

# Wealth Building

# in Congress Heights:

How can public-private partnerships support residents?



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## **Current conditions don't support inclusive wealth building.**

- ◎ Scarcity of business (esp. locally owned) is major obstacle to building wealth
- ◎ We must remove barriers to entry
  - Investment capital
  - Training and workforce development
  - Placemaking and management
- ◎ While prioritizing community engagement
- ◎ **How do we ensure that Congress Heights residents are included in and benefit from neighborhood growth?**



## Redevelopment will benefit some residents more than others.

- + **Direct benefit:** increased property values, increased foot traffic
  - + *Property owners, business owners*
- + **Indirect benefit:** denser neighborhood, more amenities, enlivened public space
  - + *All residents*
- **Potential harm:** increased rent, competition for existing community businesses
  - *Renters, businesses who currently monopolize industry*

# 3 Recommendations for Wealth Building

## Small Initiatives

1. Business Incubator
2. Community Partnership

## Large Initiative

3. Community Development IPO



## Recommendation 1:

*Create a business incubator by expanding IN3 to Ward 8.*

- Located on Parcel 15 - office space and retail space
- Partnership with DMPED
- Industry inclusive, unlike current IN3
- Membership-based

Mentorship

Resources

Public Relations

Job Training

Marketing, Financial, and Legal Services





## Recommendation 2:

Create a community partnership,  
Congress Heights Partnership (CHP)



Local ANCs CHCTDC

DMPED JBAB

WMATA Redbrick

Congress Heights Community Assoc.

Ward 8 Education Council

Local School Leaders

Student Association





## **Recommendation 3:**

*Create Community Development IPO,  
St. Elizabeth's East LLC*





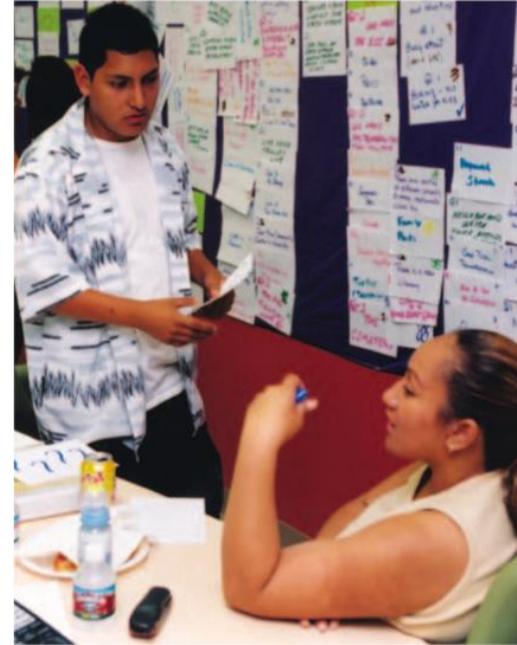


## “The People’s” IPO

**First bottom line:** to secure 450 community “stakeholders” investing a total of \$500,000

**Second bottom line:**

- (1) To create the opportunity for residents to build individual and community assets while rebuilding their neighborhoods
- (2) To transfer control of Market Creek Plaza and other assets to people who have a stake in the well-being of their communities.





## The CD IPO engages residents on all levels.





## Return on Investments

2010: *Four Years In*

Diamond  
Community  
Investors

10%

Neighborhood  
Unity  
Foundation

10%

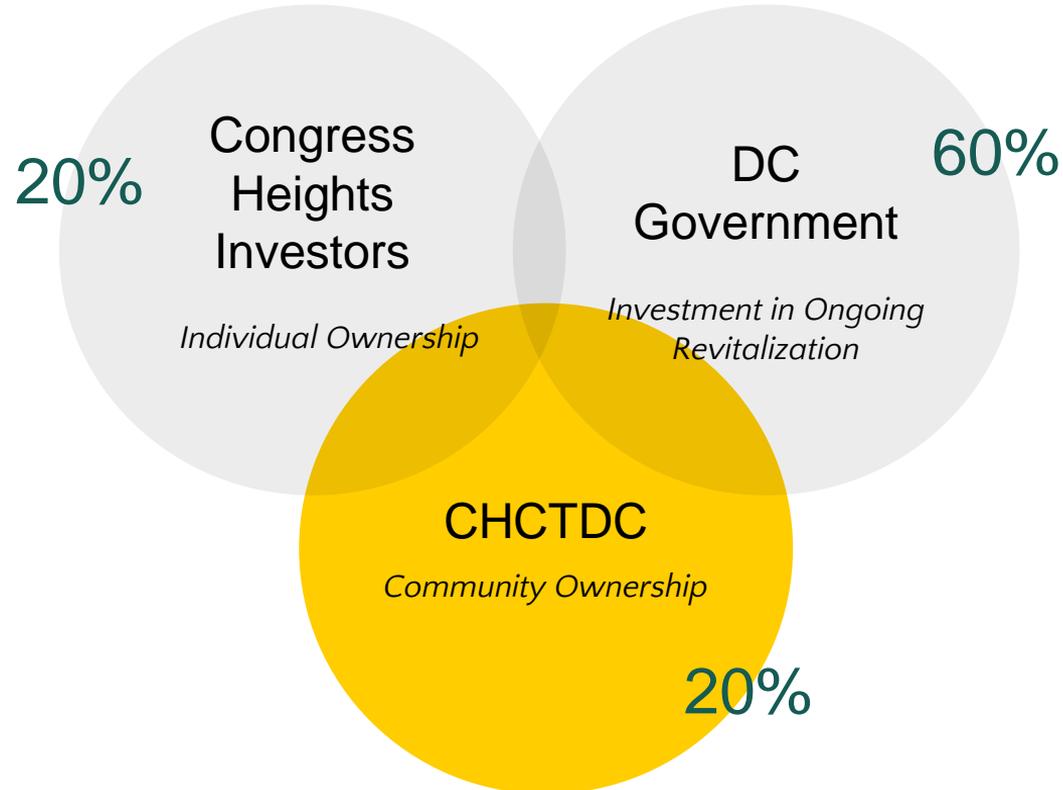
JCNI, DMI, PRI  
Partners

3%



# Our Proposal: St. Elizabeths, LLC

A Community Development IPO



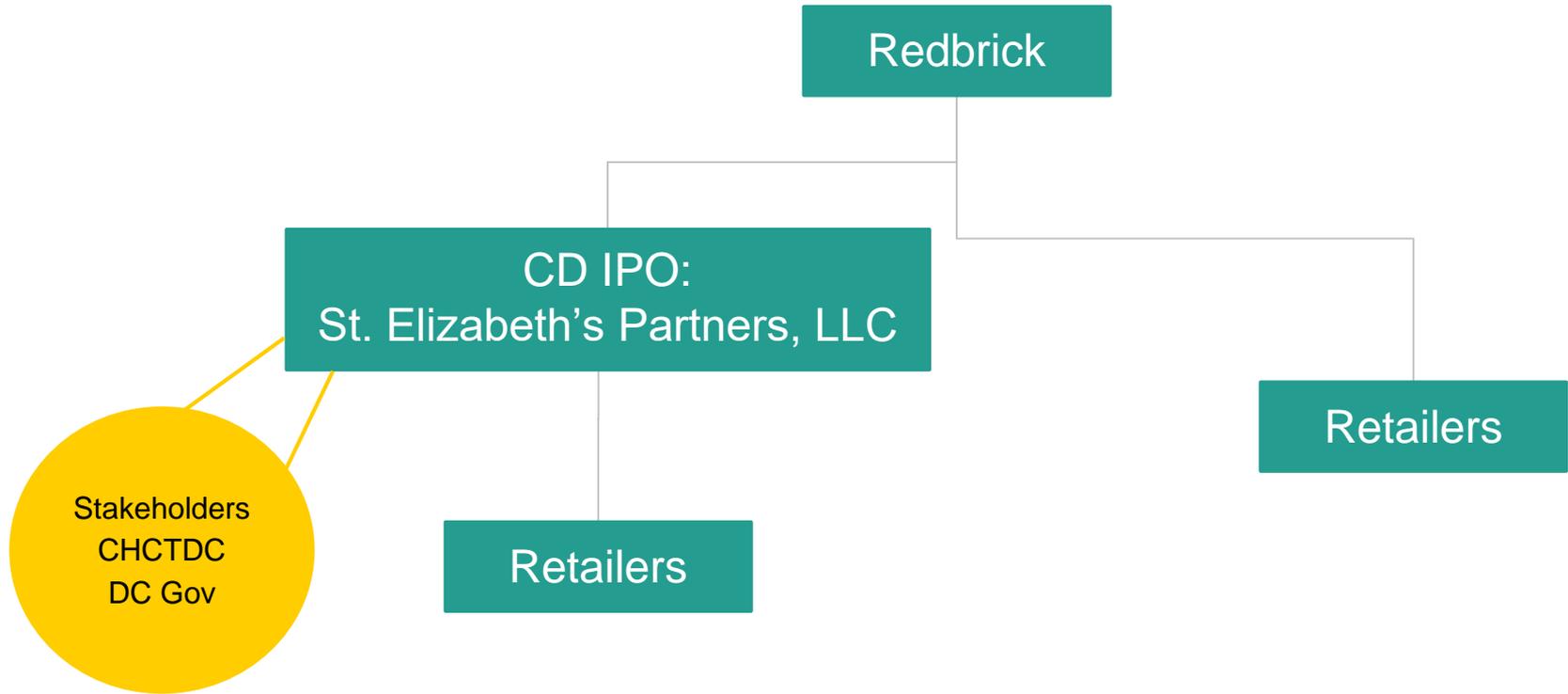


## Who is eligible to invest?

1. Must live, work, or volunteer in Congress Heights
2. Minimum \$200 investment (*10 shares at \$20/share*)
3. Maximum investments:
  - 10% of annual income
  - 10% of assets
  - \$10,000



# Is a CD IPO possible in Congress Heights?



# Window of Opportunity

## Now-2021

- Get foundation/government backing
- Get approved for Community Development IPO by local
  - Define 'resident' and goals
  - Strong pro forma
  - Relax requirements for investors
- Train residents in peer-to-peer sales approach
- Recruit investors
- Host subscription meeting
- Secure investments



## How do we ensure that Congress Heights residents are included in and benefit from neighborhood growth?





# When will Congress Heights see the impact of these strategies?



## Community Partnership

Impact of effective communication and collaboration will be felt immediately



## Business Incubator Community Development IPO

Opening of Parcel 15 means the opening of the incubator space and revenue streams for CD IPO



## Community Development IPO

Market Creek precedent shows returns on investment four years in