



Mass Community Ownership in Real Estate Pilot Project



The objective

To finance impact real estate development projects that become national models for investment through mass (fractionalized) community ownership, as a platform to be replicated and scaled.

Pilot project framework

A property owner or developer agrees to fractionalize part of an asset to allow community ownership as a nationally publicized demonstration of impact development. This largely fulfills the criteria for 'real impact' investment:

1. Projects are primarily designed, governed, and where feasible owned by communities.
2. Investments add more value than they extract.
3. The financial relationship fairly balances risks and returns among all stakeholders.

Primary program components

1. Sponsored by CSPM Group (collective impact), Small Change (impact real estate crowdfunding platform), Rise Housing (real estate tokenization platform)
2. Local community engagement campaign of 500-1000 supporters.
3. Impact stakeholders (nonprofit and for-profit) that benefit from utilizing the property's crowd-investment as an impact model that can be replicated nationwide.
4. Property owner looking to raise capital by liquidating a fraction of their property/project.
5. An entity to sponsor the radical community capital program
6. An entity to manage the radical community capital program (CSPM Group).
7. Open survey platform publicly identifying the community capitalized vision for the initial project *and any subsequent project*.

The benefits to the local community

1. Any residents is able to invest in their own neighborhood, whereas previously only accredited investors could.
2. Residents are able to experience the same return on investments that were previously only restricted to accredited investors.
3. Projects are encouraged to follow these community-benefitting impact principles:
 1. Projects are primarily designed, governed, and where feasible owned by communities.
 2. Investments add more value than they extract.
 3. The financial relationship fairly balances risks and returns among all stakeholders.

The benefits to impact investment platforms

1. Accelerates the completion of a community capitalized project to validate the platform.
2. National spotlight on a singular project that serves as a live case study for community capitalization.
3. Regional and national publicity
4. Pilot project provides a platform for presenting at national conferences.
5. Captured market for subsequent projects in the neighborhood.

The benefits to the local impact developer/property owner

1. Investment liquidity in the asset.
2. Expedited entitlements and tenant absorption.
3. Public support for accommodating community investment.
4. Regional and national publicity for being a model of impact investment.
5. Captured market for subsequent development.

The benefits to impact stakeholders

1. Momentum to identify mass community ownership opportunities beyond the first.
2. Other impact entities may use the mass community ownership model to fund their own projects, especially in the same community.

