



# Equitable Development Initiative

## Empowering Developers and Communities of Color

### In Washington, D.C.

Engaging minority developers to actively participate in Washington, D.C.'s continued growth provides real opportunity to ensure that this growth is equitable and inclusive for communities of color. Having a more diverse group of developers to help chart D.C.'s future creates important connections that better meet the needs of longtime residents whose communities are facing the pressures of gentrification.

Capital Impact Partners is hosting a convening on March 20th at the Kaiser Permanente Center for Total Health to bring together developers of color active across Washington, D.C. to explore this important issue and create new pathways to success.

#### **Minority Developers in the District: Issues and Opportunities**

Minority developers are underrepresented in the broader real estate development industry. Challenges are similar to those in other industries in which there is not a critical mass of people of color. Factors that can be attributed to this disparity include lack of access to a network and information, limited development experience, and reduced personal wealth compared to non-minority counterparts who tend to have assets of their own or a robust family-and-friends network able to provide equity capital. These disparities result in minority real estate developers' inability to receive favorable terms from traditional lenders.

At the same time, there is a great opportunity for developers of color to participate in shaping the region's future. The District is home to a number of national and regional development firms working on a wide variety of commercial and market-rate residential projects.

Many of these developments, between 200 and 800 units, are occurring in the downtown core and formerly industrial or vacant areas. Smaller scale projects – between 50 and 200 units – including mixed-use market and affordable projects, are being developed in communities in the District's Wards 5-8, but not at the same rate or scale as in the western District neighborhoods. Neighborhood



development projects range from conversions of single-family homes to 2-4-unit rentals and condos to 70-200 units, including affordable, mixed-use, mid-rise complexes.

Development partnerships include for-profit, nonprofit, and sometimes church-based organizations, brought in to build new or renovate/preserve existing housing. Our research has shown that smaller developer firms active in larger-scale projects, particularly those led by developers of color, tend to partner with larger firms – leveraging their District Certified Business Enterprise (CBE) designation. Smaller developers are also undertaking small- to medium-scale projects.



### **The Convening Event:**

Capital Impact is hosting a convening on March 20th at the Kaiser Permanente Center for Total Health to bring together developers of color active across Washington, D.C to explore ways that will increase opportunities for minority real estate developers in Washington, D.C. to participate in the region’s booming development landscape. The convening will focus on what resources are necessary to help minority developers participate in developing and preserving affordable housing so that residents – particularly those in Wards 4 through 8 – have access to high-quality housing. The event will feature a series of discussions with developers and stakeholders including lenders, local advocates, and D.C. officials sharing the District’s housing priorities.

### **Goals of this convening include:**

- Creating a shared understanding of the challenges and opportunities for developers of color operating in the District;
- Navigating District housing priorities and regulatory environment for developing and preserving housing affordable to those with low incomes, and
- Clarifying financing capital, and other, needs to ensure the development and preservation of affordable housing.

### **Event Details:**

Date: Wednesday, March 20, 2019 from 8:30 a.m. to 2:30 p.m.

Location: Kaiser Permanente Center for Total Health  
700 2nd Street NE, Washington, DC 20002

### **For More Information, Please Contact**

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