
 01:02:18 --> 01:02:20: We have to be able to step in and grow

01:02:20 --> 01:02:23: within our communities to help meet that demand.
 01:02:23 --> 01:02:26: Next slide, please. But this is the reality,
 01:02:26 --> 01:02:30: right? We don't know. We don't know we gotta start.
 01:02:30 --> 01:02:34: We gotta be humble. We have to start within our
 01:02:34 --> 01:02:35: own capabilities.
 01:02:35 --> 01:02:36: We have to start slow.
 01:02:36 --> 01:02:39: We have to educate ourselves.
 01:02:39 --> 01:02:43: You know it's it's really hard for you know for
 01:02:43 --> 01:02:43: for us,
 01:02:43 --> 01:02:45: being a general contractor right?
 01:02:45 --> 01:02:48: You would think it would naturally flow into development,
 01:02:48 --> 01:02:50: but there was a lot for us to learn.
 01:02:50 --> 01:02:51: We didn't know a lot.
 01:02:51 --> 01:02:54: It took us. It took a lot of getting to
 01:02:54 --> 01:02:55: know people.
 01:02:55 --> 01:02:59: They talk took a lot of developing our network even
 01:02:59 --> 01:03:03: further than what we had to really start to engage
 01:03:03 --> 01:03:04: individuals.
 01:03:04 --> 01:03:07: You know, utilizing the ULI network is great.
 01:03:07 --> 01:03:10: You guys, if you guys are you guys been through
 01:03:10 --> 01:03:11: the ready program?
 01:03:11 --> 01:03:14: Utilize the people that you've met.
 01:03:14 --> 01:03:18: There's so much access to knowledge within just this
 01:03:18 --> 01:03:22: network
 01:03:22 --> 01:03:27: alone that you can grow substantially just your own
 01:03:27 --> 01:03:29: information,
 01:03:29 --> 01:03:33: your own knowledge base. Even what Jenny is offering,
 01:03:33 --> 01:03:34: you know Jenny is offering a,
 01:03:34 --> 01:03:37: you know through enterprise. She's offering opportunities for
 01:03:37 --> 01:03:38: for a
 01:03:38 --> 01:03:40: teaching lesson,
 01:03:40 --> 01:03:43: right? Take advantage of that,
 01:03:43 --> 01:03:44: you know. Reach out and say,
 01:03:44 --> 01:03:46: hey, I don't know this.
 01:03:46 --> 01:03:48: Please help me out. You know if you're writing a
 01:03:48 --> 01:03:50: performer,
 01:03:50 --> 01:03:52: a performer, a performer, you know,
 01:03:52 --> 01:03:54: and you want to make sure your performers,
 01:03:54 --> 01:03:55: right, you know, get to know people like Solomon so
 01:03:55 --> 01:03:56: you can say,
 01:03:56 --> 01:03:57: hey, I just want to.
 01:03:57 --> 01:03:58: I just, I know, I know you're my banker,
 01:03:58 --> 01:03:59:

01:03:54 --> 01:03:56: but I really want to get to know and understand
01:03:56 --> 01:03:56: like his.
01:03:56 --> 01:03:59: Is is my underwriting? Am I going the right direction
01:03:59 --> 01:04:00: with this?
01:04:00 --> 01:04:01: Is my cap rate right?
01:04:01 --> 01:04:02: You know, talk to people.
01:04:02 --> 01:04:06: That way you want to make sure that when you
01:04:06 --> 01:04:10: are going to these investors when you are going to
01:04:10 --> 01:04:12: get this capital right,
01:04:12 --> 01:04:15: you are showing that you know what you're doing,
01:04:15 --> 01:04:19: right? 'cause the the main thing is.
01:04:19 --> 01:04:22: We're asking for money, so we gotta have a good
01:04:22 --> 01:04:22: recipe,
01:04:22 --> 01:04:25: right? I can't. I can't just go ask money from
01:04:25 --> 01:04:27: nobles from some random stranger.
01:04:27 --> 01:04:30: Like you know I'm on a corner on coal fax.
01:04:30 --> 01:04:33: Generally my cup say, could I get some money?
01:04:33 --> 01:04:34: I need to know what I'm talking about,
01:04:34 --> 01:04:38: right? I need to be able to prove that.
01:04:38 --> 01:04:42: That I have taken the necessary steps to minimize the
01:04:42 --> 01:04:45: risk right risk management is huge.
01:04:45 --> 01:04:47: Risk management is used in construction.
01:04:47 --> 01:04:50: It's huge and development and we need to be able
01:04:50 --> 01:04:53: to prove that we understand what that is as we're
01:04:53 --> 01:04:54: going forward.
01:04:54 --> 01:04:58: That was part of our challenge growing from going from
01:04:58 --> 01:05:00: a general contractor to a developer is,
01:05:00 --> 01:05:03: you know, going out and talking to people and saying
01:05:03 --> 01:05:03: hey yeah,
01:05:03 --> 01:05:07: we wanna we want to build 100 unit apartment complex.
01:05:07 --> 01:05:08: A lot of people like.
01:05:08 --> 01:05:09: What experience do you have?
01:05:09 --> 01:05:11: Well, on the development side,
01:05:11 --> 01:05:13: not much and they're like,
01:05:13 --> 01:05:16: OK, well, you need to get that so you know
01:05:16 --> 01:05:18: we started small we started with.
01:05:18 --> 01:05:21: Started with a single family home and then we started
01:05:21 --> 01:05:23: with two single family homes and went to a duplex.
01:05:23 --> 01:05:27: Then we did a couple duplexes and then we're doing
01:05:27 --> 01:05:30: a 30 unit apartment complex right now and we're looking
01:05:30 --> 01:05:34: at a 90 unit apartment complex so we're slowly starting
01:05:34 --> 01:05:38: to grow and educate ourselves through the process so that

01:05:38 --> 01:05:38: we can.

01:05:38 --> 01:05:40: When it comes time for us to say,

01:05:40 --> 01:05:42: hey, we understand all this,

01:05:42 --> 01:05:44: we understand how it works.

01:05:44 --> 01:05:46: People in the community can come back to us and

01:05:46 --> 01:05:46: say,

01:05:46 --> 01:05:47: OK, you guys did it.

01:05:47 --> 01:05:48: How did you do it?

01:05:48 --> 01:05:50: Where did you start? What did it look like?

01:05:50 --> 01:05:52: What we are, challenges you know,

01:05:52 --> 01:05:55: and we can help help other people grow and and

01:05:55 --> 01:05:59: learn from what our mistakes ultimately are and what we

01:05:59 --> 01:06:01: learned from next step please.

01:06:03 --> 01:06:04: So looking for an opportunity.

01:06:04 --> 01:06:07: I picked this picture 'cause I feel like whenever you

01:06:07 --> 01:06:10: go asking people for money it's like there's death that

01:06:11 --> 01:06:14: at the door right there there there really stingy about

01:06:14 --> 01:06:17: their money. We, my father was able to start his

01:06:17 --> 01:06:21: company because he asked my grandfather for a loan and

01:06:21 --> 01:06:25: my Grand Father pretty much turned him down at first.

01:06:25 --> 01:06:27: So he said I need to.

01:06:27 --> 01:06:28: I need you to write every you know,

01:06:28 --> 01:06:30: have a business plan. All this stuff right?

01:06:30 --> 01:06:32: And even that wasn't enough.

01:06:32 --> 01:06:34: My mom had to turn in stock.

01:06:34 --> 01:06:38: For her that she had gotten through her corporate job,

01:06:38 --> 01:06:40: that also helped finance the the business right?

01:06:40 --> 01:06:42: And even today where we are today,

01:06:42 --> 01:06:48: we even though our general contracting company has assets

01:06:48 --> 01:06:50: and

01:06:48 --> 01:06:50: equity and all that stuff,

01:06:50 --> 01:06:54: it it doesn't necessarily mean it equates over to the

01:06:54 --> 01:06:58: development company and at the same time we don't want

01:06:58 --> 01:07:01: to put risk on something that's been around for 25

01:07:01 --> 01:07:03: years. So there's. There's it's,

01:07:04 --> 01:07:06: it's. As much as people may think that it's super

01:07:06 --> 01:07:07: easy,

01:07:07 --> 01:07:08: super straightforward, it's really not.

01:07:08 --> 01:07:12: It's it's complicated and you know this whole this all

01:07:12 --> 01:07:16: these panelists that you have spoken before me are all

01:07:16 --> 01:07:20: people who are great for for knowledge to sit down

01:07:20 --> 01:07:21: and just have a conversation with.

01:07:21 --> 01:07:25: To really learn more and to get more experience and
 01:07:25 --> 01:07:29: really pass questions and bounce them off of and see,
 01:07:29 --> 01:07:32: hey, you know I want to just buy a house.
 01:07:32 --> 01:07:34: Can I just start with the house?
 01:07:34 --> 01:07:34: And what does that take?
 01:07:34 --> 01:07:37: Right, I want to buy a duplex.
 01:07:37 --> 01:07:40: What would that take and and really go through that
 01:07:40 --> 01:07:41: business model?
 01:07:41 --> 01:07:44: I think that's really, really important.
 01:07:44 --> 01:07:48: From the perspective of somebody who's actually had to do
 01:07:48 --> 01:07:48: that,
 01:07:48 --> 01:07:51: it's it's humbling. It truly is.
 01:07:51 --> 01:07:53: I mean, coming from a place where we thought we
 01:07:53 --> 01:07:57: knew everything to a place where we didn't know anything,
 01:07:57 --> 01:07:59: we had to be very humble and really take a
 01:07:59 --> 01:08:03: step back and and educate ourselves and through that
 process
 01:08:03 --> 01:08:07: I felt like we we've become Better Business owners and
 01:08:07 --> 01:08:10: I feel like we become better people for our community
 01:08:10 --> 01:08:13: because now we can tell our Community that,
 01:08:13 --> 01:08:14: you know, we can go into.
 01:08:14 --> 01:08:17: Five points and say, you know,
 01:08:17 --> 01:08:19: I I know five points I grew up in five
 01:08:19 --> 01:08:19: points I,
 01:08:19 --> 01:08:21: I know what this community needs.
 01:08:21 --> 01:08:23: Hey, I know with this business owners looking for.
 01:08:23 --> 01:08:26: I know, I know that you know,
 01:08:26 --> 01:08:27: these people are being displaced.
 01:08:27 --> 01:08:29: How can I help? I can I can help by
 01:08:30 --> 01:08:33: the things that I've learned in the access that I
 01:08:33 --> 01:08:35: have that others don't next slide,
 01:08:35 --> 01:08:40: please. So this is just my contact information.
 01:08:40 --> 01:08:41: It's been buddy wants to get ahold of me.
 01:08:41 --> 01:08:44: Have any questions come when I sit down I I
 01:08:45 --> 01:08:47: always leave my door open.
 01:08:47 --> 01:08:48: You want to have a coffee,
 01:08:48 --> 01:08:51: grab a lunch or whatever or happy hour.
 01:08:51 --> 01:08:54: I don't judge. I'm more down for that to talk
 01:08:54 --> 01:08:56: more in depth about,
 01:08:56 --> 01:08:59: you know. Just my experience and if need to,
 01:08:59 --> 01:09:01: you know, put you in contact with people in my
 01:09:01 --> 01:09:02: network.

01:09:02 --> 01:09:02: Thank you.

01:09:04 --> 01:09:07: Thank you so much, Justin.

01:09:07 --> 01:09:10: Well, we're coming to the the portion with Q&A.

01:09:10 --> 01:09:13: Feel free to add your questions to the chat box

01:09:13 --> 01:09:16: and the community will be moderated by the Venerable Mark

01:09:16 --> 01:09:17: Marshall.

01:09:17 --> 01:09:18: Hey Mark,

01:09:18 --> 01:09:22: thank you. Mary Ann. Mary Ann mentioned here we I'd

01:09:23 --> 01:09:26: like to ask if you could just I know there

01:09:26 --> 01:09:29: might be people who would raise hands,

01:09:29 --> 01:09:31: but I've got a smaller screen here.

01:09:31 --> 01:09:33: Not able to see everybody.

01:09:33 --> 01:09:35: So if you would please if even if you don't

01:09:35 --> 01:09:38: write your full question in the chat.

01:09:38 --> 01:09:40: Box up I can at least see that there's a

01:09:40 --> 01:09:43: question that comes up and I can meet.

01:09:43 --> 01:09:44: Didn't give you an opportunity to call on you,

01:09:44 --> 01:09:47: or if you rather I could read the question aloud,

01:09:47 --> 01:09:51: but I'd really like to thank all our panels here.

01:09:51 --> 01:09:54: This is panelists here. This is a great opportunity.

01:09:54 --> 01:09:58: We opened up with the challenges around access to capital,

01:09:58 --> 01:10:02: but looking at our very talented LB group here in

01:10:02 --> 01:10:04: the organizations that they work for,

01:10:04 --> 01:10:07: you see that there's a lot being done to address

01:10:07 --> 01:10:08: some of these issues.

01:10:08 --> 01:10:12: Here and there are paths that are being made forward

01:10:12 --> 01:10:15: here to gain access to capital for a lot of

01:10:15 --> 01:10:19: our groups who have been cut out of the market

01:10:19 --> 01:10:23: up to this point. So with that like that.

01:10:23 --> 01:10:26: I've got a question I'd like to kick off here

01:10:26 --> 01:10:29: just to to Jenny just to get started here and

01:10:29 --> 01:10:29: Jenny.

01:10:29 --> 01:10:33: How would someone from Colorado here gain access or

01:10:34 --> 01:10:38: here get access to the equitable path forward financing

01:10:39 --> 01:10:43: products?

01:10:39 --> 01:10:43: Sure, thanks Mark. So I can put my email in

01:10:43 --> 01:10:48: the chat the way that this program is working is

01:10:48 --> 01:10:52: that nominations come from our team,

01:10:52 --> 01:10:55: so we really are out in community looking for developers

01:10:55 --> 01:10:58: who are interested in building affordable housing.

01:10:58 --> 01:11:01: Whether it's a small property or a large property.

01:11:01 --> 01:11:04: To Justin's point, you know we have.

01:11:04 --> 01:11:07: We have a few different products for larger companies,
 01:11:07 --> 01:11:09: but also those that are really starting off,
 01:11:09 --> 01:11:13: and so if you want to connect with me,
 01:11:13 --> 01:11:14: that would be the best.
 01:11:14 --> 01:11:18: Tap and I can forward information and and loan terms
 01:11:18 --> 01:11:22: and and sizing and all of the detail.
 01:11:24 --> 01:11:26: Thanks for that, Jenn. And I know a lot of
 01:11:26 --> 01:11:29: you on this phone call and I know you're not
 01:11:29 --> 01:11:32: shy so don't be shy with your questions here,
 01:11:32 --> 01:11:36: so next I'd like to open up a question to
 01:11:36 --> 01:11:37: James here.
 01:11:37 --> 01:11:42: I'd James up. You mentioned the property that you're
 01:11:42 --> 01:11:42: interested
 01:11:42 --> 01:11:42: in.
 01:11:42 --> 01:11:44: It's got currently has tenants there.
 01:11:44 --> 01:11:47: Can you tell me about some of the the level
 01:11:47 --> 01:11:51: of reception of the tenants of with the new structure
 01:11:51 --> 01:11:53: that you're looking at with the CIT?
 01:11:53 --> 01:11:57: I know it's a very unfamiliar structure and on a
 01:11:57 --> 01:12:00: second part of that question here.
 01:12:00 --> 01:12:05: How are the investors vetted or how do you become
 01:12:05 --> 01:12:09: a vest and investor in that CIT process?
 01:12:09 --> 01:12:09: OK,
 01:12:10 --> 01:12:13: good question. I'll start with the second half,
 01:12:13 --> 01:12:16: so the way we're able to,
 01:12:16 --> 01:12:21: as you say, vet, we're doing a community outreach campaign
 01:12:21 --> 01:12:27: and really allowing community members to get comfortable
 01:12:27 --> 01:12:29: with investing.
 01:12:29 --> 01:12:32: And once they express the interest,
 01:12:32 --> 01:12:37: we're holding a financial literacy course that.
 01:12:37 --> 01:12:41: Ranges from 11:50 hours. With an over a month period,
 01:12:41 --> 01:12:45: so we're keeping, we're keeping the classes small 10 to
 01:12:45 --> 01:12:47: 12 people make it very intimate as well as receptive,
 01:12:47 --> 01:12:47: right? It's kind of hard to talk about money in
 01:12:47 --> 01:12:47: a,
 01:12:47 --> 01:12:49: you know, in a room when it's taboo and you
 01:12:49 --> 01:12:49: got 20 people,
 01:12:49 --> 01:12:53: 30 people you know impostor syndrome can be there all
 01:12:53 --> 01:12:55: types of different things,
 01:12:55 --> 01:12:58: so anyone really able to come along as they live
 01:12:59 --> 01:13:03: within 80916 and 80910 which are predominantly are lower
 income

01:13:03 --> 01:13:04: zip codes?

01:13:04 --> 01:13:08: We're experiencing the most. Asset poverty in the community until

01:13:08 --> 01:13:11: your second half or your first part of the question.

01:13:11 --> 01:13:12: When it comes to the tenant.

01:13:12 --> 01:13:15: So that is an ongoing dialogue.

01:13:15 --> 01:13:18: A lot of the tenants would like to see if

01:13:18 --> 01:13:18: they don't,

01:13:18 --> 01:13:21: they understand the aspect of what we're bringing to the

01:13:21 --> 01:13:24: property that is going to be retail in the mix.

01:13:24 --> 01:13:26: So we are working with them to try to figure

01:13:26 --> 01:13:26: out hey,

01:13:26 --> 01:13:29: is this somewhere you want to stay as we go

01:13:29 --> 01:13:29: forward,

01:13:29 --> 01:13:31: and if so, we can look at that and see

01:13:31 --> 01:13:33: when you know how that looks and then if not,

01:13:33 --> 01:13:36: we're also there to to help them.

01:13:36 --> 01:13:39: Uhm, relocate or research? Next place that they feel comfortable

01:13:39 --> 01:13:42: so they could continue to do the work that they

01:13:42 --> 01:13:42: do.

01:13:46 --> 01:13:50: Thanks Jane for that. Go around the table to Solomon

01:13:50 --> 01:13:51: now Solomon,

01:13:51 --> 01:13:55: you mentioned some of the challenges that you see in

01:13:55 --> 01:13:57: underwriting here with.

01:13:57 --> 01:14:01: The Black Bipac community being able to access the the

01:14:01 --> 01:14:07: capital here and the five criteria that you generate considering

01:14:07 --> 01:14:09: are you starting the seat?

01:14:09 --> 01:14:13: Any kind of changes in the underwriting standards from the

01:14:14 --> 01:14:17: you know it could be with your bank or any

01:14:17 --> 01:14:18: other bank.

01:14:18 --> 01:14:20: So you starting to see any kind of loosening it

01:14:20 --> 01:14:20: up.

01:14:20 --> 01:14:25: All those standards here to make funding more available.

01:14:27 --> 01:14:30: No great question, you know.

01:14:33 --> 01:14:37: And some of the things that I I can note

01:14:37 --> 01:14:42: on it on a very general level is really partnering

01:14:42 --> 01:14:45: with with the right bank.

01:14:45 --> 01:14:47: Would make sense by the right bank.

01:14:47 --> 01:14:51: I mean, I've worked for both larger national banks and

01:14:51 --> 01:14:55: smaller community banks and the general approach that.

01:14:55 --> 01:15:00: The national banks are is build it and they will

01:15:00 --> 01:15:03: come so they tend to to stick to this box
 01:15:04 --> 01:15:05: so to speak.
 01:15:05 --> 01:15:08: You know and they they're trying to create efficiencies.
 01:15:08 --> 01:15:10: They're trying to create a quote,
 01:15:10 --> 01:15:12: UN quote colorblind, or, you know,
 01:15:12 --> 01:15:19: unbiased system. Without addressing the inherent challenges that this system
 01:15:19 --> 01:15:19: creates,
 01:15:19 --> 01:15:25: the difference is small, small banks is.
 01:15:25 --> 01:15:29: If we get to know and build a relationship with.
 01:15:29 --> 01:15:34: With our borrowers and we know the unique circumstances and
 01:15:34 --> 01:15:37: who they are and is that trust factor,
 01:15:37 --> 01:15:42: we can mitigate some of the criteria that's required by
 01:15:42 --> 01:15:44: providing a mini gun.
 01:15:44 --> 01:15:46: So we tend to customer the right.
 01:15:46 --> 01:15:49: So the key is how you banker you know who
 01:15:49 --> 01:15:53: can tell your story the right way you know.
 01:15:53 --> 01:15:57: And the larger banks tend,
 01:15:57 --> 01:15:59: you know not to want to do that on what
 01:15:59 --> 01:16:00: they consider smaller.
 01:16:00 --> 01:16:04: Transactions, well, you gotta start with a smaller transaction.
 01:16:04 --> 01:16:06: You know you know to be able to borrow on
 01:16:06 --> 01:16:07: the larger transaction,
 01:16:07 --> 01:16:13: so we tend to have local decision making.
 01:16:13 --> 01:16:16: Local people that I can come and advocate on your
 01:16:16 --> 01:16:18: behalf and and be able to,
 01:16:18 --> 01:16:20: you know, quote, UN quote,
 01:16:20 --> 01:16:26: mitigate any perceived weaknesses or lack of qualifications within those
 01:16:26 --> 01:16:28: you know you know.
 01:16:28 --> 01:16:31: Underwriting criteria that all the banks build their credit.
 01:16:31 --> 01:16:35: Policy erupt so as far as a general trend in
 01:16:35 --> 01:16:37: the industry,
 01:16:37 --> 01:16:40: especially investment real estate. The short answer is not really.
 01:16:40 --> 01:16:44: You know, banking is one of those kind of.
 01:16:44 --> 01:16:47: You know there's a blueprint and managing risk.
 01:16:47 --> 01:16:49: We also have oversight, you know,
 01:16:49 --> 01:16:52: and you know at the end of the day,
 01:16:52 --> 01:16:54: banks business, like any other,
 01:16:54 --> 01:16:56: they're really trying to mitigate risk,
 01:16:56 --> 01:16:59: and the only way they do it is come up

01:16:59 --> 01:17:02: with a set criteria pieces of criteria and try to
01:17:02 --> 01:17:05: adhere to those schools as possible.
01:17:05 --> 01:17:07: But like I mentioned, you know,
01:17:07 --> 01:17:09: depending on the size of the bank and they approach,
01:17:09 --> 01:17:14: there are some that are willing to customize or you
01:17:14 --> 01:17:14: know.
01:17:14 --> 01:17:16: Use mini guns you know.
01:17:16 --> 01:17:18: And really you know, listen to your story where it
01:17:18 --> 01:17:19: makes sense.
01:17:19 --> 01:17:22: Yeah, good example is what Justin was talking about.
01:17:22 --> 01:17:27: Says hey, we might not have 25 years in being
01:17:27 --> 01:17:28: a developer,
01:17:28 --> 01:17:31: but we were general contractor and some of these skills
01:17:31 --> 01:17:32: are transferable.
01:17:32 --> 01:17:35: So when I when you come to me I can
01:17:35 --> 01:17:38: tell your story and put that you know be able
01:17:38 --> 01:17:39: to.
01:17:39 --> 01:17:43: You know, walk through you know the credit decision making
01:17:43 --> 01:17:45: process and mitigate that welcome.
01:17:45 --> 01:17:49: Concorde development experience and help you create that
experience.
01:17:49 --> 01:17:51: But again when you come to me,
01:17:51 --> 01:17:55: be willing to also have to give and take and
01:17:55 --> 01:17:59: don't start off with \$100 million development you know.
01:17:59 --> 01:18:01: But if you come to me and you have a
01:18:01 --> 01:18:06: \$5 million development \$1,000,000 development that duplex
then we're building
01:18:06 --> 01:18:07: that that reasoning.
01:18:09 --> 01:18:12: Yeah, and I would. I would just like to add
01:18:12 --> 01:18:16: on to that 'cause we experienced that ourselves and in
01:18:17 --> 01:18:20: the bank that we started out with and and purchasing
01:18:20 --> 01:18:24: single family homes is not the bank that we're doing
01:18:24 --> 01:18:27: with the 30 unit apartment complex or the bank that
01:18:27 --> 01:18:30: we're going to use for the 90 unit apartment complex.
01:18:30 --> 01:18:33: These are these are all partnerships that we,
01:18:33 --> 01:18:36: some were partnerships that we have long term and some
01:18:36 --> 01:18:39: of them are brand new partnerships and it was literally
01:18:39 --> 01:18:39: going.
01:18:39 --> 01:18:43: Down and sitting and talking to a person like Solomon
01:18:43 --> 01:18:44: and saying hey,
01:18:44 --> 01:18:46: this is our story. This is what we're doing.
01:18:46 --> 01:18:50: This is our vision. This is how we strategically are

01:18:50 --> 01:18:53: planning things out and some of them saying,
 01:18:53 --> 01:18:54: you know that's not us right now.
 01:18:54 --> 01:18:57: If you get to this point then come back and
 01:18:57 --> 01:18:58: talk to us and that's that's OK,
 01:18:58 --> 01:19:03: but at least you have established what that entity needs
 01:19:03 --> 01:19:03: from you.
 01:19:03 --> 01:19:05: So if you get to that point,
 01:19:05 --> 01:19:06: then you know what you need to bring to the
 01:19:06 --> 01:19:07: table,
 01:19:07 --> 01:19:09: right? But you got to be able to humble yourself
 01:19:09 --> 01:19:10: to have that communication.
 01:19:10 --> 01:19:13: And be OK with being told.
 01:19:13 --> 01:19:14: No, you're not ready.
 01:19:17 --> 01:19:18: Hey
 01:19:18 --> 01:19:22: thanks Justin and and Solomon for your initial comments.
 01:19:22 --> 01:19:25: I think as you comment on the rigidity I guess
 01:19:26 --> 01:19:27: of traditional banks.
 01:19:27 --> 01:19:32: This is I think we see an opportunity maybe of
 01:19:32 --> 01:19:35: some of the non traditional.
 01:19:35 --> 01:19:39: Banking systems here. Being able to partner up and maybe
 01:19:39 --> 01:19:41: bring in new resources.
 01:19:41 --> 01:19:45: For instance, having Jenny as a partner and partnering with
 01:19:45 --> 01:19:46: a traditional bank here,
 01:19:46 --> 01:19:50: I think might be able to open up some eyes
 01:19:50 --> 01:19:53: or loosen some of the restrictions around some of the
 01:19:53 --> 01:19:57: funding and capital that's available for us.
 01:19:57 --> 01:19:59: We've got a few questions here that came up in
 01:19:59 --> 01:19:59: the panel,
 01:19:59 --> 01:20:03: and I'm going to ask if you can unmute here
 01:20:03 --> 01:20:04: in this order.
 01:20:04 --> 01:20:06: Ginji's got a two part question here.
 01:20:06 --> 01:20:07: Followed by Manuel and Cristina.
 01:20:10 --> 01:20:12: Yeah, I just wanted to know if anyone on the
 01:20:12 --> 01:20:14: panel kind of had what in my mind is kind
 01:20:14 --> 01:20:15: of like the dream.
 01:20:15 --> 01:20:18: Some like the dream development for Bipac community,
 01:20:18 --> 01:20:22: right? Like a team that.
 01:20:22 --> 01:20:23: Like most of the players,
 01:20:23 --> 01:20:27: if not all the players that were part of the
 01:20:27 --> 01:20:27: project.
 01:20:27 --> 01:20:32: Were bipac businesses or consultants or contractors?
 01:20:32 --> 01:20:33: And what did that look like?

01:20:33 --> 01:20:35: Or if you're in the midst of doing that kind
 01:20:35 --> 01:20:35: of,
 01:20:35 --> 01:20:36: what does that look like?
 01:20:36 --> 01:20:39: What was the project? What was the timeline?
 01:20:48 --> 01:20:51: If I can jump in on this side.
 01:20:51 --> 01:20:55: Rocky Mountain community. We are our President.
 01:20:55 --> 01:20:57: Dante Ladson is African American.
 01:20:57 --> 01:21:02: I am the vice president of our real estate team
 01:21:02 --> 01:21:03: here and we are.
 01:21:03 --> 01:21:05: Looking at a development here,
 01:21:05 --> 01:21:08: we're currently working on a development down in Colorado
 Springs.
 01:21:08 --> 01:21:12: It it has very little.
 01:21:12 --> 01:21:14: Participation on the construction side,
 01:21:14 --> 01:21:16: so I wouldn't say this is a dream team,
 01:21:16 --> 01:21:21: but this is being led by a Bipap organization here.
 01:21:21 --> 01:21:24: We've also got a property for Morgan.
 01:21:24 --> 01:21:29: We've got a pretty large portfolio properties and aging in
 01:21:29 --> 01:21:33: some cases where we're looking at recapitalization here,
 01:21:33 --> 01:21:38: so we've got opportunities to partner with groups like Gilmore
 01:21:38 --> 01:21:39: here on this.
 01:21:39 --> 01:21:41: So on the construction side,
 01:21:41 --> 01:21:44: this is. Out probably in excess of a \$30 million
 01:21:44 --> 01:21:49: development or redevelopment of existing 100 unit property
 that we're
 01:21:49 --> 01:21:52: looking to add additional units to.
 01:21:52 --> 01:21:58: And because of our commitment to die and my commitment
 01:21:58 --> 01:22:00: in this role,
 01:22:00 --> 01:22:04: it's important for us to reach out to organizations that
 01:22:04 --> 01:22:09: are have been underrepresented or left out of this process
 01:22:09 --> 01:22:13: as a part of this entire development here.
 01:22:13 --> 01:22:17: And this kind of goes across our portfolio of deals
 01:22:17 --> 01:22:21: and opportunities that we're working on.
 01:22:21 --> 01:22:25: Up any anybody else want to contribute
 01:22:25 --> 01:22:29: on that? Oh no, go ahead Justin.
 01:22:29 --> 01:22:34: OK thanks the one that we are 30 unit apartment
 01:22:34 --> 01:22:39: complex is you know we have a a partner that's
 01:22:39 --> 01:22:40: from Columbia.
 01:22:40 --> 01:22:45: He's a partner and equity partner and he's we also
 01:22:45 --> 01:22:49: are going to utilize his network to to and partner
 01:22:49 --> 01:22:52: up with him to actually build it.
 01:22:52 --> 01:22:57: He has a smaller general contracting company.

01:22:57 --> 01:23:01: And part of the agreement was to get him some
 01:23:01 --> 01:23:02: more experience,
 01:23:02 --> 01:23:06: so helping him out and then we have a third
 01:23:06 --> 01:23:11: minority equity partner that is that's black that is in
 01:23:11 --> 01:23:16: the real estate that is in real estate that actually
 01:23:16 --> 01:23:19: brought us the land we brought him in as an
 01:23:19 --> 01:23:20: equity partner.
 01:23:22 --> 01:23:24: Instead of paying him a fee for bringing us the
 01:23:24 --> 01:23:25: deal,
 01:23:25 --> 01:23:27: we just gave him percentage and said,
 01:23:27 --> 01:23:30: hey, you know you get to learn about development and
 01:23:30 --> 01:23:32: and go through the process with us so that you
 01:23:33 --> 01:23:35: know he can start building his net worth and and
 01:23:35 --> 01:23:39: whatnot in. Everybody is learned through the process,
 01:23:39 --> 01:23:42: which has been awesome and because a lot of us
 01:23:42 --> 01:23:46: have educated ourselves prior to getting into this,
 01:23:46 --> 01:23:50: the risk was minimal and you know we're getting to
 01:23:50 --> 01:23:55: that point to where we feel extremely confident that what
 01:23:55 --> 01:24:00: is on our Performa is we we under we underperform.
 01:24:00 --> 01:24:03: I mean, we're we're. We did not give ourselves enough
 01:24:03 --> 01:24:05: enough credit for what we were able.
 01:24:05 --> 01:24:07: What we're actually building, so.
 01:24:07 --> 01:24:10: It's gonna turn out to be a really profitable and
 01:24:10 --> 01:24:13: great project and something that's going to help us catapult
 01:24:13 --> 01:24:14: into other projects.
 01:24:17 --> 01:24:21: Thanks for that Justin and next man well.
 01:24:24 --> 01:24:26: I think Jenny had a response to
 01:24:26 --> 01:24:27: oh sorry
 01:24:27 --> 01:24:28: about that. Oh sorry
 01:24:28 --> 01:24:32: no, that's OK. I was just going to say that
 01:24:32 --> 01:24:33: we.
 01:24:33 --> 01:24:37: We have one nonprofit organization that is going through the
 01:24:37 --> 01:24:41: process of securing one of our equitable path forward lines
 01:24:41 --> 01:24:44: of credits and one of the things that we're we
 01:24:44 --> 01:24:48: have a goal of with this program is to allow
 01:24:48 --> 01:24:53: developers who don't have as much experience to not have
 01:24:53 --> 01:24:57: to have those investor partners so that it,
 01:24:57 --> 01:25:00: you know, is. As Justin was just saying,
 01:25:00 --> 01:25:03: they're they're able to to earn all the developer feed
 01:25:03 --> 01:25:07: themselves or to to build their business or their nonprofit
 01:25:07 --> 01:25:11: organization and and and and to be able to not
 01:25:11 --> 01:25:13: always rely on an investor.

01:25:13 --> 01:25:17: And in this case, this groups investor is a decent
 01:25:17 --> 01:25:18: developer,
 01:25:18 --> 01:25:21: a good developer, but is all white lead,
 01:25:21 --> 01:25:24: and so we're really trying to change that dynamic,
 01:25:24 --> 01:25:26: and so we do have one organization that this is
 01:25:26 --> 01:25:28: their second development.
 01:25:28 --> 01:25:30: We're helping with the Land acquisition loan.
 01:25:30 --> 01:25:31: First, then will help with the line of credit,
 01:25:31 --> 01:25:35: and then we're hoping to offer them a standby guarantee
 01:25:35 --> 01:25:37: as they build with tax credits,
 01:25:37 --> 01:25:39: and so it's a they've done one project before.
 01:25:39 --> 01:25:43: It's a slow process, but really trying to flip them
 01:25:43 --> 01:25:48: to being completely self-reliant and able to secure their own
 01:25:48 --> 01:25:49: financing.
 01:25:49 --> 01:25:52: I would say with the second project,
 01:25:52 --> 01:25:54: so it's it's multiple years,
 01:25:54 --> 01:25:56: but but it is working out.
 01:26:00 --> 01:26:03: Alright, thanks for that Jenny and and as you were
 01:26:03 --> 01:26:05: speaking Jenny I one other,
 01:26:05 --> 01:26:07: another organization popped into my mind here.
 01:26:07 --> 01:26:13: This is montbello organizing committee committee in the
 Montbello neighborhood
 01:26:13 --> 01:26:17: who is currently under development with a.
 01:26:17 --> 01:26:21: Oh mixed use property with affordable housing as well as
 01:26:21 --> 01:26:23: commercial ground space,
 01:26:23 --> 01:26:27: and I think they're in the process of seeking out
 01:26:27 --> 01:26:30: a grocer for the ground floor right now.
 01:26:30 --> 01:26:33: This is an area that has been a food desert
 01:26:33 --> 01:26:38: since it was developed here and have had quite a
 01:26:38 --> 01:26:43: bit of trouble here recruiting the traditional grocers here,
 01:26:43 --> 01:26:46: so I think there are looking at a little bit
 01:26:46 --> 01:26:49: of a non traditional grocer to bring in right now.
 01:26:49 --> 01:26:54: With groups that have worked with organizations like
 MONTBELLO organizing
 01:26:54 --> 01:26:58: committee and and the development partner.
 01:26:58 --> 01:27:01: For Montbello is led by Denise Burch.
 01:27:01 --> 01:27:04: Burgess Construction is a leader for them,
 01:27:04 --> 01:27:08: which is. African American Award and azatian of construction
 company.
 01:27:08 --> 01:27:12: So there is some of the work happening out in
 01:27:12 --> 01:27:16: the area and and I know nationally but just a
 01:27:16 --> 01:27:18: few of the of the cases here.
 01:27:18 --> 01:27:21: So thank you panelists here.

01:27:21 --> 01:27:23: Next up, Manuel had a question.

01:27:27 --> 01:27:30: Yeah, this is more of a a question for a

01:27:30 --> 01:27:33: Justin wanted to find out what is gonna be your

01:27:33 --> 01:27:38: greatest challenge of for transitioning from a general contractor to

01:27:38 --> 01:27:42: a developer and I also had an additional question which

01:27:42 --> 01:27:45: was how have you been able to deal with the

01:27:45 --> 01:27:50: differences in mindset between a general contractor and developer?

01:27:50 --> 01:27:52: If you could speak to that also.

01:27:56 --> 01:27:59: Yeah, sure no problem. Thanks for the question real quick

01:27:59 --> 01:28:00: mark.

01:28:00 --> 01:28:02: That project is called fresh,

01:28:02 --> 01:28:06: low and montbello and we are teamed up with the

01:28:06 --> 01:28:10: Montbello community organization to help.

01:28:10 --> 01:28:12: Facilitate some of the construction on them,

01:28:12 --> 01:28:15: but Manuel keep to your answer to your question.

01:28:15 --> 01:28:21: We as a general contractor as well any development right?

01:28:21 --> 01:28:26: The the most riskiest part of development is construction.

01:28:26 --> 01:28:28: That's usually where your highest risk is,

01:28:28 --> 01:28:33: right? And for a general contractor,

01:28:33 --> 01:28:36: you know that's all you have to focus on is

01:28:36 --> 01:28:37: the construction.

01:28:37 --> 01:28:40: So for for us the majority of the work that

01:28:40 --> 01:28:44: we have done until most recently when we got into

01:28:44 --> 01:28:44: design,

01:28:44 --> 01:28:49: build everything that we did started once we were given

01:28:49 --> 01:28:51: a set of drawings.

01:28:51 --> 01:28:56: The hardest part was everything that happened prior to that,

01:28:56 --> 01:28:58: right? So all the entitlements purchased.

01:28:58 --> 01:29:03: Other land you know, rezoning if necessary.

01:29:03 --> 01:29:06: The banking part, partnerships, Equity Partners,

01:29:06 --> 01:29:10: LP. You know, all of that understanding all of that.

01:29:10 --> 01:29:14: How all that fits is most definitely was the most

01:29:14 --> 01:29:16: challenging part.

01:29:16 --> 01:29:17: And then on top of that,

01:29:17 --> 01:29:20: working with architects, 'cause you know,

01:29:20 --> 01:29:22: I'm a general contractor and I'll be honest with you.

01:29:22 --> 01:29:26: We had we have opinions about architects.

01:29:26 --> 01:29:29: But the reality is, is that you know it,

01:29:29 --> 01:29:31: they are there. They're a partner in it,

01:29:31 --> 01:29:34: right? And you have to be able to.

01:29:34 --> 01:29:36: You have to be able to concede some places and

01:29:36 --> 01:29:38: you have to understand budgets right too.

01:29:38 --> 01:29:43: As a general contractor, I'm usually working underneath budget constraints,

01:29:43 --> 01:29:46: right that the owner has given me and usually I'm

01:29:46 --> 01:29:49: the one coming back to the owner and saying,

01:29:49 --> 01:29:50: hey I need more money.

01:29:50 --> 01:29:54: If you want this bill as a developer I have

01:29:54 --> 01:29:57: to say hey I don't have that figure it out

01:29:57 --> 01:29:58: right?

01:29:58 --> 01:30:02: It's a whole different mindset and to your point it's

01:30:02 --> 01:30:04: it's going through that process.

01:30:04 --> 01:30:08: I'm slowly slowly taking those steps to understand.

01:30:08 --> 01:30:12: Alright, uhm, there's a reason why we had a 10%

01:30:12 --> 01:30:16: contingency, but because we're very comfortable with building this type

01:30:16 --> 01:30:17: of structure,

01:30:17 --> 01:30:19: we're OK to cutting it down to 3%

01:30:19 --> 01:30:21: contingency because we are we.

01:30:21 --> 01:30:24: We know the risk, and we know how to mitigate

01:30:24 --> 01:30:25: those risks,

01:30:25 --> 01:30:28: and I think that's helped us on the develop on

01:30:28 --> 01:30:32: on going through the the pre construction part of it

01:30:32 --> 01:30:36: is really going through the process with the architect to

01:30:36 --> 01:30:39: say. Hey, you know what?

01:30:39 --> 01:30:40: We don't, we don't, you know,

01:30:40 --> 01:30:42: we don't want to recondition the soil.

01:30:42 --> 01:30:44: We want to go down to bedrock with caissons.

01:30:44 --> 01:30:47: Let's do that instead. 'cause we know we can.

01:30:47 --> 01:30:51: We have somebody that we can bring in that'll be

01:30:51 --> 01:30:51: cheaper.

01:30:51 --> 01:30:54: You know, we we have somebody that can come in

01:30:54 --> 01:30:55: and do asbestos abatement.

01:30:55 --> 01:30:59: So understanding all that has helped us in that process.

01:30:59 --> 01:31:01: But a lot of it has been the upfront work

01:31:01 --> 01:31:03: that we never had to do before.

01:31:03 --> 01:31:06: Learning all that. Learning the risk involved in that and

01:31:06 --> 01:31:08: then making the connections with you know with.

01:31:08 --> 01:31:11: Financial institutions to make sure that we have the backing

01:31:11 --> 01:31:14: necessary to to move forward with the project.

01:31:17 --> 01:31:20: Thanks for that Justin, and

01:31:21 --> 01:31:22: next Christina had a question.

01:31:32 --> 01:31:34: Is Christina there or
 01:31:35 --> 01:31:37: Chris Christina? I see you're unmuted,
 01:31:37 --> 01:31:38: but we're not hearing you.
 01:31:38 --> 01:31:39: Hi, sorry about that.
 01:31:41 --> 01:31:44: So my question is about.
 01:31:44 --> 01:31:47: Ownership models for commercial properties or multi family
 housing,
 01:31:47 --> 01:31:51: and I'm wondering if anybody could point to resources to
 01:31:51 --> 01:31:52: learn more.
 01:31:52 --> 01:31:56: Maybe about local community ownership models and then
 the second
 01:31:57 --> 01:32:00: part of that question is why aren't there more Community
 01:32:00 --> 01:32:02: investment trusts?
 01:32:02 --> 01:32:05: And so I'm thinking about all of this in terms
 01:32:05 --> 01:32:09: of tools to for bipop communities to build wealth and
 01:32:10 --> 01:32:12: as an anti displacement strategy.
 01:32:12 --> 01:32:19: So yeah, really. Wondering about different ownership models
 so that
 01:32:20 --> 01:32:24: the local community can benefit from.
 01:32:24 --> 01:32:28: Investment in their community. Without necessarily having to
 be the
 01:32:29 --> 01:32:29: developer,
 01:32:29 --> 01:32:33: but being able to see that financial benefit.
 01:32:34 --> 01:32:35: Yeah, I'll
 01:32:35 --> 01:32:37: I'll tap in briefly. So Christine,
 01:32:37 --> 01:32:41: there there are a couple models that I had researched
 01:32:41 --> 01:32:42: previously.
 01:32:42 --> 01:32:45: One of them was mentioned in the chat.
 01:32:45 --> 01:32:47: In a Land Trust right?
 01:32:47 --> 01:32:51: Local co-ops. You know the and these are models that
 01:32:51 --> 01:32:54: have been around for awhile.
 01:32:54 --> 01:32:57: Honestly, just you know, and they might not have been
 01:32:57 --> 01:32:59: exercised to the upmost,
 01:32:59 --> 01:33:01: but we have. I think we have one Land Trust
 01:33:01 --> 01:33:02: here in Colorado Springs,
 01:33:02 --> 01:33:04: but we did have two.
 01:33:04 --> 01:33:06: The other one got in trouble,
 01:33:06 --> 01:33:09: but you know they they're trying to also increase,
 01:33:09 --> 01:33:13: you know access to homeownership and and also get on
 01:33:13 --> 01:33:14: that router.
 01:33:14 --> 01:33:16: Generational wealth building. As well,
 01:33:16 --> 01:33:19: but As for the Community investment for us,
 01:33:19 --> 01:33:21: as I said, this is just the second one in

01:33:21 --> 01:33:22: the country.

01:33:22 --> 01:33:25: I really would like to see more of them pop

01:33:25 --> 01:33:26: up right?

01:33:26 --> 01:33:29: That's kind of the goal of it is to have

01:33:29 --> 01:33:32: it that each state should have multiple.

01:33:32 --> 01:33:33: You know of these projects going on,

01:33:33 --> 01:33:35: and I think a lot of it is just,

01:33:35 --> 01:33:36: oh, that's a great resource.

01:33:36 --> 01:33:38: Community wealth building. Thanks, Jenny.

01:33:38 --> 01:33:40: I just try to remember I was trying to remember

01:33:40 --> 01:33:43: the website that I went down the rabbit hole along

01:33:43 --> 01:33:44: for a couple years.

01:33:44 --> 01:33:46: They're a great resource, so thanks for that.

01:33:46 --> 01:33:49: But yeah, I I do believe that since it's such

01:33:49 --> 01:33:53: a new model like Portland's only been around since 2017

01:33:53 --> 01:33:56: and maybe incubated a little bit before then a couple

01:33:56 --> 01:33:59: years prior. But it's just it's just so new and

01:33:59 --> 01:34:02: I think a lot of it is getting out and

01:34:02 --> 01:34:04: and having the dialogue and so much of it has

01:34:05 --> 01:34:08: been education from the banks to the city to the

01:34:08 --> 01:34:12: resident investors that you know we don't know what we

01:34:12 --> 01:34:15: don't know and so how do we make it more

01:34:15 --> 01:34:18: accessible and get it? Out front of more people in

01:34:18 --> 01:34:19: the community,

01:34:19 --> 01:34:21: I think it's just, you know,

01:34:21 --> 01:34:25: it comes down to awareness and and really showing the

01:34:25 --> 01:34:28: value that it can do and that how it can

01:34:28 --> 01:34:34: actually create generational wealth and stave off

01:34:34 --> 01:34:37: gentrification and help

01:34:38 --> 01:34:40: revitalize communities. All the good stuff is there within the

01:34:40 --> 01:34:43: motto it's just I feel it's just up to us

01:34:43 --> 01:34:44: to to continue to push it and make it more

01:34:46 --> 01:34:50: visible to other communities.

01:34:50 --> 01:34:53: Yeah, thanks and that that add on to that James.

01:34:53 --> 01:34:55: Well I have a copy of the White Paper that

01:34:55 --> 01:34:59: was produced by Mercy Court.

01:34:59 --> 01:35:03: Mercy Corp was the finance ear and the party that

01:35:03 --> 01:35:05: put together the first CIT in Portland.

01:35:05 --> 01:35:08: So I've got a copy of that if I think

01:35:08 --> 01:35:11: I have your information Christine,

01:35:11 --> 01:35:13: I could forward you a copy of that of that

01:35:11 --> 01:35:13: White paper and.

01:35:13 --> 01:35:15: Yes, please no thank you.

01:35:15 --> 01:35:18: Yeah, and I can probably also send it to Mary

01:35:18 --> 01:35:21: Ann in case anybody else wants to reach out to

01:35:21 --> 01:35:23: to you ally to get a copy of that as

01:35:23 --> 01:35:28: well. James also mentioned Land Trust my previous life here

01:35:28 --> 01:35:33: in Denver pre five years prior to my position now

01:35:33 --> 01:35:37: at Rocky Mountain I was at JLC or Urban Land

01:35:37 --> 01:35:41: Conservancy which is a nonprofit community Land Trust.

01:35:41 --> 01:35:46: One of the spinoffs that JLC had was elevation community

01:35:46 --> 01:35:47: Land Trust.

01:35:47 --> 01:35:51: You all see stopped off at rental properties only a

01:35:51 --> 01:35:53: lot of properties.

01:35:53 --> 01:35:56: I work with developers. For multi family housing,

01:35:56 --> 01:35:59: one of the things we explored I was exploring the

01:35:59 --> 01:35:59: CLT.

01:35:59 --> 01:36:03: Thus the having the White Paper on it and also

01:36:03 --> 01:36:09: exploring some possibilities for co-ops in this James

01:36:09 --> 01:36:14: mentioned there

01:36:14 --> 01:36:16: there there's a state statute for it here and then

01:36:16 --> 01:36:22: you'll look at in places like Boulder.

01:36:22 --> 01:36:23: You'll see much more prevalent cases of of Co-op housing

01:36:23 --> 01:36:25: there,

01:36:25 --> 01:36:27: and. You know, having lived in Chicago,

01:36:27 --> 01:36:29: I was very used to seeing co-ops there,

01:36:29 --> 01:36:30: and I know there. And,

01:36:30 --> 01:36:34: you know, East Coast places.

01:36:34 --> 01:36:37: New Yorker, largest cities, but I think it just hasn't

01:36:37 --> 01:36:40: caught on here in in Denver or and in Colorado,

01:36:40 --> 01:36:44: but I think it's a optimal time right now to

01:36:44 --> 01:36:45: start exploring these different types of of housing and shared

01:36:45 --> 01:36:47: equity models here.

01:36:47 --> 01:36:51: When I was mentioning you else,

01:36:51 --> 01:36:56: the spinoff was elevation Community Land Trust.

01:36:56 --> 01:37:00: Elevation focus is 100%. On our own home ownership and

01:37:00 --> 01:37:01: they use a shared equity model of properties in the

01:37:01 --> 01:37:03: Land Trust.

01:37:03 --> 01:37:07: By having a property in Land Trust,

01:37:07 --> 01:37:09: it lowers that initial value of access into into housing.

01:37:09 --> 01:37:13: Here you take out the cost of land and it

01:37:13 --> 01:37:14: makes it much more affordable for for buyers to come

01:37:14 --> 01:37:18: into properties here,

01:37:18 --> 01:37:18: so had some opportunities to work on number of deals

01:37:18 --> 01:37:19: there.

01:37:19 --> 01:37:23: And with that I am kind of leading to David's

01:37:23 --> 01:37:24: question.

01:37:24 --> 01:37:27: So David, I will call you up now for your

01:37:27 --> 01:37:28: question.

01:37:35 --> 01:37:36: David, you're muted.

01:37:40 --> 01:37:42: There we go, sorry. Mark,

01:37:42 --> 01:37:43: I just did a fur,

01:37:43 --> 01:37:47: just a second. Would you be able to go back

01:37:47 --> 01:37:51: to Holly Square and just talk about JLC's role there

01:37:51 --> 01:37:54: in in my main and I can ask my question

01:37:54 --> 01:37:58: again but just how have cities and others made grants

01:37:58 --> 01:37:59: of land?

01:37:59 --> 01:38:04: Perhaps to CLT's that then can be the base for

01:38:04 --> 01:38:05: bipac lead?

01:38:05 --> 01:38:10: You know, development or redevelopment you know land

01:38:10 --> 01:38:10: being the

01:38:10 --> 01:38:10: key?

01:38:10 --> 01:38:14: Key asset that has been.

01:38:14 --> 01:38:20: Removed from. Bipod control that there we need to restore

01:38:20 --> 01:38:24: but but your model is so good and I can

01:38:24 --> 01:38:27: talk about what we're doing up here.

01:38:27 --> 01:38:31: But that was my main question about your experience of

01:38:31 --> 01:38:35: of gifts of land as a real solid foundation for

01:38:35 --> 01:38:36: redevelopment.

01:38:36 --> 01:38:38: You know there could be bipac lead.

01:38:39 --> 01:38:42: I just want to add that David Adamson runs a

01:38:42 --> 01:38:43: Land Trust in

01:38:43 --> 01:38:43: Boulder.

01:38:45 --> 01:38:46: Don't hold it against me.

01:38:49 --> 01:38:54: Brothers in arms, brothers in arms and thanks for that

01:38:54 --> 01:38:55: David yeah,

01:38:55 --> 01:38:56: one of the things I won't say.

01:38:56 --> 01:38:58: Read the book the Holy That was one of our

01:38:58 --> 01:39:00: discussions a few weeks ago.

01:39:00 --> 01:39:03: When you else is highlighted in the book the Holy

01:39:03 --> 01:39:06: but there are a couple of cases here where you

01:39:06 --> 01:39:11: else had been reached out to by municipalities and

01:39:11 --> 01:39:15: organizations

01:39:11 --> 01:39:15: you'll see was donated a 30 acre site down in

01:39:15 --> 01:39:17: Aurora used to be.

01:39:17 --> 01:39:21: Site that was owned by an organization that worked with

01:39:21 --> 01:39:25: young women here who were coming out of who having
 01:39:25 --> 01:39:29: trouble in the high school system or or trying to
 01:39:29 --> 01:39:31: stay out of the foster system here.
 01:39:31 --> 01:39:37: And that is a property that's being re being redeveloped
 01:39:37 --> 01:39:37: by JLC.
 01:39:37 --> 01:39:43: Gotta big the Americorp is a big tenant there for
 01:39:43 --> 01:39:43: you.
 01:39:43 --> 01:39:47: I'll see on that side and.
 01:39:47 --> 01:39:51: Fort Collins there was a 30 acre site donated to
 01:39:51 --> 01:39:55: you else for affordable housing there.
 01:39:55 --> 01:39:59: And the donations are critical as David mentioned and and
 01:39:59 --> 01:40:02: a couple of right here in the city.
 01:40:02 --> 01:40:04: As David mentioned, the Holly was donated.
 01:40:04 --> 01:40:08: There was also land that was not a donation,
 01:40:08 --> 01:40:10: but it was a very discounted price.
 01:40:10 --> 01:40:13: Here that was sold to ULC in the Global GS
 01:40:14 --> 01:40:18: neighborhood just a few blocks away from the Western Stock
 01:40:18 --> 01:40:19: Show station.
 01:40:19 --> 01:40:23: That's under development now in partnership with a lot of
 01:40:24 --> 01:40:26: input from the GES coalition there.
 01:40:26 --> 01:40:31: The important part about the land pieces you are you're
 01:40:31 --> 01:40:34: not able to build affordably.
 01:40:34 --> 01:40:36: If you don't get land affordably,
 01:40:36 --> 01:40:37: so that's the key piece here,
 01:40:37 --> 01:40:42: and we're seeing a generational wealth loss because
 neighborhoods and
 01:40:42 --> 01:40:46: communities and individuals of color have lost access to the
 01:40:47 --> 01:40:49: land holdings that they have,
 01:40:49 --> 01:40:52: and it's continuing more and more all the time here
 01:40:52 --> 01:40:54: as we look at the housing prices,
 01:40:54 --> 01:40:57: the housing that's that was lost in 2008,
 01:40:57 --> 01:41:03: 2009. Went from I think the highest level of ownership
 01:41:03 --> 01:41:05: for black families at 49%
 01:41:05 --> 01:41:10: down to. It's estimated that by 2050 home ownership for
 01:41:10 --> 01:41:14: black families would be down to close to 40 to
 01:41:14 --> 01:41:14: 41%,
 01:41:14 --> 01:41:17: so a huge drop off.
 01:41:17 --> 01:41:21: But it is key that right now municipalities hold a
 01:41:22 --> 01:41:23: lot of land.
 01:41:23 --> 01:41:24: States hold a lot of land,
 01:41:24 --> 01:41:26: being able to put these land.
 01:41:26 --> 01:41:28: These properties in Land Trust sets.

01:41:28 --> 01:41:32: The value of the price and of those lands at
 01:41:32 --> 01:41:35: a specific point here and keep them off the market
 01:41:35 --> 01:41:37: as properties or on market.
 01:41:37 --> 01:41:41: The market tends to drive up prices here on land
 01:41:41 --> 01:41:44: and makes it less and less affordable for everybody
 01:41:45 --> 01:41:49: here and let makes affordable development almost
 impossible when you
 01:41:49 --> 01:41:52: can't get the land at A at an affordable level
 01:41:52 --> 01:41:52: here.
 01:41:52 --> 01:41:55: So I'll keep my comments short on that.
 01:41:55 --> 01:41:59: Although we were running. Yes they
 01:42:00 --> 01:42:03: can. I just add a little secret sauce that we're
 01:42:03 --> 01:42:07: trying to employ that may be beneficial to others on
 01:42:07 --> 01:42:10: this topic is you know what we're pioneering?
 01:42:10 --> 01:42:14: Is getting groups of investors that we put together.
 01:42:14 --> 01:42:19: It could be a mix of future residents we're doing
 01:42:19 --> 01:42:25: housing future residents and investors have more of a tax
 01:42:25 --> 01:42:26: reduction appetite.
 01:42:26 --> 01:42:30: Vape the investors buy the land that you seek to
 01:42:30 --> 01:42:32: densify or redevelop.
 01:42:32 --> 01:42:36: The CLT or could be another charitable entity,
 01:42:36 --> 01:42:40: acts as the developer or one of the developer partners
 01:42:40 --> 01:42:44: and hopefully you get some favorable entitled redevelopment
 treatment from
 01:42:45 --> 01:42:47: the city because of what you're trying to do,
 01:42:47 --> 01:42:53: and then at the right time the investors donate the
 01:42:53 --> 01:42:54: land.
 01:42:54 --> 01:43:00: To the charitable organization which generates an important
 return for
 01:43:00 --> 01:43:05: them and reduces their need for return all on the
 01:43:05 --> 01:43:07: sale of the units,
 01:43:07 --> 01:43:13: you're you're. You're developing so this this.
 01:43:13 --> 01:43:17: It seems like it is an excellent way for a
 01:43:17 --> 01:43:19: win win win.
 01:43:19 --> 01:43:22: You know you get affordable real estate into the right
 01:43:22 --> 01:43:23: hands.
 01:43:23 --> 01:43:25: And if it's through a Land Trust or donate to
 01:43:25 --> 01:43:26: the city or whatever,
 01:43:26 --> 01:43:30: then it can be appreciation moderated.
 01:43:30 --> 01:43:33: The investors get a good market kind of return if
 01:43:33 --> 01:43:35: it's structured properly.
 01:43:35 --> 01:43:39: The Rent Land Trust is dealt in as well and
 01:43:39 --> 01:43:40: it you know,

01:43:40 --> 01:43:44: benefits from that development. And then you know by making

01:43:44 --> 01:43:46: a profit a future development.

01:43:46 --> 01:43:52: So we're just pioneering that at this in this Co

01:43:52 --> 01:43:53: housing.

01:43:53 --> 01:43:57: Project we're trying to do on North Street and so

01:43:57 --> 01:43:59: our first project is a Co-op also,

01:43:59 --> 01:44:00: but I think it's working.

01:44:00 --> 01:44:05: It's going to workout really well for our investors and

01:44:05 --> 01:44:06: our residents,

01:44:06 --> 01:44:08: so I I just wanted to share that model.

01:44:08 --> 01:44:11: I don't know if anyone else is has done that,

01:44:11 --> 01:44:15: but especially in high appreciation areas,

01:44:15 --> 01:44:19: you're just turning that disadvantage into an advantage.

01:44:19 --> 01:44:20: You know, through the donation of the land.

01:44:23 --> 01:44:25: Thank you very much, David.

01:44:25 --> 01:44:28: That's very insightful and I think a good peek behind

01:44:28 --> 01:44:31: the curtains as to what makes organizations like Land Trust

01:44:31 --> 01:44:32: work,

01:44:32 --> 01:44:35: so really appreciate the the comments and the insight.

01:44:35 --> 01:44:38: I know we're right at time right now,

01:44:38 --> 01:44:42: our fearless leader Rodney had a comment here in the

01:44:43 --> 01:44:44: in the chat box,

01:44:44 --> 01:44:48: so give you an opportunity to add any additional comments

01:44:48 --> 01:44:52: and I'll turn it over back to to Rodney and

01:44:52 --> 01:44:52: Mary Ann.

01:44:52 --> 01:44:57: So palmless. We're so grateful for your participation today.

01:44:57 --> 01:45:00: Our audience here. Thank you for joining in.

01:45:00 --> 01:45:02: This has been excellent and a lot of good,

01:45:02 --> 01:45:06: stimulating conversation and a lot more to be continued.

01:45:06 --> 01:45:09: So thank you very much and I will turn it

01:45:09 --> 01:45:10: over to Rodney Marianne.

01:45:11 --> 01:45:13: Thank you so much. Thank you everybody.

01:45:13 --> 01:45:15: Thank you. Mark your your mazing.

01:45:15 --> 01:45:18: Thank you for our panelists and moderating this.

01:45:18 --> 01:45:20: Thank you Maryann for putting this together and just want

01:45:20 --> 01:45:21: to make one comment.

01:45:21 --> 01:45:23: I know we're at time,

01:45:23 --> 01:45:26: the capacity to fail. We have to build in the

01:45:27 --> 01:45:30: opportunity for folks within this space to fail.

01:45:30 --> 01:45:34: We know inherent in this business is risk,

01:45:34 --> 01:45:40: and oftentimes bipac communities don't have the the ability

01:45:40 --> 01:45:41: to
 01:45:41 --> 01:45:43: take risk.
 01:45:43 --> 01:45:44: We have to go with safe bets.
 01:45:44 --> 01:45:47: We may try to get you know,
 01:45:47 --> 01:45:50: stable jobs because we are the breadwinners.
 01:45:50 --> 01:45:53: And so there's an element to that equation where you've
 01:45:53 --> 01:45:56: got to have a built into that the capacity to
 01:45:56 --> 01:45:59: fail and not fail catastrophically so that it ends your
 01:45:59 --> 01:46:00: families and communities. So I just wanted to add that
 01:46:00 --> 01:46:02: I'll turn it over to Marianna.
 01:46:02 --> 01:46:06: close this out. Thank you so much,
 01:46:06 --> 01:46:09: everybody. So wise, Rodney, thank you for that comment
 01:46:09 --> 01:46:13: and
 01:46:13 --> 01:46:16: I just want to give a huge thank you and
 01:46:16 --> 01:46:19: round of applause to all of our speakers today.
 01:46:19 --> 01:46:21: Thank you so much for being part of this.
 01:46:21 --> 01:46:22: What a huge amount of value that you're all providing,
 01:46:22 --> 01:46:26: and I see many of you are adding your contact
 01:46:26 --> 01:46:29: information to the chat box.
 01:46:29 --> 01:46:33: We greatly appreciate that and thank you to all of
 01:46:33 --> 01:46:37: you who have attended this and asked questions and
 01:46:37 --> 01:46:39: participated
 01:46:39 --> 01:46:42: and hopefully you're taking away information and contacts
 01:46:42 --> 01:46:45: and we
 01:46:45 --> 01:46:48: hope to to build this network overtime and to build
 01:46:48 --> 01:46:52: upon the resources available.
 01:46:52 --> 01:46:56: I would love to add this recording and any resources
 01:46:56 --> 01:47:00: that you guys want to add to our website so
 01:47:00 --> 01:47:02: if you have additional ones that you would like to.
 01:47:02 --> 01:47:05: Add we can create a sort of online library that
 01:47:05 --> 01:47:08: builds upon the information provided here.
 01:47:08 --> 01:47:09: My email address is in on my face,
 01:47:09 --> 01:47:11: so if you have anything you'd like to to send
 01:47:11 --> 01:47:13: me,
 01:47:13 --> 01:47:16: please do and we hope to be in touch.
 01:47:16 --> 01:47:17: Thank you for participating today and hope you all have
 01:47:17 --> 01:47:26: a wonderful evening.
 01:47:26 --> 01:47:27: Thanks again everybody. It's been great.
 01:47:27 --> 01:47:28: Thank you all.
 01:47:28 --> 01:47:29: Thank you. Bye everybody.
 01:47:29 --> 01:47:30: Bye.
 01:47:30 --> 01:47:31: Mark, thank you so much.
 01:47:31 --> 01:47:32: We appreciate you.

01:47:29 --> 01:47:32: Thank you Mary and thanks for the opportunity.
01:47:32 --> 01:47:37: You're awesome, thanks. Better as a moderator here and let
01:47:37 --> 01:47:41: the the folks who do the work here out there
01:47:42 --> 01:47:44: get the position on the panels.
01:47:46 --> 01:47:48: Mark, can I talk to you really quick?
01:47:48 --> 01:47:49: Yeah,
01:47:49 --> 01:47:50: how you been, Dave? I'm
01:47:52 --> 01:47:54: mayor and maybe you need to end.

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