Holding Space: How Investment Cooperatives Are Anchoring Stability in the Twin Cities

In a region where community ownership of commercial real estate outpaces most of the country, three organizations are among those weaving together an early-stage yet promising local field.

Source: Taproot

To counter displacement and preserve their neighborhoods' social fabric, residents and small business owners in the Twin Cities are pooling resources, forming investment cooperatives, and building bridges across systems to close deals.

The result of their collective and connective work is a nascent ecosystem where trusted relationships, shared investment, and supportive policy begin to function together in service of community goals.

Source: South Como

Why the Twin Cities?

The commercial displacement crisis in the Twin Cities sits atop a century of racialized real estate policy and wealth extraction. From redlining and covenants to systematic disinvestment. the legacy is measurable: Over $1 billion in residential value has transferred to outside investors since 2005. Homes in predominantly Black neighborhoods are valued over 20% lower than comparable white neighborhoods while carrying higher property taxes.[1]

At the same time, commercial corridors face displacement by redevelopment, while post-pandemic destabilization, the aftermath of George Floyd's murder, and the 2026 federal immigration crackdowns have intensified pressures on small businesses.[2]

Takeaway

Beyond acquiring property, these organizations are actively building the legal, financial, and relational foundations to make community control viable in a highly speculative market. The question now is: Can these experiments solidify into a cohesive, durable field before rising rents and redevelopment lead to more displacement?

What We Did

The Community Ownership Learning & Action Lab conducted a multi-method case study (2024–2025) of three commercial real estate investment cooperatives in the Minneapolis–St. Paul region:

- **ACER & IBWIG** – A cooperative raised $160K in community capital, then formed a joint entity with a nonprofit to finance their first acquisition.
- **Taproot Investment Cooperative** – Raised ~$330K from neighborhood investors and provided second-mortgage financing for a building under threat.
- **South Como Investment Cooperative** – Incorporated as an LCA, then acquired its first property via member shares and a low-interest CDFI loan.

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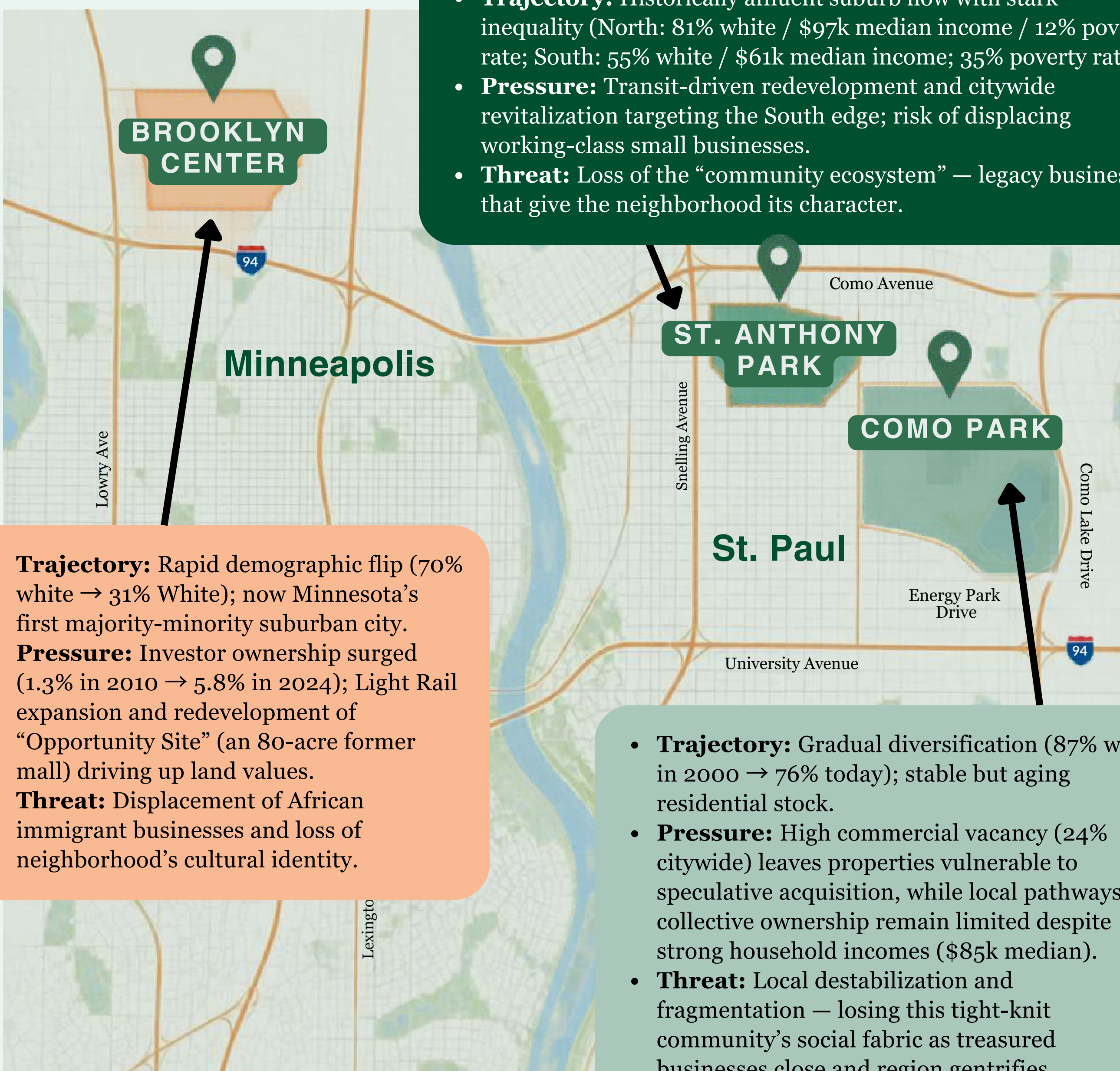
1. *Urban Institute (Who Owns the Twin Cities?, 2021); Brookings (2018); Federal Reserve Bank of Minneapolis (2021); NPR (2020); University of Minnesota CURA (2019); Rothstein (2018); Federal Reserve (Kim-Eng et al., 2023).*
2. *University of Minnesota (Commercial Gentrification Along Twin Cities Transitway Corridors, 2022); Center for Urban and Regional Affairs (2019); NPR/KPBS reporting (2020–2021); local news on immigration impacts (as available).*

External Capital Moving In, Local Control Moving Out

Rising investor activity, business displacement, escalating rents, and redevelopment pressures are reshaping commercial corridors across the Twin Cities.

Despite their distinct histories, these communities face a common challenge: maintaining local control over the places, businesses, and assets they have built and sustained.



St. Anthony Park

- **Trajectory:** Historically affluent suburb now with stark inequality (North: 81% white / $97k median income / 12% poverty rate; South: 55% white / $61k median income; 35% poverty rate).
- **Pressure:** Transit-driven redevelopment and citywide revitalization targeting the South edge; risk of displacing working-class small businesses.
- **Threat:** Loss of the “community ecosystem” — legacy businesses that give the neighborhood its character.

Brooklyn Center

- **Trajectory:** Rapid demographic flip (70% white → 31% White); now Minnesota’s first majority-minority suburban city.
- **Pressure:** Investor ownership surged (1.3% in 2010 → 5.8% in 2024); Light Rail expansion and redevelopment of “Opportunity Site” (an 80-acre former mall) driving up land values.
- **Threat:** Displacement of African immigrant businesses and loss of neighborhood’s cultural identity.

Como Park

- **Trajectory:** Gradual diversification (87% white in 2000 → 76% today); stable but aging residential stock.
- **Pressure:** High commercial vacancy (24% citywide) leaves properties vulnerable to speculative acquisition, while local pathways for collective ownership remain limited despite strong household incomes ($85k median).
- **Threat:** Local destabilization and fragmentation — losing this tight-knit community’s social fabric as treasured businesses close and region gentrifies.

Sources: U.S. Census Bureau (ACS 5-year); Minnesota Compass; Minnesota Department of Health; Wilder Research Center; Federal Reserve Bank of Minneapolis; Transwestern; Metropolitan Council; City of Brooklyn Center; Como Community Council; Saint Paul Port Authority.

Three Approaches, Same Goal: Local Control

Though they differ in structure and strategy, these organizations demonstrate distinct approaches to acquiring, governing, and stewarding community assets. Together, they reveal the diversity of pathways emerging in the Twin Cities for community ownership.

ACER & IBWIG
Brooklyn Center,
Greater Minneapolis

- Formed in 2021, Ignite Business Women Investment Group (IBWIG) — an investment cooperative of 27 African immigrant women small business owners — raised about $160K via WhatsApp lending circles. But banks, unfamiliar with cooperative underwriting, refused to lend to them.
- In 2023, legacy nonprofit African Career, Education & Resources, Inc. (ACER) partnered with IBWIG, bringing institutional credibility and its financial track record.
- They created a joint ownership entity (Brooklyn Cultural Village) and purchased Shingle Creek Plaza, refusing to place ownership in the hands of white intermediaries and preserving community governance.

Now: ACER owns one parcel and co-owns the other with IBWIG. ACER is pursuing a long-term stewardship model that shifts ownership to community members.

Cultural grounding: Community ownership builds on African immigrant mutual aid traditions (*susu*, *ayuuto*).

"We went through every obstacle that people of color go through, especially Black women, in trying to get funding... A lot of folks thought we shouldn't do it." (ACER)

Taproot Investment Cooperative
St. Anthony Park, St. Paul

- Founded in 2023, Taproot raised $330K from ~42 neighbors to move capital into the neighborhood.
- When a planned $1.2M philanthropic loan fell through, the cooperative pivoted: they issued a second mortgage to a values-aligned buyer for the historic Baker Court school.
- This blocked the school's demolition for a proposed 500-unit high-rise and funded critical building upgrades.
- The strategy revealed a different model where co-op members jointly finance a loan to mission-oriented property owners, rather than owning the building directly.

Now: Used statute MN 308A to operate as an "investment club," accepting small-dollar investments without heavy compliance burdens. Continues recruiting local investors and scouting properties, with the long-term goal of direct acquisition.

"Shoulder neighborhood" ethic: Affluent residents pool their resources to help preserve the working-class adjacent neighborhood.

"Commercial space is important to the health of a community ecosystem. We're not investing to jack up rents."

South Como Investment Cooperative
Como Park, St. Paul

- Born from pandemic-era front-yard chats about rampant local development, seven neighbors pooled $20 in April 2024.
- By July, they incorporated as a Limited Cooperative Association under MN 308A, raising $100K+ in their first week of offering shares.
- They pivoted from a commercial-only focus to mixed-use buildings for financial viability.
- In November 2025, they acquired their first mixed-use property funded by member shares and a 4% loan from MCCD (a CDFI).

Now: Operates on a portfolio model where members invest in the cooperative entity rather than individual buildings. This structure lowers barriers to entry, spreads risk across assets, and creates a scalable path for future growth.

Ethos: Resilience politics — community ownership is a vessel for mutual survival when state and market systems fail.

"A lot of the structures that we depend on are crumbling. We need our own systems and we need our own structures ...before all hell breaks loose."

For all three projects, pooled **community capital** sped acquisitions, reduced dependence on external timelines, and improved negotiating positions. This approach compelled institutions to engage before they were fully ready, partially shifting power dynamics, and gave organizations the autonomy to experiment, make decisions, and hold strong against outside pressures.

Bridging the Gaps: Turning Mismatched Systems into Field-Wide Infrastructure

These recommendations translate Twin Cities lessons into actionable governance, finance, and field coordination steps to protect community control and stabilize promising co-ownership pathways.

Source: ACER

Align legal structures with growth stages

- **Sequence legal complexity:** Start under simpler statutes (e.g., MN 308A) that support early experimentation and initial acquisitions. Transition to more complex structures (e.g., MN 308B) only when scaling requires outside investors.
- **Reform securities compliance:** Advocate for statute amendments that reduce disclosure requirements for small, locally rooted investment to lower barriers to entry.

Design for scale *and* control

- **Adopt federated governance as portfolios expand:** Combine property-level governance (made up of residents; for building-specific decisions) with portfolio-level governance (made up of property representatives; for central board oversight) to balance local control and organizational coordination.
- **Implement bicameral structures for mixed-use assets:** One chamber for tenants (residents and commercial occupants) and one for community investors; require major decisions to clear both chambers. This allows different stakeholders to participate meaningfully without collapsing their interests into a single voting body.
- **Protect long-term community control:** Set clear limits on investor voting power; defined exit pathways for investors; and protections against long-term control shifts (e.g., preferred return caps, which limit investor upside; buyback options for the co-op to repurchase shares over time). Admit non-resident or higher net-worth investors only with restricted voting rights and clear limits to their influence over key decisions.
- **Lead with pooled community capital:** Prioritize resident investment and local equity to signal political salience before approaching external lenders. This functions as upfront equity that demonstrates commitment, reduces perceived risk, gives co-ops autonomy and negotiating leverage, and compels institutions to adapt.
  - Pair pooled capital strategies with deliberate **inclusion** measures to avoid privileging higher-income participants and deepening inequality.
  - Prioritize **existing** community financial practices (e.g., IBWIG lending circles) rather than imposing new tactics.

Strengthen the intermediary backbone and internal capacity

- **Formalize a standing working group of intermediaries:** Lenders/funders, TA providers, and public agencies could review deals early, track progress, resolve common bottlenecks, and share lessons across projects.
  - This doesn't require building something new; it merely formalizes the existing intermediary backbone into a focused mechanism for field-building.
- **Support CBO entry in community ownership:** Implement capacity grants and financing for acquisitions/preservation with fast-underwriting for mission-aligned buyers. This helps organizations act quickly against speculative capital.
- **Invest in bridge-building translators:** Fund the overburdened leaders who make projects legible to institutions and convert trust into tangible resources, actively building the local field's infrastructure in the process.
- **Develop shared-capital infrastructure:** Empower intermediaries to serve as clearinghouses or community investment funds. These can pool capital from aligned investors, distribute funds across projects, and reduce the fundraising burden on individual co-ops.

An Inflection Point for Community Ownership

With one of the nation's strongest cooperative traditions and a vibrant ecosystem of mission-driven partners, the Twin Cities has become a national proving ground for community ownership of commercial real estate.

What makes the Twin Cities remarkable is not one factor but the interaction of several: the distinct politics and place-based priorities motivating each one; rapid local innovation in response to acute displacement pressures; and a strengthening intermediary ecosystem that catalyzes and supports community ownership. It is not any single project but the growing, relationship-based network that links them: intermediaries, bridge-building translators, resident investors, and practice — the everyday practices (recurring methods and informal routines) that turn local knowledge into viable deals.

These groups are no longer only isolated projects; they are weaving together new legal forms, pooled capital strategies, lending pathways, and policy openings into repeatable strategies that new initiatives can plug into.

The recommendations here are a start toward turning these promising practices into durable, institutionalized infrastructure before the next wave of displacement makes preserving neighborhoods even harder. The evidence of viability is clear in the Twin Cities as across the country, proving that community ownership can become a permanent option — a way to make real estate work for communities rather than around or against them.

Source: Taproot

About the Lab

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The Community Ownership Learning & Action Lab (COLA Lab) is a national research and field-building initiative working to strengthen shared ownership of real estate. Drawing on original research and community-rooted insights, the COLA Lab develops practical resources to support practitioners and inform the lenders, policymakers, and other institutions that can help sustain and scale their work. Housed within the University of Miami's School of Education and Human Development, the Lab examines how community ownership can anchor local stability, expand shared opportunity, and strengthen collective power. Learn more at colalab.org

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