

# COMMERCIAL AFFORDABILITY SUMMIT: EVENT RECAP



October 11, 2023 | Bethaday TAF Learning Center



## MANY EXAMPLES, ONE MODEL

There are many solutions to the problem of a lack of commercial affordability being developed, piloted, replicated and scaled, and what is most successful are models driven by community needs and vision and facilitated by a range of technical and financial tools depending on their local and regional context.

**"IT'S REALLY** only one model. Find a conversation about what the community wants...and if you find bankers, lawyers, investors, developers, elected officials refuse to support that vision, just find one who will. Community owned and controlled real estate and finance can work. How many models do you need to see? Start with the community vision. And I would recommend going to where they're already talking about it. It might be a barbershop, it might be a church, you don't have to start the conversation. It's already happening somewhere, and you just have to find it and go there. You might be a lawyer, or a banker, or a developer, or a planner, or an elected official, or an economic development authority, wherever you are, just go there and see who is in the room. And if its one of these other pieces you're missing, you just bring them in. Talk about it. But have realistic expectations, it's going to be hard. That's what it feels like when you're working against the grain."

**OSCAR PERRY ABELLO**

(he/him)

Senior Economics  
Correspondent  
NextCity.org



KEYNOTE

## THEMES AND LEARNINGS EXPLORED AT THE SUMMIT

### PILOT PROVIDED FUNDS AND TECHNICAL ASSISTANCE IN A TIME OF UNCERTAINTY

**“I REMEMBER** when they announced that we need to close for COVID, and I thought, ‘The Salvadorean Bakery is ending,’ because we had a lot of customers that liked to dine in and it was a very tough month, and year. Being an immigrant and coming from a country where there was a civil war, everything came up to my mind and I was thinking, wow, you know how people start saying, ‘Oh, they will lock you up, they will not let you go out,’ and so every negative thing came up to my mind. But then, we started thinking about what we will do to overcome all of these negative things ... So, we came up with an idea and arranged everything and then we did better with the pandemic because a lot of people came and helped us. In that moment, I saw the community get together ... And then we met Che, Melissa, and Darren [with the pilot project.]”

**ANA CASTRO**

Co-President  
Salvadorean Bakery



PANELIST

Technical assistance was huge since entrepreneurs didn't know which questions to ask

**“Even though** you think you have all the right people, there's still gaps and there's still a community that needs to surround the business to help them, because they don't know where the gaps are. They don't know what questions to ask, because they've never gone through it. Just the idea of this program having some sort of technical assistance was huge.”

**DARREN MEDINA**

Principal  
Darren Medina  
Design



PANELIST

It's important for the project to check in with the businesses to ensure everything is in order after the project ends

**“I think** it's very important that the pilot reaches back out to the business owners within the year or so to make sure the business is still doing good because yes, we got a million dollars and that's a lot of money, but anything can happen within that year. I just think it's very important that we reach back out to the business owners to see what has been added to their plate, because as we repay our loans back, we might need to take out another loan on top of that. So, I think it's very important that you guys reach back out to the owners you've invested in, so we don't lose our businesses and lose what we invested in over a couple thousand dollars.”

**TERRELL JACKSON**

Owner  
Jackson's Catfish Corner



PANELIST

## WE ARE ASKING BUSINESS OWNERS TO MANAGE REAL ESTATE, BUT THAT ISN'T WHAT THEY DO. NEED WRAP AROUND SERVICES, PROVIDE BUSINESS OWNERS WITH A RANGE OF CONSULTANT SUPPORT

**“THERE’S ALL** kinds of reasons why businesses are paying a higher cost for a space than they should: because we’re asking business owners to manage real estate, and that’s not what they do. So, all of them had cost overruns – not that that was unavoidable, that happens with construction, it’s really hard to manage construction – but we’re trying to make them do something that’s not what they do. So, the wrap-around services, you’ll hear that a lot, the services that Office of Economic Development (OED) has been lining up to provide business owners with a range of consultants and expertise for the various questions they face – that’s all essential to move this.”

**CHUCK DEPEW**

(he/him)

Grow America (Formerly National Development Council (NDC)) & Business Community Ownership Fund (BCOF)



PANELIST

Pairing with technical assistance to think beyond pop up opportunities for long term success

**“Chase invested** in a program that was started by the city, Seattle Restored, to activate empty storefronts in downtown and I think the plan is eventually to go outside of downtown and I saw that as important to do because I see that as an example where there’s a lot of promise there to build on something where there’s opportunity for private-public collaboration on a program that works on many different levels with not only inviting people back to downtown because it creates more activity but it gives small business, particularly BIPOC-owned businesses access to a market where maybe they didn’t have that access before and there’s pairing of technical assistance to help those businesses think beyond just that pop-up opportunity and to think about, long-term, how do you transform that into a permanent lease somewhere, if not that location, and I see this overall as, you know, can this investment that we’re making help to encourage other corporate partners, foundations, to step up and work with the city on a program with activation that can get the city started again.”

**KEN TAKAHASHI**

(he/him)

Vice President, Northwest Regional Director  
JPMorgan Chase & Co



PANELIST

If you can’t stand up a program with meaningful capital to deploy, can’t really have commercial affordability

**“If you** can’t stand up a program and have meaningful capital to deploy, then you’re never going to touch commercial affordability because you’re always going to miss opportunities. That’s really the big challenge, you have to be proactive.”

**CHUCK DEPEW**



Technical assistance is as valuable as cash

**“When we** approached our programs, we really thought about the technical assistance and the coaching that’s needed and not just the cash award. As we built the Tenant Improvement Fund, we knew that you can’t just give a cash award and to quote one of our awardees, she said, ‘The service packages, the technical assistance that I’m getting is just as valuable as the cash award itself.’”

**CHERA AMLAG**

(she/her)

Commercial Affordability & Real Estate Advisor  
Seattle Office of Economic Development



PANELIST



## IMPORTANCE OF CAPACITY BUILDING AND TECHNICAL ASSISTANCE

We are involved in real estate, but it's about the business being successful long term > that's how we grow wealth in the community

**"We started** to play around with this [commercial affordability] in a way to be heretical, be a bit of a window breaker, and look at this approach from a business perspective. We're involved in real estate, but it's about the business being successful long term. If the business is successful long term, that's how we grow wealth within the community. It's the business being successful."

**CHUCK DEPEW**



**"It's one** thing to throw money at a business and be able to say, 'Here's a shiny, newly built out restaurant.' It's another thing to talk about commercial affordability and then, generational wealth as well. Just because you have a business and you're able to get them open through some support and subsidies doesn't mean that they're going to actually generate wealth because wealth generation comes from the profit that a business is able to get and see at the end. If we're not able to provide the technical assistance and those wrap-around services, then it's really challenging for a business to actually profit in the city, especially when we're talking about those in hospitality and a lot of the pilots that we have supported are restaurants – if you can profit 2% in the restaurant industry, you're doing well."

**CHERA AMLAG**



### NOT A LOCAL ISSUE, HAPPENING ACROSS THE NATION. BIPOC-OWNED BUSINESSES AND COMMUNITIES ARE BEING DISPLACED, UNIQUE TO OUR REGION: REAL ESTATE PRICES ARE SKY HIGH. CAPITAL RAISE AND THE DYNAMIC IS DIFFERENT

**“THIS ISSUE** is not unique to our region. This is something that is happening across the whole country, and especially in communities that are experiencing gentrification, displacement, traditionally communities of color where there is rich, cultural history, people are being displaced. One of the things I think is particularly unique to our region, maybe it’s similar to the Bay Area and some other coastal communities, is the real estate prices are super expensive. So, like, when we’re talking about Philadelphia or Inglewood in Chicago, where we have – first of all – a number of small parcels that make up a block it’s easier to buy one parcel at a time and because of blight in the community those parcels are more affordable, often. So, the capital raise and dynamic is different. That’s not to say that it’s easy, but it’s different.”

**TINA VLASATY**

Deputy Director  
LISC Puget Sound



A national fund of community ownership, infrastructure to promote ownership + Before it was project to project, scraping together resources, there were no tools to support for profit businesses

**“One of** the things I’d really like to see a national conversation about is a national fund for community ownership of commercial property. Again, because this is happening all over the country and what is happening is, like, project by project, we’re trying to scrape together the money for these and we’re asking – and I think some of the bigger foundations are probably hearing these requests from many, many places – and so how could we do a better job of having some national infrastructure to develop and address this rather than trying to do each individually.”

**TINA VLASATY**



## THE EFFECTS OF THE PANDEMIC GAVE OPPORTUNITIES FOR LOCAL GOVERNMENTS TO TRY NEW STRATEGIES AND TO INVEST IN SMALL BUSINESSES

**“COVID AND** the pandemic really changed the discussion around grants for for-profit businesses and really recognizing how important businesses are, especially legacy businesses, in community and anchoring community. So, I think that’s actually a huge opportunity is we are having some conversations and people are open to providing support in ways that were just not talked about.”

**TINA VLASATY**



**“FORTUNATELY, THE** pandemic came along, and we had all this money. We’d been working on this a little while, but now there was money. There were resources. And again, because of the pandemic, governments could break the rules. We could invest in things that we couldn’t have invested in before. So, you have Seattle put \$7.6 million on the table. That’s a pretty good chunk of money, that’s more than a lot of the pilots Oscar was showing for some of these community projects to stand something up.”

**CHUCK DEPEW**



Before COVID it was not on the radar for the city. Local gov knows now what to do

**“The pandemic** did give an opportunity for local government to try some new things and there’s been, sort of, a reset on expectations of investment into small business project and businesses and it’s great to see that exists because before the pandemic, that was not even on the radar. Now is the time to show that those resources are well served to be for those purposes and that local government knows what to do with that and knows how they should work with local communities. So, I think taking what was an experiment during the pandemic and transitioning that into local programs is the pivot that should happen now.”

**KEN TAKAHASHI**



Changing rules on lending and credit, opens up roads for more lending opportunities beyond the pilot

**“There are** other things out there, in terms of what local government could do with changes at the federal level in terms of how CDBG (Community Development Block Grant Rules) could be used for small business support and could be more effectively used if some of those rules were changed and I think for local governments to talk to each other to lobby for those changes There’s also the lending of credit issue which has been a non-starter for so many years but after the pandemic when people saw that local governments could actually use these local funds for small business investment I think there’s a great discussion to be had among local communities about changing those rules about lending of credit because that opens up more resources to get these pilot projects beyond the pilot stage.”

**KEN TAKAHASHI**





## RISK AND TRUST IN THE PILOT PROJECT

**“ONE OF** the themes that I’ve been reflecting around this was sort of risk and trust and you can think of that in a very sort of traditional sense around the experience of businesses but also sort of the risk and trust of this being a pilot and that we were going to make sure that decision-making and guidance was led by folks closest and on the ground.”

**ISHMAEL NUÑEZ**

(he/him)

Partner  
BDS Planning  
& Urban Design



FACILITATOR

Wrap-around service, all hands-on deck to create a network of support

**“What I** saw the technical advisory group be is a wrap-around service. There were so many people involved because when you’re talking about a community of folks who are marginalized or who normally don’t have opportunity, we have to recognize that you just can’t give them the opportunity without giving them the skills and the support.”

**ZENOVIA HARRIS**

Kent Chamber  
of Commerce, Commercial  
Affordability Pilot Technical  
Advisory Group



PANELIST

It required people to be very adaptive, responsive, and available. Government doesn’t always work that way.

**“The bureaucracy** of government is not always, or is rarely, compatible with the objectives of this kind of a pilot and this kind of a process. What are our biggest learnings? The county needs to be ready to deploy capital as soon as possible, and I don’t know that at any point in the project they were ready to do that, and there were big lags there. The county values lots of documentation in a really specific format and look, as you’re hearing us talk, you should be picking up on the fact that it required people to be really nimble. It required people to be really responsive and available and adaptive and the government doesn’t work like that. They’re like, ‘4 o’clock on Friday? I’ll see you on Monday.’ Well, someone needs a sign on Saturday, so what’s going to happen?”

**APARNA RAE**

Founder  
Moving Beyond



PANELIST

If you don't have the money, you apply for a grant. You give money in advance when you trust them. We should not be using reimbursement grants. You should be giving out resources to businesses to be good stewards of money

**"This whole** model around reimbursement grants - it's a mess. If you don't have the money, you typically apply for a grant which means you don't have the money. So, the requirement of you to shell out, let's say, \$100,000 to move your business forward, that's almost impossible. That's this disguise of 'I want to help you, but honestly I haven't figured out how to help you.' It really boils down to trust. You give money to people in advance when you trust them, and you trust that they're going to give it back. But when you start looking at the community and despaired communities and you say 'I'm going to give you a million dollars, all you have to do is pay it out and I'll give it back to you first,' that means I don't trust you to be a good steward of this money, but I haven't done my due diligence to make sure that you are a good steward of that money, and if I believed that and if I did the work, then I would give you the money in advance. My whole thought process around reimbursement grants is that I don't think that's a model we should be using in a community that is not used to or not been afforded the opportunity for funds. It is a mistrust, in my opinion."



ZENOVIA HARRIS





## COMMERCIAL DISPLACEMENT: THERE IS A LACK OF RESOURCES AND KNOWLEDGE

**“THIS PROGRAM** [The Consultancy] supports through access. Access to knowledge, access to people, to the funding that will pay folks who have that technical knowledge and give capacity funding for the organizations that come in to support the learning that goes along with the capital campaign that goes along with seeking out a long-term lease that goes along with securing space ... We can’t just say, ‘Hey, let’s buy a building together,’ and expect that everyone who comes to the table has everything they need. Because they don’t. I don’t.”

**OLISA ENRICO**

Executive Director  
Cultural Space Agency



PANELIST

How do we help the business at the ground floor get more affordability? In affordability housing world they have the vocab to talk about this, there was no vocab around commercial affordability even just a few years ago

**“Ken and** I were in a conversation with a well-regarded affordable housing developer talking about how do we help the businesses in their ground floor get more affordability. And what was very clear is that in the affordable housing world, we never, ever talk about how much we subsidize people’s rents. We never say ‘Gosh, we’re giving you \$1,500 off a month for your rent, isn’t that great?’ We talk about it in the affirmative. We’re making sure this rent is affordable to you based on some figures that we’re pretty confident with. But in the commercial affordability world, we didn’t have that language. We kept going around with ‘We’re giving you \$5 off the market rent in this neighborhood.’ Like, yeah, but before they were paying \$15 a square foot. \$5 off is now, they’re going to have to pay \$10 a square foot more, so 80% of their rent is going up, and you’re saying that’s affordable. And it has nothing to do with what the business can afford. It has to do with other metrics external to the business. So, it was a big struggle, recognizing we don’t have a vocabulary around commercial affordability.”

**CHUCK DEPEW**



No one size fits all strategy to access capital

**“The way** that we think about all of these strategies is really trying to close the racial wealth gap and really look at the displacement that’s happening. So, we don’t think there’s a one size fits all strategy for this, you really have to tackle it in different strategies and so with all of those strategies, the access to capital and affordable capital really runs through and is woven in all of that.”

**CHERA AMLAG**



**"The standard** model is here's a big property, let's issue an RFP and pay someone to facilitate community engagement and maybe they'll come up with something interesting and maybe there's a community benefit agreement attached to the project. But I'm seeing a lot of those, or the biggest ones, really fail spectacularly. One of the first big community benefit agreements was negotiated was the Kingsbridge Armory in the Bronx, and a bunch of former New York Rangers and some real estate folks got together and said we're going to turn this armory into an ice rink in the Bronx and give the jobs to the community and the community got involved and negotiated a pretty significant community benefit agreement, but that developer partnership has fallen apart over the past 10 years and the city is starting over and they did another community engagement process and that's where that is. In Chicago you're seeing the Obama library where there's all kinds of fighting over let's have a community benefit agreement and Obama, at the time, said 'Well, who's the community?' When everyone is like, 'Didn't you run for president based on your knowledge of this community?' But it didn't happen and they're still working on that in the south side of Chicago. I guess the thing is I don't write about them because they're not that interesting and they're not going anywhere. With these things, they're not that big, but at least they're going somewhere."



OSCAR PERRY-ABELLO



## VALUE OF LIVED EXPERIENCE AND FOSTERING STRONG RELATIONSHIPS, BE DEGENERATIVE AND SUSTAINABLE IN RELATIONSHIPS. RELATIONSHIP WITH OURSELVES, WITH EACH OTHER, AND THE FUTURE

**“WE TRY** to focus on being in right relationship with folks that we partner with and that are in our community and try to together figure out what that means, right? How do we not just talk technically about being more regenerative and equitable, right? But be regenerative and equitable in our relationships with each other in our practices because we often have a lot of internalized oppression and racism that is triggered when we get into pressure situations so as I think about how we sustain the work, a lot of it is really rooted in maintaining right relationship with ourselves and our people, because we’re going to encounter challenges, as we all know. We’ll encounter ups and downs, but if we can be in right relationship to each other and ourselves, we can sustain and we can be able to see clearly where the future is.”

### NJUGUNA GISHURU

Lab Leader  
People’s Economy Lab



**“WE JUST** have to know that we’re all in this together. We might have different ways we’re doing it, but at the end of the day, it’s all connected. Our small lane of being a small business loan provider feeds into the developments at the ground floor, maybe not the technical or the tenant improvement dollars, but maybe the capacity dollars for them to be able to grow their business. So, it’s all connected, and it has to be relationships. It’s all about building relationships, having that foundation first. Building that trust first: it has to be that.”

### DION COOK

CEO  
Denkyem Co-Op



### Technical assistance and support to support personal dreams

**“The real** critical part of accelerating, of incubating, is skills and resource transfer, non-extractive skills and resource transfer that attends to power imbalances, that attends to differential access, and is really transparent about it.”

### NONI SESSION

Co-Founder and  
Executive Director  
East Bay Permanent Real  
Estate Cooperative



**“My vision** and personal visions and dreams and hopes that I was like, I can’t do that, now I think I can, because I have been surrounded by the technical knowledge, the wherewithal, and people who are willing to share that with me.”

### OLISA ENRICO





The invisible hand is not invisible, it's people, ideas, and ideologies being moved forward with finance everyday

**"The bureaucratic** and technical work comes with the load of Western hierarchical violent practices where your mission may look great and be regenerative but inside of your organization it's a nightmare. You can't trust your boss, you can't trust your coworker, no one's taking responsibility for yelling at you in the meeting, and the shifting power practices, how we share power, how we understand power, is going to be the critical hinge to durable grassroots organizations. We cannot hold the same kind of risk that an organization like US Bank can have, right? We fall apart immediately when violence is the trope that moves our work forward. So, in terms of what we teach ourselves and our community, is that we've got to completely shift our mindset on what it is we think we're doing here while we contest with the market actors and model how the market can look different. The invisible hand is not invisible. It's people, things, ideas, and ideologies being moved forward with financial decisions every day."



NONI SESSION



**ISSUE(S) OF COMMERCIAL UNAFFORDABILITY, DISPLACEMENT, EXTRACTION AND ECONOMIC EXCLUSION ARE PREVALENT ACROSS THE COUNTRY - SO ARE THOSE DREAMING AND WORKING ON SOLUTIONS. IF THE ONE MODEL IS BRINGING PEOPLE TOGETHER TO MOVE FORWARD SPECIFIC SOLUTIONS - COO'S COMMERCIAL AFFORDABILITY PILOT BEING ONE SOLUTION TRIED AND NOW BEING ITERATED ON. COO WANTS TO CONTINUE TO SUPPORT THE DEVELOPMENT AND GROWTH OF SOLUTIONS AND THE DIVERSITY OF MODELS BEING IMPLEMENTED IN OUR REGION BY CREATING SPACES FOR SHARING THE KNOWLEDGE AND LEARNING HAPPENING HERE AND IN OTHER AREAS.**