CASE STUDY

COLA | Lab
Community Ownership Learning & Action Lab
at the
UNIVERSITY OF MIAMI

Resourcing Community Ownership: The Processes of Capital

JULY 2026

Part of the series
Community Ownership Field Guide: A Multi-City Panorama

How do community ownership organizations become investable and secure capital within financial systems that weren't built for them?

This case study examines how organizations build legitimacy and assemble financing despite structural barriers, revealing both the ingenuity required today and the infrastructure needed to resource community ownership at scale long-term.

Tip: Use this Table of Contents to jump to any page.

Table of Contents

4-5 Background + Who is this for?

6-7 Introduction: Behind the Capital Stacks

8-9 Framework: Three Processes of Raising Capital

10-11 Custom Capital

- Logan Square Cooperative
- Pilsen Housing Cooperative
- La Villita Housing Coop
- Takeaway

16-17 Community Capital

- South Como Investment Cooperative
- Taproot Investment Cooperative
- PODER Emma
- Takeaway

25-26 Relational Capital

- IBWIG & ACER
- Maggie Walker CLT
- Takeaway

32 Conclusion: Turning Patterns Into Reliable Pathways

33. Acknowledgements + About the Lab

Resourcing Community Ownership: The Processes of Capital

Based on research conducted throughout 2024 and 2025, this comparative case study explores how community ownership organizations **navigate complex financial landscapes to secure resources.** It is part of the *Community Ownership Field Guide: A Multi-City Panorama*, a thematic series by the Community Ownership Learning & Action Lab (COLA Lab). Each case study in the series isolates a specific pillar of practice to provide actionable insights into how community-led organizations are reclaiming local real estate through shared-ownership models.

Published: July 2026

COMPANION TOOL

The **Processes of Capital: Action Guide** translates these findings into strategies for practitioners, funders, and policymakers — offering a *curated menu of interventions* tailored your specific context. Find it at colalab.link/capitalguide

Who is this case study for?

- **Community Ownership (CO) Practitioners:** To identify and validate the capital strategies you're already using, and to understand the trade-offs so you can plan for sustainability rather than burnout.
- **Philanthropy & CDFIs:** To move beyond viewing capital as ad-hoc stacks and understand why funding CO requires investing in the relational infrastructure that makes deals possible.
- **Policymakers & Public Agencies:** To see why current standard subsidy programs often fall short in helping CO projects succeed at scale, and to design public capital tools that recognize non-standard collateral and create pathways that don't reinforce extractive development metrics/practices.
- **Field-Builders & Researchers:** To gain a framework for diagnosing an organization's capital process and what kind of support it needs next.

Introduction: Behind the Capital Stacks

Strategic conversations about community ownership (CO) often circle back to one question: *How are projects paying for this?*

The answer usually involves a combination of subsidies, debt, grants, and loans from CDFIs, banks, or philanthropy. The exact mix depends on asset class, model type, relationship to community, and political aims. Projects prioritizing speed and scale, for instance, may lean on traditional debt, while those prioritizing deep community control often seek subsidies or concessionary financing.

But listing the *types* of money misses the real story. The element missing from these conversations is the **relationships** needed to obtain capital.

Projects may submit grant applications, but they are more likely to receive higher subsidies if they know a program officer. Rarely do they attempt loan applications without several prior conversations with a lender. These relationships are cultivated through peer projects or referrals, emphasizing the networked nature of capital.[1]

This case study argues that to truly understand how capital works, we must look beyond the money itself and examine the relationships behind it. This is the only way to see how CO projects successfully navigate tricky, often hostile, financial landscapes. We outline **three distinct processes** through which CO organizations raise capital; each creates opportunities, and each carries distinct trade-offs.

1. *We can make the same argument for community development projects, and – perhaps especially – traditional real estate development more broadly.*

We demonstrate how some CO organizations creatively assemble capital as their networks grow, drawing from a variety of sources and increasing in sophistication and institutional recognition with every deal; how others leverage capital raised from community members to increase their bargaining power with lending institutions; and how charismatic leaders' personal relationships can translate to large, unexpected pools of capital.

We present different pathways to capital across three local contexts and various CO models. For three Chicago housing cooperatives, every deal is a bespoke journey, stitched together from personal ties and public subsidies. For cooperatives in the Twin Cities and Asheville, collecting small-dollar investments from future members generates possibility and bargaining power. And for a CLT in Richmond, the gravitational pull of one individual unlocks forms of capital not commonly available in CO.

The lesson is not that one capital pathway should replace the others, but that the field must reduce its dependence on sacrifice, luck, and exceptional relationships by building infrastructure that allows community ownership to be resourced at scale.

Three Processes of Raising Capital

Across the cases, we identify three processes through which organizations raise capital. This is not an exhaustive or mutually exclusive list; **different combinations of these processes are visible across many community ownership (CO) projects.** What this framework provides is a lens to recognize and analyze the relational infrastructure that underpins successful deals.

Custom capital — Deals stitched together through a combination of conventional and unconventional sources. This may include capital injections by co-op founders (absorbing personal risk), seller-financing after building deep trust with local owners, or a mix of small grants. It often requires high personal risk and deep trust to hold the pieces together. Custom capital is employed for initial acquisitions, proofs of concept, and some independence from predatory or misaligned capital.

Community capital — Capital raised, often informally, from members, beneficiaries, or supporters of CO projects. It provides early equity stakes and signals legitimacy, allowing projects to engage institutions with higher bargaining power and autonomy. Community capital also partially insulates CO projects from the bureaucratic hoops and constant hustle required under the custom capital process.

Relational capital — Capital unlocked by individuals and organizations who hold trusted, high-status, professional relationships across philanthropy, real estate, government, and nonprofit sectors. This can more quickly legitimize projects to capital and public sector actors, unlock access to larger capital, bring in broad coalitions of supporters, and/or integrate projects into public sector development initiatives not usually open to them.

Table 1. *The types and tradeoffs of the three capital processes*

	Custom Capital	Community Capital	Relational Capital
Types	Personal ties Seller financing Grants Nonprofit fiscal sponsorship Personal risk	Buy-ins Preferred shares Informal supporter loans Movement-aligned financing	Deep individual and organizational relationships with a variety of capital actors
Tradeoffs	Burnout, fragility, narrow success metrics, personal exposure, limited scalability	Exclusion based on race and/or class, risk of codification and compliance burden as pathways become institutionalized	Dependency on sole individuals, succession risk, depoliticization, incorporation into mainstream development

An Unexpected Inversion

The type of capital that appears the most "informal" — **custom capital** — often has the highest bureaucratic friction. This means multiple applications, layered reporting requirements, sequential approvals, and cumbersome compliance.

Conversely, the method that seems the most "formal" — **relational capital** — involves big grants and institutional loans, but accessing them depends more on the right relationships than on formal procedures.

Community capital sits in the middle. It depends on relationships and trust among neighbors, then translating that into more formal access to institutional resources.

Custom Capital
Every deal starts from scratch

Characterized by bespoke deals, personal risk, and stitching together disparate sources

Since institutional support is thin at the startup phase, organizations must bootstrap financing across the first few acquisitions, building credibility on a project-by-project basis. This is c*ustom capital,* assembled from multiple thin, unstable, often contingent sources: personal ties, fiscal sponsors, seller financing, favorable individuals, grants with onerous restrictions, and personal bridge money.

At first glance, this approach might seem indistinguishable from how deals are frequently assembled in community ownership. And, in fact, we suspect most community ownership deals are heavily defined by custom capital. What matters is how early deals create leverage for more streamlined financing for scaling the model or launching new projects later. For example, in Chicago, LSC's work opened the door for PiHCO; PiHCO's success, in turn, made La Villita's first deal possible.

The trade-offs to this approach are significant. Deals become vulnerable to collapse if one piece falls out. Projects are forced to conform to narrow funder metrics that may not fit their mission. And founders often absorb personal financial risk, working to the point of burnout to keep the stack together.

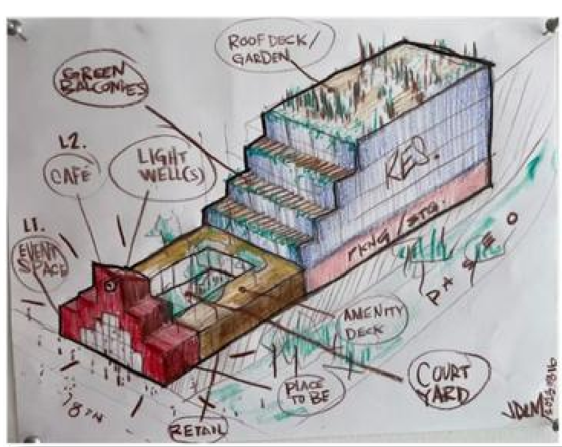


Table 2. *Custom capital subtypes*

Subtype	Mechanism	Example
Founder capital	Personal risk via bridge loans to the project	La Villita founder bridge loan
Trust-based seller-financing	Seller provides direct financing for co-op conversion	PiHCO neighbor financing
Grant assembly	Layering philanthropic and public funding	PiHCO/La Villita
Mission-aligned lending	Borrowing from CDFIs and community ownership lenders	Logan Square Cooperative/PiHCO
Conventional financing	Borrowing from banks, often after mission-aligned lenders come to the table and reduce risk	PiHCO

Zooming in:
Chicago's New Generation of Housing Cooperatives

Housing cooperative founders in Chicago confront a financial landscape where banks are unfamiliar with cooperative ownership, share loans are scarce, and underwriting norms favor standardized, extractive deals. Lenders struggle to finance housing cooperatives because they cannot easily rely on standard real estate collateral: **buyers own shares, not individual units,** so there is no simple property to foreclose on if something goes wrong.

In response, co-ops rely on **relationships, public subsidies,** and **personal risk** to bootstrap acquisitions. Over time, successful deals build the credibility co-ops need to access larger subsidies and institutional loans.

Logan Square Cooperative (LSC)

Location: Logan Square, Chicago
Model: Single-site housing cooperative
Year Founded: 2001
Primary Challenge: Securing financing for a resident-owned model in a market unfamiliar with cooperative share loans.

LSC faced steep hurdles financing their acquisition — the same collateral problem described earlier. LSC's model was a relatively straightforward, resident-owned cooperative. Yet the organization's experience underscores how even clear-cut projects like these struggle to secure capital, revealing the scarcity of institutionalized pathways for cooperative lending.

One founder recalls having to "beg" the Chicago Community Loan Fund (CCLF) for approval "days before closing because their loan committee didn't want to go through with it," and then bringing in Shared Capital, a community development financial institution (CDFI) that specializes in cooperatives, as a second lender.[2] According to one Shared Capital staffer, LSC helped turn the CDFI's attention to Chicago cooperatives.

Still, financing remains the primary chokepoint for housing co-ops in Illinois. Per the same LSC founder: **"Chicago Community Loan Fund is pretty much the only game in town, [and] their rates are higher than normal."**

2. *Across the Chicago cases, Shared Capital Cooperative — a CDFI specializing in cooperative finance — plays a crucial intermediary role, lending to co-ops directly and educating conventional lenders about co-ops.*

Pilsen Housing Cooperative (PiHCO)

Location: Pilsen, Chicago
Model: Federated, scattered-site housing cooperative
Year Founded: 2017
Primary Challenge: Scaling impact to prevent displacement without losing democratic control or financial viability.

While PiHCO has now gained momentum, including three new projects in 2025 alone, its first acquisition relied on critical relationships. One founder described:

“The first acquisition [a six flat] was made possible by a neighbor, who owned the building outright. He accepted almost nothing down and remained as a member.”

While seller-financing enabled PiHCO to secure a small loan from Shared Capital to supplement the first building, the second was financed through a $100,000 loan from the same neighbor, a $617,000 Self-Help Credit Union loan, and a $200,000 surprise grant from Builders Initiative.

By the third building, the City of Chicago had piloted its Shared Equity Investment Program (SEIP) — which provides funding to help eligible cooperatives and CLTs acquire properties — and PiHCO secured $100,000 per unit, while the main loan was an $850,000 Shared Capital mortgage.

Each deal expanded PiHCO’s bargaining power, allowing it to secure longer terms, better interest rates, and even grant capital — all which supported its scaling ambitions and anti-displacement aims. For example, the organization’s fourth acquisition is a fully grant-funded “generator building” that will enable PiHCO to finance members’ shares instead of relying on external lenders.

La Villita Housing Coop

Location: Little Village, Chicago
Model: Scattered-site limited-equity cooperative
Year Founded: 2023
Primary Challenge: Balancing deep affordability with financial sustainability in the absence of standardized pathways.

An even newer cooperative, **La Villita** reveals the challenges of operating as a startup project without established pathways for capital.

The group's first acquisition, a six-unit building, relied on a $600,000 grant from the Chicago Community Loan Fund and a $150,000 restricted city grant that restricted how much could be used for purchase versus administration and other development costs. La Villita members fondly recall how one of PiHCO's founders "encouraged and convinced" the co-op to pursue the city's reimbursable grant, which jumpstarted La Villita's operations.

But they still needed to close the gap. Talks with Shared Capital resulted in conditional loan terms that stipulated all members received training and were selected based on reliability. A loan from the Chicago Community Loan fund was also on the table, but the 6.8% interest rate proved too high for the deep affordability that founders were interested in.

These conditions prompted one founder to offer over $300,000 in personal bridge financing until Shared Capital's requirements were met. Even then, the deal nearly collapsed. The group lost a first-choice building when an owner pulled out. "I'm still heartbroken," another founder shared.

Takeaway

These housing cooperatives show that deals are not merely about assembling capital stacks, but about redefining **who can credibly access, deploy, and govern investment**. LSC reveals the scarcity of finance even for resident-owned projects. PiHCO's journey shows how early relationships can be leveraged into durable institutional support. And La Villita exposes the unequal distribution of risk when standardized pathways are absent.

LSC broke ground for future cooperative projects, and now PiHCO and La Villita embody how much progress has been made. Still, new-generation co-op models remain partly unintelligible to conventional financial products, limiting their ability to flourish. A lender at CCLF called these deals "very, very hard deals to lend to," citing that they rely on acquisition financing and that cooperative governance is administratively burdensome, thus risky for lenders.

Noting how co-ops lack the policy supports of other affordable housing projects, a staffer at UHAB said: "Co-ops are at a monetary disadvantage. It is very difficult to use LIHTC, which 90% of affordable housing in the U.S. uses. And so you are trying to do it with one hand tied behind your back."

In the absence of standardized pathways, co-ops must either constantly make themselves recognizable to finance, philanthropy, and local government, or improvise workarounds based on strong relationships.

Instead of asking cooperatives to fit into narrow metrics of compliance imposed by various forms of capital, the **task for advocates** is to learn from local creativity and adapt resources to cooperatives' moves on the ground. The challenge is to build sustainability and standardization in a way that serves, rather than constrains, the work these grassroots organizations are doing.

Community Capital
Community invests, others follow

Characterized by raising funds directly from members and/or community to signal legitimacy and gain bargaining power

C*ommunity capital* strategies are about raising capital from direct beneficiaries or supporters of community ownership (CO) projects. Therefore, much of it is informal or non-traditional financing. Community capital is composed of three subtypes:

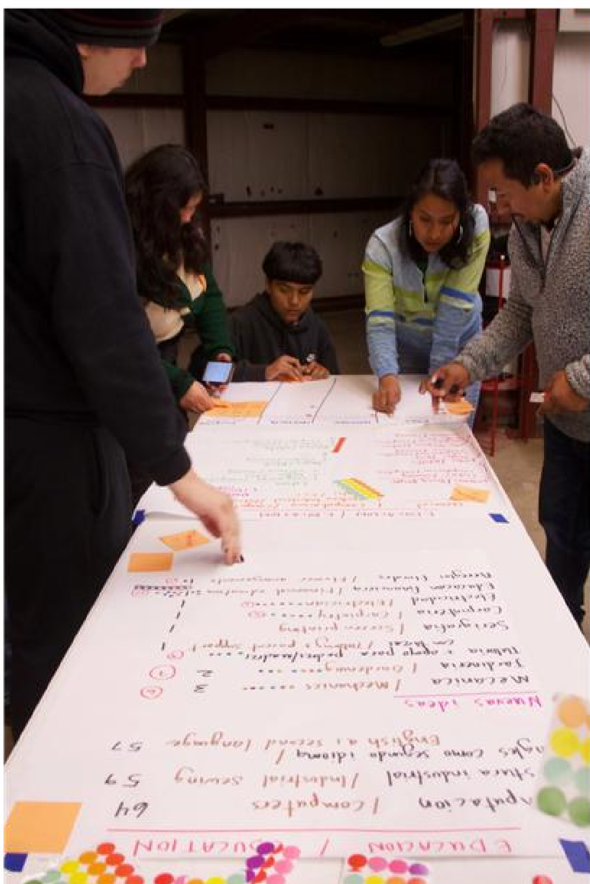
- ***Member capital:*** Internal equity as members buy into a CO project through shares or pool their money together through collective efforts like lending circles.
- ***Supporter capital:*** Expands available capital beyond direct beneficiaries as local supporters make loans to projects or purchase preferred shares for a small return. This can include funds from supportive nonprofit partners as well.
- ***Movement capital:*** Capital made available because projects belong to a broader movement. This could come from seeking capital from movement partners, capital campaigns by movement organizations interested in CO, or via membership in movement-aligned networks like Seed Commons, as we illustrate below in the case of PODER Emma.

Caveats: Raising community investments – especially member and supporter capital – risks privileging higher-class positions with greater access to disposable income. As such, community capital may work unevenly across class and racial contexts, remaining out of reach for communities with long histories of disinvestment and exclusion. Furthermore, as models become recognizable, they may be standardized in ways that narrow flexibility and push projects toward excess bureaucratization.

Zooming in: Community investment as leverage in the Twin Cities & Asheville

To show community capital in practice, we spotlight two real estate investment cooperatives in the Twin Cities — **Taproot** and **South Como** — and **PODER Emma**, an ecosystem of mobile home, commercial, and worker cooperatives in Asheville.

In conventional real estate development, projects often begin by seeking capital from lenders, philanthropies, or public agencies. The cases examined here suggest a different sequence. By pooling community investments first — whether through co-op member shares, preferred shares without voting rights, supporter loans, or movement-based financing networks — communities create an initial base of capital that allows them to approach outside institutions from a position of greater strength.



PODER Emma

South Como Investment Cooperative

Location: St. Paul, MN
Model: Limited Cooperative Association (LCA)
Year Founded: 2024
Primary Challenge: Building a viable capital stack for a first acquisition, with community investment as the primary negotiating asset and no established lending pathways for cooperative ownership.

South Como Investment Cooperative began by securing member buy-ins: $20 dollars in a hat at a local bar. Soon after, the group launched a preferred share offering, and the response was immediate.

"Within the first week of our preferred share offering, we raised over $100,000. There was one big investment, but the rest of them were just $1,000, $5,000, $500 — really normal-sized investments."

With commercial vacancy rates high across St. Paul and lenders viewing commercial-only deals as too risky for a new cooperative, the group pivoted to a semi-occupied mixed-use strategy. This combined residential rental income with commercial leases, which added complexity but led to a financially viable deal.

The early capital South Como raised **helped shape the cooperative's partnership** with the Metropolitan Consortium of Community Developers (MCCD). Rather than a conventional lender-borrower relationship, the financing structure was developed collaboratively. The South Como team emphasized how supportive and invested MCCD was:

"They have a pretty strong motivation to make sure that we are going to succeed. They wanted to make sure that we are getting off on the right foot with some cash reserves."

MCCD provided a 4% loan with patient terms, **filling in the capital stack** for South Como's first acquisition — a mixed-use property owned by neighborhood organizers aligned with the co-op's mission. One South Como member laughs when explaining that South Como was one of MCCD's "first real estate investments — they were still building their shared ownership program!" The deal was, in effect, a shared experiment.[3]

3. *Community investment also allowed South Como to avoid programs that did not fit its strategy. For example, the LOCAL Fund -- a $1.25 million program facilitated by Nexus and funded by the City of St. Paul to support the development of the shared ownership of commercial real estate in the city — required vacant properties. This excluded most viable opportunities in their neighborhood, which were mixed-use, partially occupied buildings — which the team considers the "most viable for a first time community ownership experience." Because South Como had already built its own capital base, it was able to move forward on a deal structure that matched local market conditions rather than adapting to external program requirements.*

Taproot Investment Cooperative

Location: St. Paul, MN
Model: Multi-stakeholder investment cooperative
Year Founded: 2023
Primary Challenge: Converting small-dollar community investment into durable, compliant capital (e.g., PRI/loan) while preserving autonomy and values when institutional timelines or risk tolerances fail.

In St. Paul's St. Anthony Park neighborhood, community investment allowed Taproot to choose a different path entirely: prioritizing values over scale, reducing dependence on outside funders, and introducing a new twist on community ownership along the way.

The project grew out of a network of overlapping efforts: one member's Transition Your Money initiative, the Local Dough investment club, and the nonprofit Creative Enterprise Zone (CEZ) — all aimed at "getting investments out of the stock market and into the local economy." The idea was to pool small amounts of local capital to preserve community assets:

"We basically said, 'We want to do local regenerative projects.' Each member put a certain amount of money in every month, and then we met four times a year to decide if there was an investment that would make sense for us."

Taproot's initial raise:

- ~$330,000 total from ~42 small investors
- Average investment of approximately $5,000
- Membership shares priced at $1,000 each

This early capital helped attract philanthropic interest, including a potential $1.2 million program-related investment (PRI).[4] When that investment ultimately fell through, however, it became a valuable "learning moment" for Taproot. Members realized cooperatives have very little control over philanthropic timelines and risk tolerance.

Rather than continuing to pursue larger acquisitions that relied heavily on outside capital, Taproot adapted its strategy. The cooperative began using its capital to support values-aligned projects through targeted financing, allowing it to back community ownership opportunities at a smaller scale.

One example was Baker Court, a former school converted into office space that was being marketed as a redevelopment site capable of holding 500 housing units. When a local activist with ties to Taproot purchased the property, the cooperative provided a second mortgage, which helped finance critical environmental upgrades and preserve an important community landmark while supporting community-aligned ownership. As one member said:

“Rather than have the building knocked down, turned into a high-rise apartment building, we embraced the idea of saving this kind of marker of community identity.”

4. *Program-related investments are a type of social investment that foundations make to achieve their philanthropic goals. They often come in the form of low interest loans, but can also be structured as equity investments or loan guarantees.*

PODER Emma

Location: Asheville, NC
Model: Ecosystem of mobile home park, commercial real estate, and worker cooperatives
Year Founded: 2017
Primary Challenge: Converting grassroots investments into larger, patient capital for real estate projects while diversifying capital partners to match growing scale.

Founded within a broader worker cooperative and mutualist movement in Asheville's Emma neighborhood, PODER Emma relied on its organizing capacity and deep local relationships to raise the capital needed to launch resident-owned communities.

Their experience illustrates **all three types of community capital** at play.

The first and second mirror the examples thus far: small-dollar investments from co-op members, combined with larger loans from community supporters. One staffer recalled the process for acquiring the organization's first commercial property, now part of a real estate investment cooperative in the PODER network with two additional holdings:

"We know we're going to be a co-op. So we asked [Emma residents], 'Can you put down $1,000?' … We had been organizing already for so many years, so these are people who we all trust. **We had 30 founding members [who contributed] $1,000 each, which was enough for a down payment.** Then we went to other people [in the broader community] that we knew from our organizing and movement work, and that had access to money. And we probably had like 10 different $5,000, $50,000 and $75,000 loans — a bunch of small loans to get what we needed."

The third was movement capital. Through its membership in Seed Commons, a cooperatively governed CDFI network, PODER Emma refinanced personal and supporter loans into patient, mission-aligned financing and access larger pools of capital than would have been available locally.

Being a member of Seed Commons proved especially important as PODER Emma expanded into mobile home cooperatives. In fact, the organization became the recipient of Seed Commons' first-ever real estate loan: "We got a loan through Seed Commons for construction and rehab. They hadn't financed real estate before and had not done mobile home co-ops. We were lucky to have that relationship with them… They were willing to say we haven't done that and don't know what it'd be like, but we're willing to figure it out."

Aligned in their commitment to shifting power and resources to the community, PODER Emma and Seed Commons collaboratively developed a new investment strategy for the CDFI to support expanding mobile home and commercial real estate cooperatives in Emma. Seed Commons eventually "financed almost everything" PODER Emma undertook locally, including land acquisition for what would eventually become the new Carolina Wren Cooperative.

As PODER Emma begins to pursue newly developed mobile home cooperatives, the organization has recognized a need to expand their capital partners beyond Seed Commons due to the scale of financing needed. However, Seed Commons and the network of cooperative developers remain critical in their pursuit of mission-aligned funding for the expansion of community-owned real estate in their neighborhood.

Takeaway

Community capital **changes the terms of engagement** between community ownership organizations and external institutions. It functions much like upfront equity – demonstrating commitment, reducing perceived risk, and signaling that a project has already secured meaningful support. But its significance goes beyond finance. Community capital also demonstrates organizing capacity. It shows that residents have built trust, coordinated collective action, and developed the relationships necessary to steward a shared asset over time.

This changes how institutions respond. Projects gain leverage in negotiations and often push lenders, philanthropies, and public agencies to stretch beyond standard practices -- creating new loan products, adapting eligibility criteria, or supporting ownership structures that might otherwise have been considered too unfamiliar or risky.

The result is not independence from outside capital but greater leverage over *how* and *when* it enters a project. Community capital shifts projects from a reactive to a proactive position and creates room to maneuver, allowing organizations to forge partnerships with lenders, pursue opportunities on timelines they partially control, or opt out of traditional financing altogether.

Viewed this way, community capital is is a mechanism for converting shared values into bargaining power, institutional credibility, and ultimately greater control over the terms of development itself.[5]

5. *It's important not to overgeneralize this approach. Recommending community investment as a universal strategy risks overlooking significant differences in wealth, income, class composition, and access to capital across communities, as well as the potential to privilege participation by higher-income residents.*

Relational Capital

The role of well-connected individuals

Characterized by leveraging high-status, professional networks to unlock large, unexpected capital

Relational capital moves beyond generalized trust or networked ties, which we see across the other two archetypes.

Individual relational capital operates as a hub-and-spokes model: high-status, professionally driven social capital that bridges elite capital actors in philanthropy, real estate, government, and the nonprofit sector. The deep, long-standing relationships of a few key individuals can open doors quickly, attracting unexpected capital (such as corporate philanthropy) and pulling in traditional real estate actors who would otherwise remain uninvolved in community ownership projects.

Organizational relational capital emerges when a trusted organization lends legitimacy accumulated over decades. This institutional credibility builds trust among bank lenders and public sector actors where it may not exist or take too long to forge.

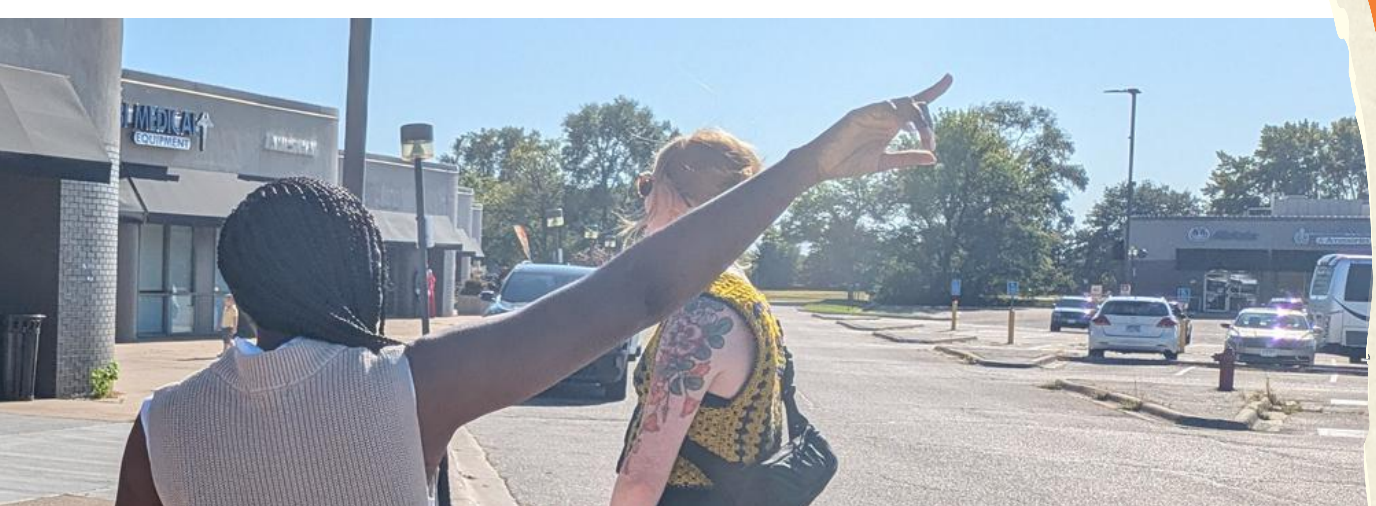
Relational capital can scale quickly, but unevenly. Because relational capital is concentrated in one or a handful of people or organizations, it can move fast across multiple intersecting networks, but is not easily replicated. While powerful, reliance on this capital can create dependency on specific individuals (succession risk) or organizations, and can potentially dilute the political edge of community ownership projects, corporatizing models and narrowing the possibilities for meaningful social change.

Zooming in:
Catalytic connections in Virginia and Minnesota

Individual relational capital: In Richmond, Maggie Walker CLT shows how deep, long-standing relationships in real estate, philanthropy, and politics can unlock new financial opportunities. This highly personal, highly network-based form of fundraising can compress the time needed for community ownership organizations to build legitimacy.

Organizational relational capital: In the Twin Cities, ACER contributed organizational credibility earned through years of advocacy and community development work, allowing IBWIG to overcome barriers that lenders and public actors would otherwise not navigate for a newly formed cooperative alone.

ACER & IBWIG



Ignite Businesswomen Investment Group (IBWIG) + African Career, Education & Resource, Inc. (ACER)

Location: Brooklyn Center, MN
Model: Real estate investment cooperative (IBWIG) incubated by a community-based organization (ACER)
Year Founded: IBWIG launched in 2021; ACER is a long-standing CBO.
Primary Challenge: Navigating systemic barriers to real estate capital and overcoming lender rejections for a cooperative model.

At **IBWIG**, Black women business owners pooled approximately $160,000 from over two dozen members via a WhatsApp lending circle. Their first three attempts to finance a real estate purchase, however, were rejected by lenders. This shows how pooling community resources cannot alone unlock the institutional doors that too often remain closed to grassroots groups. IBWIG raised the money, but the problem of legitimacy remained.

ACER included IBWIG in the deal, contributing its financial history and institutional credibility as a long-standing community-based organization in the Brooklyn Center area. The two were already collaborators; ACER had incubated and stewarded the launch of IBWIG.

Community capital may create bargaining power, but relational capital converts bargaining power into institutional recognition. ACER contributed not just money, but credibility, relationships, and a financial track record that institutions recognize. An ACER staff member explained:

"A cooperative is not a traditional model in which banks can finance and have a guarantor. [IBWIG] had enough down payment, but… Imagine trying to approve or qualify 27 plus people. Those were the pushbacks we kept getting from lenders. So, one day I looked at my colleague and said, 'Let's pilot this thing ourselves. I'm tired of hearing no.' And for me, 'no' is 'not yet.'"

In 2023, IBWIG and ACER together acquired Shingle Creek Plaza, a commercial retail shopping center. Shared Capital entered as both a lender and as an educator to Sunrise Banks, helping them learn how to structure a loan for a cooperative deal. As another staffer at ACER shared about Shared Capital:

“Their role was educating lenders on how to lend to a cooperative, because you had a cooperative [IBWIG] and then a nonprofit entity [ACER]. So, we created [a separate legal] entity to do the acquisition.”

Thanks to ACER’s long-standing advocacy work, institutional engagement grew. By leveraging relationships with electeds, the Minnesota Legislature subsequently passed its **first-ever appropriations bill** for the Shingle Creek acquisition**,** sponsored by Representatives Samantha Vang and Liish Kozlowski.

Importantly, IBWIG and ACER leveraged their cash, credibility, and relationships to shield themselves against the racialized gatekeeping of the real estate industry. They resisted the pervasive pressure to outsource ownership to white-led intermediaries.

The ACER team recalled: **“We went through every obstacle that people of color go through, especially Black women trying to get funding to make a real estate purchase.** Nobody wanted to fund the project. A lot of folks thought we shouldn’t do it. We were pressured from various angles to use white organizations to hold the property. We just refused to do that.”

Maggie Walker Community Land Trust (MWCLT)

Location: Richmond, VA
Model: Community land trust (CLT) with land bank designation
Year Founded: 2016
Primary Challenge: Integrating community ownership into public funding structures and tax frameworks in a market where CLTs did not naturally fit.

MWCLT was the brainchild of a steering committee comprising major regional players—including Habitat for Humanity, Project Homes, Better Housing Coalition, Bon Secours Mercy Health System, HDAdvisors, and the Richmond Association of REALTORS. The group recognized that while affordable housing was being built, it was often becoming a driver of gentrification. They determined that the CLT model, with its emphasis on permanent affordability, was the necessary antidote.

The organization's trajectory was defined by two of its founders: the CEOs of the Richmond Association of Realtors and HDAdvisors, a consulting firm for affordable housing. The former became MWCLT's first board chair, and the latter its founding CEO. Both were deeply embedded in the regional real estate and philanthropic ecosystems.

From the outset, the founding board chair transformed her relational capital — rooted in over twenty years of professional credibility and networked trust — into tangible financial and institutional resources. As MWCLT's second CEO noted, the chair's ability to "open doors" was critical:

"Another key thing for the growing and scaling of Maggie Walker was the progressive head of the local real estate association. She went to so many top donors and used her network for donations. She opened doors. And also got us connected to the for-profit development community — they couldn't write big checks, but they could help develop houses and save us money."

This network yielded immediate, high-impact results that are rare in the community ownership field:

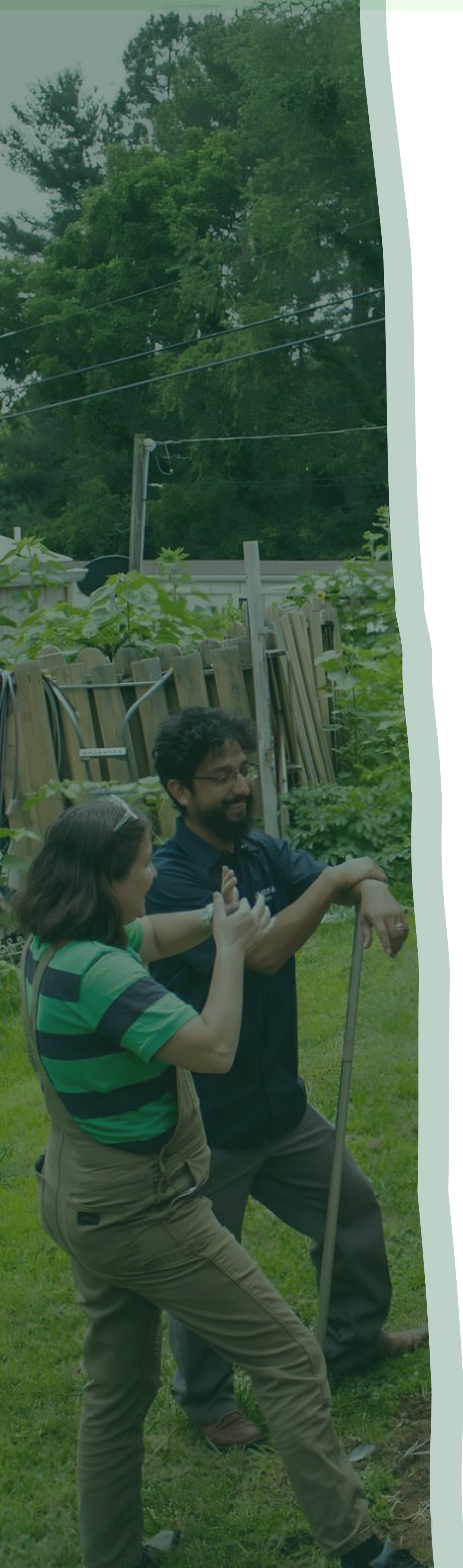
- **Family foundations,** including the Bob and Anna Lou Schaberg Foundation: “They have been consistently giving us. They gave us the first $50,000 I asked for. They’ve continued to give us operational support.”
- **Corporate philanthropy,** which is particularly uncommon in the field: “I sat down with Altria [a tobacco company] and I said, homes are where jobs go at night. … They had their own reasons for doing it, but they cut us a million dollar check right before Christmas one year.”
- **Public sector funding:** “[The founding board chair] is very well connected, on the board of a lot of organizations, and founded Partnership for Housing Affordability and they administer [Henrico’s Affordable Housing Trust] fund for us.”
- **Industry partners,** such as The Richmond Association of REALTORS and Bon Secours: “I think [Maggie Walker CLT] had access that a lot of nonprofits don't have access to. We also had very affordable lines of credit. … So for example, the Richmond Association of REALTORS gave us a million dollars line of credit, no interest. That’s crazy. Wow. And Bon Secours did as well, the hospital system here.”

Takeaway

Relational capital compresses time. Where patchwork capital requires projects to build credibility deal by deal, and community capital builds leverage through collective investment, relational capital allows organizations to borrow legitimacy accumulated elsewhere. Through trusted individuals, respected institutions, or long-standing professional networks, projects gain access to capital, political support, and development partnerships that would otherwise take years to cultivate.

In both cases, relationships functioned as a form of infrastructure that translated unfamiliar community ownership models into something institutions could recognize. And both pull in "unusual suspects," broadening the base of support behind CO to include actors who are not usually involved.

The tradeoff is that **relational capital is difficult to democratize.** It is often concentrated in a handful of people or organizations, creating succession risks and potentially encouraging projects to adapt themselves to institutional priorities. While relational capital can dramatically accelerate growth, it raises important questions about who gains access to community ownership opportunities and whose relationships shape the field's future.



Conclusion: Turning Patterns into Reliable Pathways

Capital often gets treated as a resource to be accessed: identify the right product, stack the right sources, meet the right requirements. The deeper challenge for community ownership organizations is securing capital on terms that don't undermine their goals. That process is shaped less by financial mechanics than by relationships, credibility, timing, and institutional recognition.

Custom capital, community capital, and relational capital aren't tidy categories but rather overlapping, often messy processes shaped by unequal conditions. Each approach works and each carries trade-offs. But together they reveal the reality that community ownership – although proven viable time and again – survives on the ingenuity and stamina of its people.

The task ahead is to codify all that groundwork and ingenuity into legal, financial, and organizational infrastructure that resources community ownership at the scale of its potential. By transforming ad-hoc solutions into standard practices, we can shift the burden of innovation from the shoulders of exhausted founders to a reliable system for shared stewardship. This is how we transform community ownership from a series of isolated victories into a durable, scalable engine for long-term change.

COMPANION TOOL

Explore the **Processes of Capital: Action Guide,** a curated menu of interventions for practitioners, funders, and policymakers. Find it at colalab.link/capitalguide

Cover photo courtesy of: Justice for the People Legal Center.
Report photos courtesy of (in order of appearance): PiHCO, La Villita, Logan Square Cooperative, PODER Emma, South Como, Taproot, ACER & IBWIG, Maggie Walker CLT .

About the Community Ownership Learning & Action Lab

The Community Ownership Learning & Action Lab (COLA Lab) is a national research and collaboration initiative working to strengthen the field of community ownership. Drawing on original research and field insights, the COLA Lab develops practical frameworks, tools, and resources that help make community ownership lasting and equitable. Housed within the University of Miami's School of Education and Human Development, the Lab examines how community ownership can anchor local stability, shared opportunity, and collective power. Learn more at colalab.link/work.

Support for the Lab was provided by the Robert Wood Johnson Foundation. The views expressed here do not necessarily reflect the views of the Foundation.

Contributors

Ahmed Mori (Author)
De'Sean Weber (Author)
Carolina Fernandez (Editing & Design)

Acknowledgments

With special thanks to COLA Lab members Scotney D. Evans and Gretchen Beesing for invaluable leadership and guidance; to the original template designer, Taylor Neverman; and to the interviewees and Community Advisory Board members whose perspectives shaped this work.

Suggested Citation

Mori, A., Weber, D. (2026). *Resourcing Community Ownership: The Processes of Capital*. Community Ownership Learning and Action Lab, University of Miami. https://heyzine.com/flip-book/099f0e5bdc.html