

## Hacking Inequity in Access to Real Estate Capital: Best Practices and New Options

### SUMMARY

**THE ISSUE:** Recognizing the centuries-long challenges impacting our BIPOC and marginalized communities – including residential and commercial affordability, community disinvestment and displacement – what can be done today to move forward in a more equitable manner? While historically the influences of and access to capital markets have contributed to many of these challenges, now some players are looking to deploy capital differently. Still, there are many open questions. Can there be low-cost capital, prioritizing social benefit over incremental or short-term gain? How do you identify and deploy intentional equity that doesn't result in unintentional inequity? How do you mitigate targeted investment from accelerating further gentrification and displacement?

To address these issues, the University of Washington Runstad Department of Real Estate and Foster School of Business present Hacking Inequity in Access to Real Estate Capital: Best Practices and New Options.

Traditional real estate capital sources -- large banks, syndications, and institutional lenders such as life insurance companies and pension funds -- have historically been less accessible to BIPOC real estate developers and others aiming to improve BIPOC communities via the built environment. With this lack of access to capital, BIPOC developers have had less opportunity to grow, both in personnel and experience, leading to further inaccessibility to capital and larger, more profitable projects. In recent years, however, efforts have been made to break these historical patterns of inequity.

In this event, we aim to present some of the best practices and new options for capital-raising for BIPOC community advancement, and discuss what it might take to bring traditional capital market players to give greater attention to historically underserved communities. We will kick off with a keynote address from Eve Picker, founder of Small Change, a real estate crowdfunding website devoted to female and BIPOC sponsors, non-traditional projects, and fundraising from non-accredited investors. The keynote will be followed by two panel discussions: one of local developers, sharing their personal stories of challenges in accessing capital, and the other of capital providers and ESG experts, sharing their ideas on how to break the mold.

Some of the goals of this and future discussion include:

- 1) To develop a broader network of aligned capital sources to invest in BIPOC sponsors, developers and projects in the Seattle region.
- 2) To identify and propose changes that may be necessary to “standards” or “historic best practices” to account for the inequities that have been embedded in the system

- 3) To create a learning community that broadens the understanding of the interconnected ways that access to capital has influenced, positively or negatively, the built environment.
- 4) To develop a roadmap for new ways to look at investing that helps insure there are not unintended side effects of these “mission/impact” investment efforts.