

Preventing Commercial Displacement + Business Community Ownership Fund

TOOLBOX Series

November 1, 2024



Formerly NDC | Partners in
Community Development



Seattle Office of
Economic Development



Our focus: Build an inclusive economy, reduce the racial wealth gap, and encourage innovation and growth.

Formerly NDC | Partners in
Community Development



- Community & economic development nonprofit with over 50 years fulfilling its mission to increase the flow of capital for investment in low-income communities.
- We direct capital to support the development and preservation of affordable housing, the creation of jobs through training and small business lending, and the advancement of livable communities through investment in social infrastructure.

Strategies for Building Community Wealth

Working to close racial wealth gaps and interrupt displacement.

Commercial
Affordability
& Ownership

Access to
Affordable
Capital

Equitable
Business
Support
Systems

Community
Engagement &
Neighborhood
Partnerships

Commercial Affordability



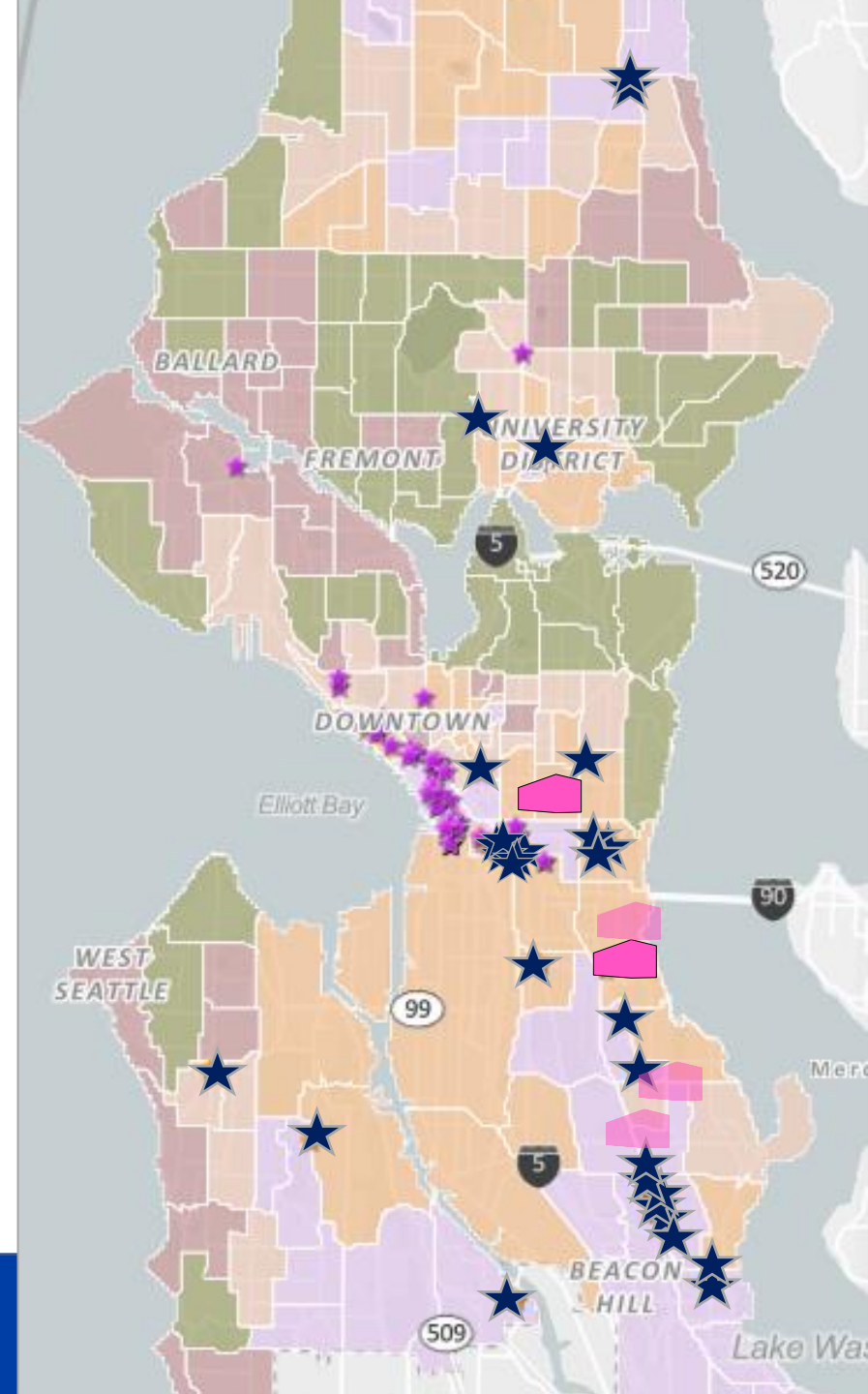
TENANT
IMPROVEMENT
PROGRAM



Racial and Social Equity Composite Index Current

- Lowest
- Second Lowest
- Middle
- Second Highest Equity Priority
- Highest Equity Priority

- ★ Seattle Restored
- Business Community Ownership Fund
- ★ Tenant Improvement Fund



Tenant Improvement Program



Make **tenancy costs more affordable** for small businesses at risk of displacement.

- **Emerge Track** packages help new businesses find or build out a permanent space in the City of Seattle.
- **Improve Track** packages award existing businesses with funding for signage, equipment, and safety upgrades.
- **Expand Track** packages award funding to help expanding businesses complete a new build-out.

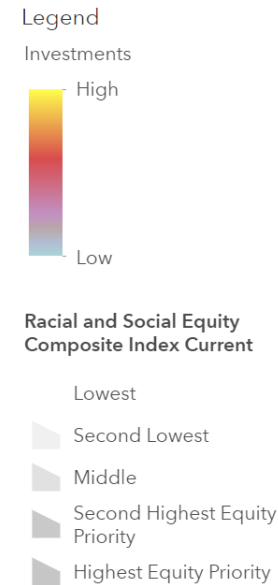
Capital Access Program

(Inception and Impact)

Lowered cost of WA Flex Fund loans by paying down 25% of the loan principal

295 Businesses received **\$6.97M** in CAP awards (July 2021-May 2023)

- Leveraged **\$27.8M** in loan funds
- **56% BIPOC, 52% women-owned**



Capital Access Program



Capital Readiness Support Program (CRSP): Designed to assist BIPOC, immigrant, and historically marginalized small business owners in navigating capital procurement by collaborating with Community-Based Organizations to develop tailored strategies and innovative solutions.



Capital Subsidy: Offering specialized financial products tailored to BIPOC businesses with the objective of empowering businesses to manage and reduce their outstanding capital obligations and enhance financial stability. In collaboration with community lenders, lowers the cost of borrowing by paying down 20% of the principal on qualifying loans.



Organizing Community Funders: Strengthen the organizational capacity of Community Development Financial Institutions (CDFIs) to better serve historically marginalized small businesses in Seattle by providing them with more affordable lending options, deeper community engagement, and data-driven decision-making.

Business Support Services and Programs

CONSULTING SERVICES

One-on-one sessions with consultants on a wide range of topics such as accounting, permitting, marketing, and legal to provide just-in-time support.

BUSINESS DEVELOPMENT PROGRAMS

Direct access to services and resources that support business growth, business retention, and business succession. Programs range from financial support to digital assistance businesses can access through an application process and/or participation in a cohort.

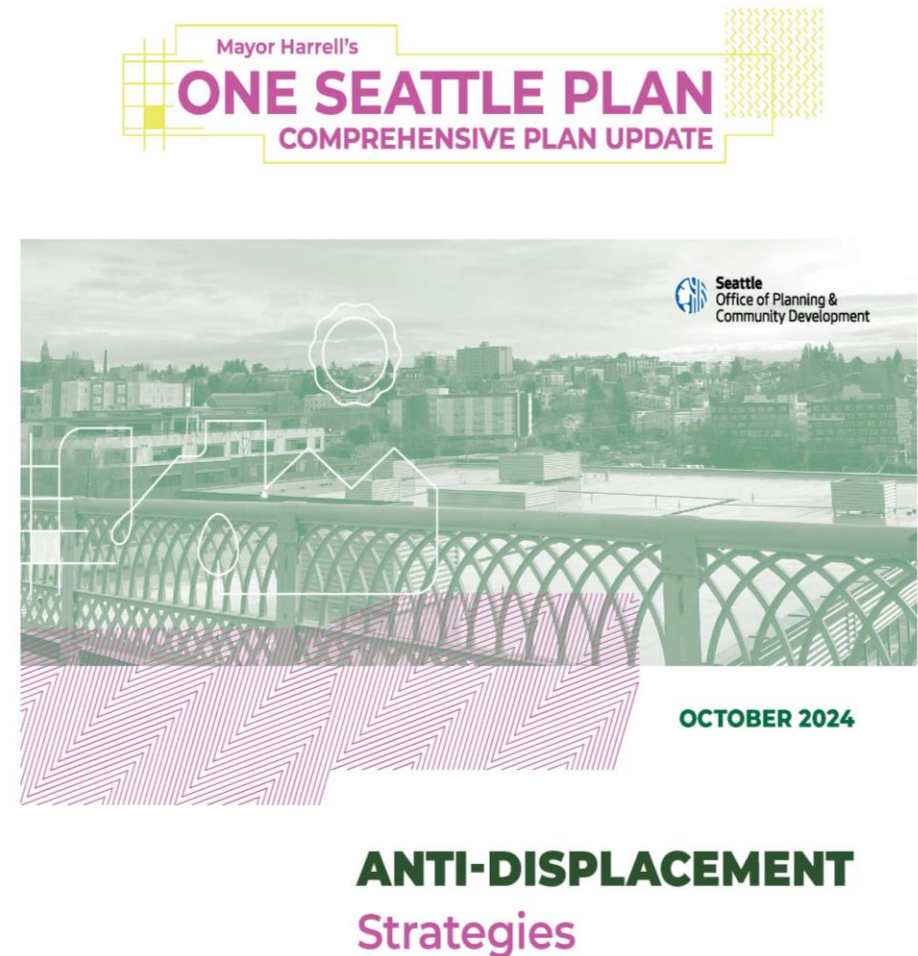
PLACE-BASED AND NEIGHBORHOOD INVESTMENTS

Place-based initiatives with the intent to secure Black, Indigenous, and other communities of color generational wealth and community ownership for neighborhood businesses long-term.

Anti-Displacement – Comprehensive Plan Update

Exploring strategies to bolster the City's efforts to prevent displacement.

- Physical displacement
- Economic displacement
- Commercial displacement
- Cultural displacement



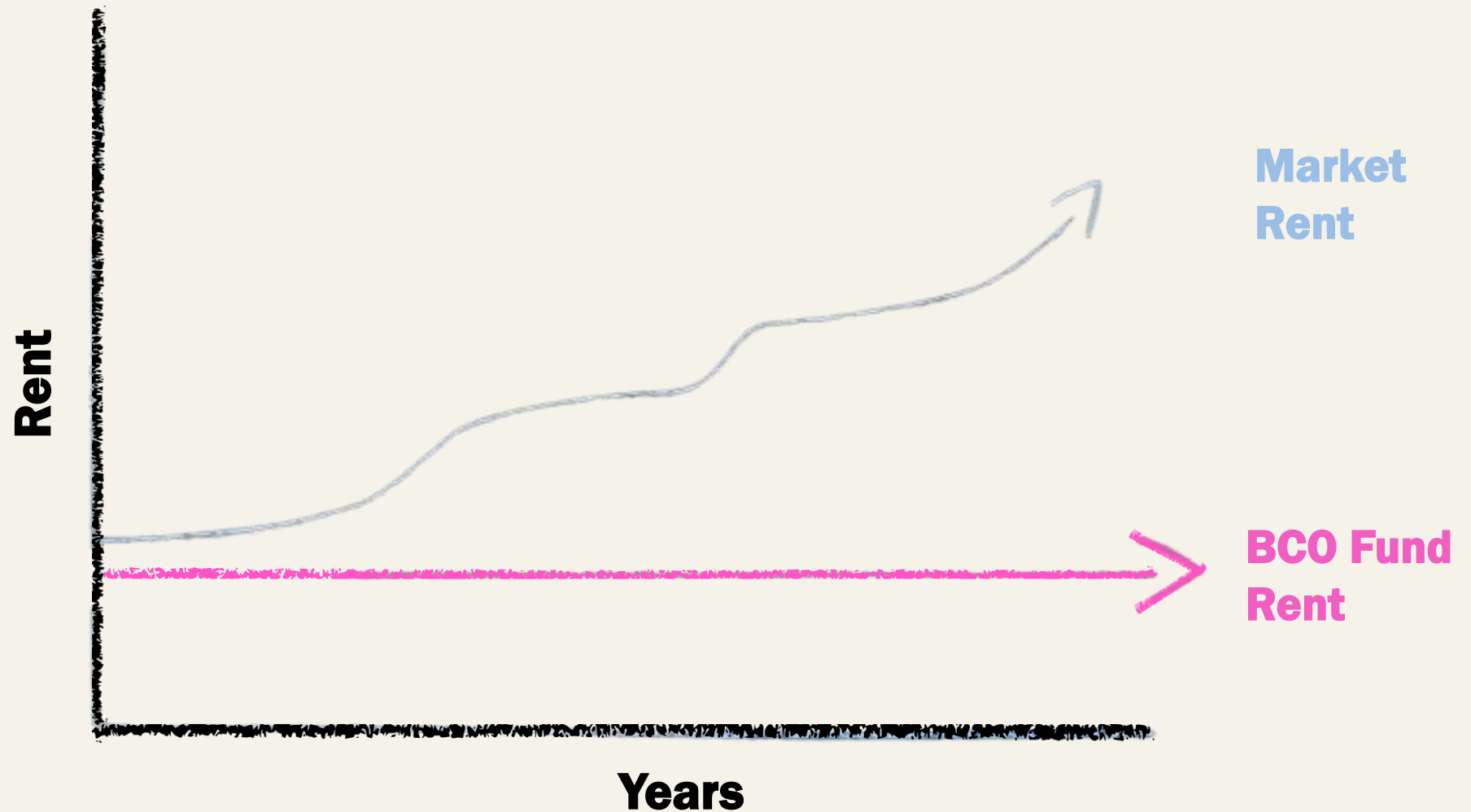
BUSINESS COMMUNITY OWNERSHIP FUND



THE PROBLEM: DISPLACEMENT

- ▶ **Many businesses facing displacement concerns are owned by people of color, immigrants, women and LGBTQ+ people.**
- ▶ **Recovery has been slow after Covid-19.**
- ▶ **Black and Latinx business owners are less than half as likely as white owners to have access to loans and other financial relief services.**

THE PROBLEM: RENT INSTABILITY



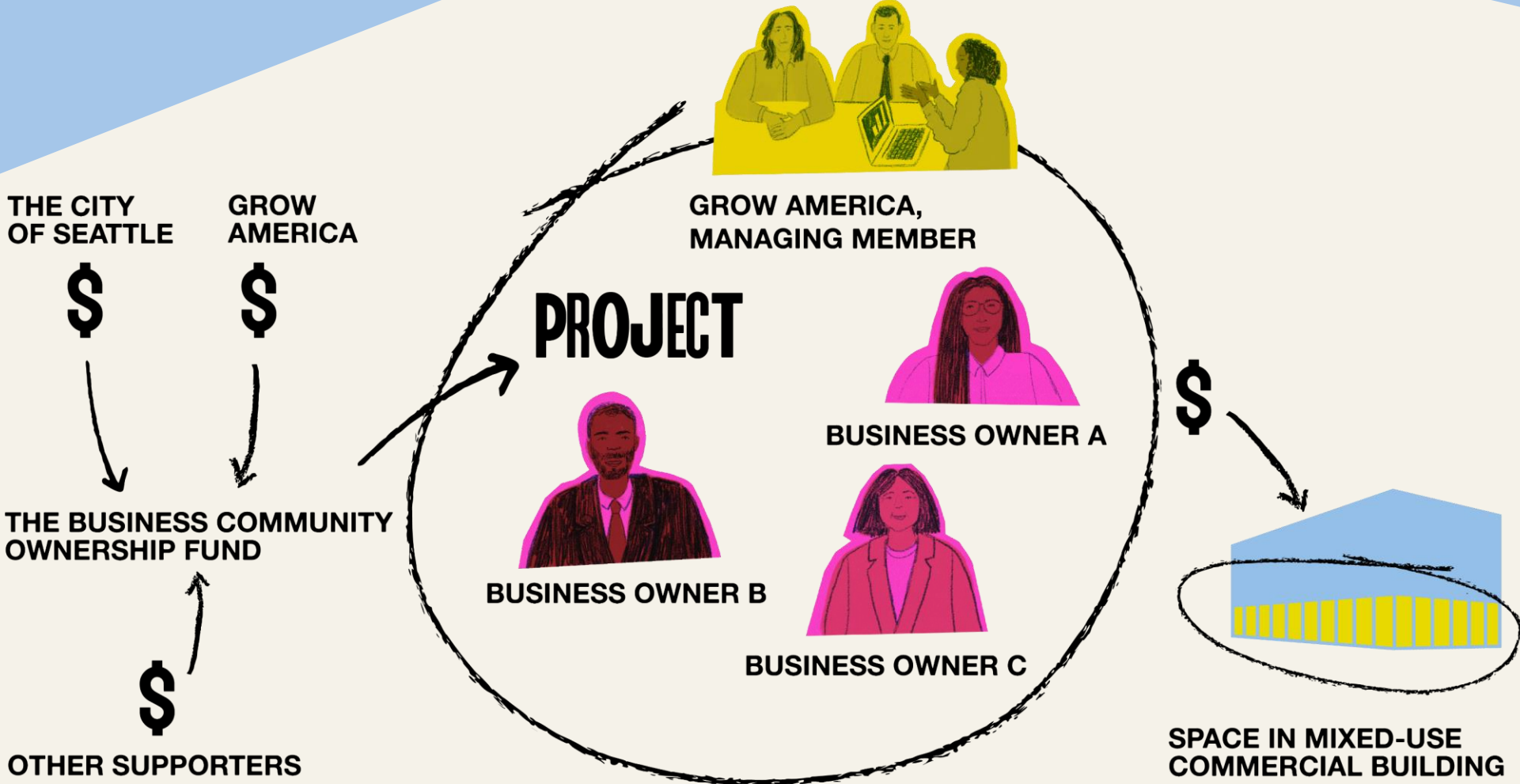
ABOUT BCO FUND



[Link to the clip](#)



HOW IT WORKS



BENEFITS TO THE BUSINESS OWNER

- **Stable, affordable rent**
- **Permanent physical space**
- **Increased business income goes directly to owners**
- **A community of support with other business owners**
- **Access to tools and resources that promote future growth**

COMPLETE PROJECTS

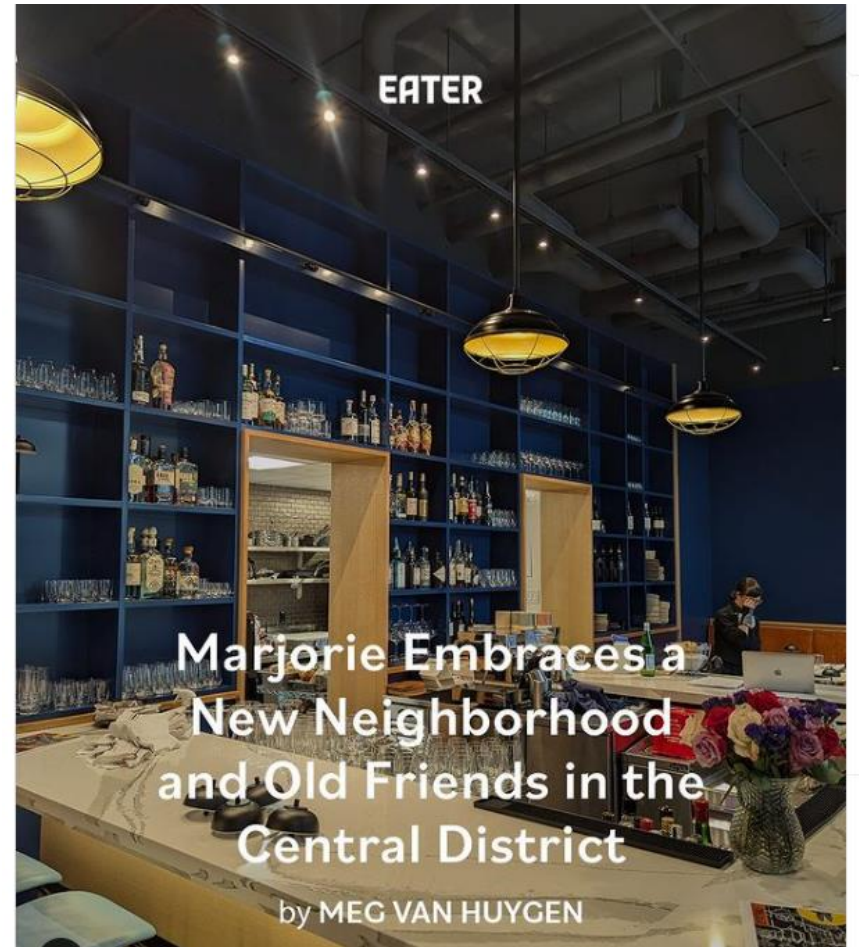


- **The Fund’s first pilot project is La Union Studio, an interdisciplinary design consultancy in the Mt. Baker neighborhood.** *“We knew that we wanted to stay in Seattle long-term, so the longevity of the deal was super appealing to us.” – Sergio Max Legon-Talamoni*
- **Our second project is a restaurant, Marjorie, that opened this week in Seattle’s historically African American neighborhood.** *“I am no longer anxious about rent increases or unreasonable landlords [and I am free from the] insecurity that comes from being a renter in an expensive and volatile city.” – Donna Moodie*

Community

Reopening Marjorie: A Local Culinary Legacy Finds New Life Through Innovative Ownership Model

Donna Moodie revives her beloved restaurant in the Central District with the support of the BCO Fund.



UPCOMING TOD PROJECTS



- We are actively building our pipeline of potential business ownership projects.
- We are working with Nitze-Stagen on an upcoming project near the Othello Light Rail station that would secure a space for a local coffee shop.
- We are partnering again with Mt Baker Housing Association near the new Judkins Park Light Rail Station.

FINAL THOUGHTS

LESSONS LEARNED

- **Balancing high cost of construction and real estate with affordability goals is a challenge**
- **Each project is unique**
- **Business selection matters**
- **Timing is key**
- **Peer-to-peer education and support are incredibly valuable**

FUTURE OPPORTUNITIES

- **Pursuing project opportunities in and outside of Seattle**
- **Chance to partner with organizations interested in TOD**
- **Chance to partner with affordable housing developers**
- **Hoping to inspire interest with legislators in Olympia**

Thank you! Questions?

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