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VALUING HOMES IN BLACK COMMUNITIES
MEET THE INNOVATORS DRIVING FORWARD A NEW GENERATION OF STRUCTURAL INNOVATIONS

TUESDAY, FEBRUARY 25, 2025

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WELCOMING REMARKS

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CEO, Florida Housing Coalition

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ROUSE: Good afternoon. Good afternoon. Hi, I'm Cecilia Rouse. I'm the president of the Brookings Institution, and it's an absolute pleasure to welcome you here today. I'm an economist by trade, so let me start with some numbers. So in 2022, our very own Andre Perry -- who has a new name, Papa Dre, because he became a grandfather last week -- and his team, found that homes in Black-majority neighborhoods are undervalued by an average of 23%. That's about $48,000 less than similar homes in predominantly non-Black areas. In total, this disparity strips about $156 billion in equity from homeowners in Black neighborhoods. These numbers underscore the scale of the challenge we're facing, but there is reason for hope. Across the country, innovators are developing market and policy-based structural solutions to help restore value to homes in Black communities. And we're here today to celebrate their work. This afternoon, we're excited to announce the Spotlight Innovators of the Valuing Homes in Black Communities Challenge. This challenge was co-led by Brookings Metro and Economic Architecture, and I want to express my sincere gratitude to their team. And a special thanks to Stuart Yasgur for his support. With that, I'll hand things over to Stuart and Andre to announce our spotlight innovators. Gentlemen, the floor is yours.

YASGUR: Thank you, Cecilia. Good afternoon, everyone. My name is Stuart Yasgur. I lead Economic Architecture, and I'd like to thank you all for being here today. Whether you're here in person or you're joining us online, we're grateful that you're here to join us for the announcement of the 2025 Valuing Homes in Black Communities Spotlight Innovators. The Valuing Homes in Black Communities Initiative has been a long-term multi-year partnership between Economic Architecture in Brookings, especially the Center for Community Uplift here at Brookings. I just want to take a moment to say thank you to Andre and his team, especially Anthony Fiano and especially more recently Phoebe Copeland for remarkable work on this. And just a quick moment to say thank you also to members of the Economic Architecture team, especially Jennifer Vogt, Deveney Smith, and Lisa Jaycox, who have kind of worked tirelessly to make this all a reality. So thank you so much for everything you've done.

You know, as we gather here today, we have to acknowledge the moment that we're in. You know, I think every day the headlines are telling us about a new set of crises that are emerging. And because of the enormous toll these crises are extracting on people's lives, we have to pay attention to them. We have to respond to them. But I think we also have to be cautious because we have to be certain that we don't let the chaos of the moment dictate what the agenda is. We have to focus on moving forward. And it's especially for that reason that I think today is so important, because we all need examples and opportunities where we can see we can not only defend the advances that we've already achieved, but that we can continue to progress and address problems at their structural level.

And I think you'll see that is a theme that runs through all of these innovations that we're seeing today. In each of these innovations, there's a kernel of a structural innovation that really values homes. You know, when we think about valuing homes, we absolutely think about the price. But it's not just the price. Our homes are valuable to us in so many more ways, right? They are where we live. They're where we belong. They're where we raise our families. They're where we build community. They're a source of income and wealth of agency and security in a really volatile world. And so you'll see innovators today who are addressing many of these different aspects of these issues. And they do it in a broad range of different approaches. Some of them are very early stage innovations. Some of them are quite advanced. Some are policy-based, some are market-based. They come from all different parts of the country. And I think that collectively being here, they essentially extend kind of an invitation to each of us to say, how can we contribute? How can we participate? How can we be part of fostering this new generation of structural innovations that we really need? And with that, I'll pass you the baton, Andre.

PERRY: Thank you, Stuart. You know, when we released that original report in 2018 where we found that homes in Black neighborhoods are underpriced by 23 percent, about $48,000 per home, cumulatively about $156 billion in loss to equity, I was reminded why we are here today and why that report inspired so many of us throughout the country. And I always repeat these numbers like it keeps my teeth white. That $156 billion is the equivalent of more than 4 million Black-owned businesses based upon the average amount Black people used to start their firms. It would have paid for more than 8 million four-year degrees based upon the average amount of a four-year public education, replaced the pipes in Flint, Michigan 3,000 times over, covered nearly all of Hurricane Katrina damage. It's double the burden of the opioid crisis. It's the way that people pay for IVF treatment. It's the way people, if you're running for public office, you draw down the equity in your home. It's the way people climb proverbial economic and social ladders.

They say that necessity is the mother of invention. The people here today represent the serious respond to a demand to address the needs of our communities. And to be clear, I always got to point this out when we're talking about majority-Black neighborhoods, we're talking about all people in those neighborhoods: Black, white, Asian, Hispanic, many different people live in majority-Black neighborhoods. We're all impacted. In addition to the numbers I put out, we also spotlight that when you improve the wealth and well-being of one group, you improve the wealth and well-being of others. So this is not about hoarding wealth for one group or another. This is about uplifting our community. So there's a seriousness here that we need to uphold, but I also just want to have a good time, right? Because these innovators represent what is happening all throughout the United States. People have a focused agenda, and housing is a part of that. Home ownership is a part of that. Giving value to communities is a part of that. So I just want to thank Stuart. He's been a friend. and a colleague that had brought together all of you here today, but I can't tell you the hundreds of people that have reached out over the last few years. It's just an honor to be here with you and to give out some loot. So let's get down to the business. I think we're going here.

YASGUR: Bear with us. Anthony, I think we're looking for the list of names. All right.

PERRY: There we go.

YASGUR: The 2025 Valuing Homes in Black Communities Spotlight Innovators. You get it going. No, well, I'll do that one because there you go. Ashon Nesbitt, Florida Housing Coalition.

PERRY: Cat Goughnour, Maryland Department of Housing and Community Development.

YASGUR: Doug Ryan, Grounded Solutions Network.

PERRY: Gabe Ewing del Rio, Home Ownership Council.

YASGUR: John Haynes, the Community Investment Trust.

PERRY: Junia Howell, eruka.

YASGUR: Kyle Kamrooz, Bonus Homes.

PERRY: Marcus Martin, Homium.

YASGUR: Tamara Knox, Frolic.

PERRY: And last but not least, Vernon Jay, Equity Coin. So at this time, we're going to have a series of flash panels. And I want to bring up the first flash panel of Cat, Gabe, and Junia of eruka. Now, I'm hoping, let's go right down the line so that people know who you are and a little bit about your idea and we'll start here and then work down. So Junia, introduce yourself and your organization.

HOWELL: Awesome. I'm Junia Howell, my organization is eruka. For a little bit of background, a little bit of context, I actually, like, Dr. Perry have been studying appraisals for a while. I'm an academic by training, and so I came from, to this problem, looking at the actual, how do we actually value houses? A very like, academic, specific, question. And as I studied that more and looked at that more, of course, there's like lots of ways that we can tweak it and look at it, but I came to the conclusion that at its root, the main way that we decide how much a house is valued, which, generally, if we were to be specific, it called the sales comparison approach. Even if you don't, if you've never heard that term, you probably are familiar with the idea of comparing the value of one house to similar comps. You've probably heard that word before. And I realized in studying the history and the manifestation of that, that that approach has a lot of racist, settler colonial understandings in it. It was literally created by eugenicists and it literally perpetuates those things. And so what I am trying to do and the work that our organization is doing is saying, we need to start over. We need a different approach. And that's both an innovation theoretically and how we think about those values and actually technically. And so the innovation is thinking radically differently about how do we value, like Stuart was saying, like the houses are valued not just because of the price, but because of what we live and can do in them. So how do we match that price to what we actually use those for? And then how can we do that really technically by detailing exactly what we use those houses for, like what is the roof for, what is the ceiling for, and how does that help us understand the value that we actually share in those spaces?

PERRY: Gabe, tell us about your innovation for structural change.

EWING DEL RIO: So Gabe Ewing del Rio and I'm with Homeownership Council of America. We are a national non-profit organization. We actually fund and run our organization as a social enterprise. So we're behind a lot of special purpose credit. We provide technical assistance to lenders around the country. And what we did in our innovation is we said, how would we apply that to down payment assistance, knowing that that is a massive barrier to home ownership, the lack of generational wealth that exists in communities of color. And special purpose allows you to target those communities. So. how would we apply that and how would we take that innovation nationally and be able to as a non-profit support down payment assistance in any and every market? How do we remove the barriers that lenders have in operationalizing these programs?

If you think about it there are thousands of down payment assistance programs but they're very local and they're also tied to low income and so when you look at a lot of places and affordability, low income cannot afford the homes there. So if that's the only source that a person of color has to achieve down payment, then they've been shut out, if they're earning 100%, the median income, right? And so often it's a median income earner or a slightly above median income earner who has not had that chance to build generational wealth, does not have someone in their family that they can go to to say, can you help me out with another $5,000, $10,000 to help me buy this first home? They don't have that access. So how do we make sure that you've got that access? And how do we most efficiently deliver it anywhere in the country where folks are buying?

And that's what we figured out. We work through banks. We have a loan product and a grant program. We work with banks, independent mortgage banks, you name it, anyone who's a mortgage lender can facilitate this process. And we also are causing a greater return on investment for those that are giving money into these programs. So right now, just to give you an example, for a bank partner, we've doubled their CRA credit. We've got 90% double HMDA CRA, which means that you're achieving both fair lending and affordability goals. And so that's the kind of solution that we brought to market. It's easy to put out there and we're rolling it out nationally now.

PERRY: Now, Cat, you represent state government, which gets to the heart of policy and structural change. Tell us about your idea.

GOUGHNOUR: Happy to. Good afternoon, everyone. I'm Cat Goughnour, assistant secretary at Maryland's Department of Housing and Community Development. It's the newest division at the state. And we are honored to stand up and implement the Just Communities Act, which was signed into law by Governor Moore, April 25, 2024. It is a big departure from the way policies and laws have been created in the past. It is specifically meant to right the wrongs of the past. So we are enabled through this legislation to create a geospatial mapping tool, a geographic designation, that takes into account multiple factors, including redlining, the placing of highways, proximity to superfund sites. I'm looking at mass incarceration rates, asthma, lead. as well as economic and housing trends. So through this new approach, we're able to get to many of the factors and variables that impact the value of communities, but also that impact people individually through quantity and quality of life.

So the goal of this legislation is to change racial equity, economic and health equity outcomes by virtue of, of a designation that will not only prioritize these geographies and the people therein, but will also give the governor the ability to prioritize funding in those geographies and for us as a state agency to engage our sister agencies. Also thinking about what kind of initiatives, policies and services already exist, but to ensure that we are mobilizing residents in those communities to become solutionaries, architects of the solutions they need to see in their communities, using a place-based strategy, but also thinking about placekeeping. We have a lot of communities that already hold assets, but to the point of this panel, many of them are not worth what they are meant to be worth, so we want to help people realize those, hold onto those, but also build holistic and full communities for thriving.

PERRY: Now, Gabe, I want to ask you what does success look like? There are a lot of great ideas out there. Not all of them will come to fruition. What will enable your idea and others to actually bear fruit in the environment?

EWING DEL RIO: I mean, it takes making an investment. When we're creating down payment assistance programs, those are dollars we're putting out there with very little return. Sometimes it's a grant, sometimes it's a loan over time with no interest. So it depends, but the biggest barrier is getting that capital in the door. So that's why our solution focuses on the problems that lenders face, because lenders actually do have this capital. There are many times when a transaction can actually fund enough for a lender to make these forward investments in their consumer set. And lenders are, more and more, if you look at the growth market for mortgage, 77% of household formation between now and the end of the decade will come from communities of color. So household formation is the number one driver to home ownership. And that means that if you're a mortgage lender and you're not in this space, you may not be relevant at the end of the decade. This is where the growth market is. And so if you're going to reach that market, you've got to overcome the problems that that market faces. And that's exactly what special purpose credit does. It's meant to meet people where they are. It's meant to overcome specific barriers that we can see statistically and through the data that are faced by that population. And really what success looks like is reaching parity. It's eliminating the homeownership gaps that we see racially. and achieving that parity in the country. And that means wealth for communities.

PERRY: I'm just going to ask you to respond briefly to this because there are lots of people who qualify for a loan but simply don't have the down payment to do so. Can you just very briefly explain that out and how does that happen for folks who are low-wealth.

EWING DEL RIO: If you can actually buy a home with as little as 3% down, most people don't know that. Most people think of the 20% down that you need, right? And the truth is, that if we can just solve for 3% of the purchase price, we can convert many, many renters into homeowners. There is a very large group of median income earners that don't have access to that wealth, like DeAndre in our video who works for Microsoft, has a 401k, has a master's degree, has done everything right, but he's the first generation homeowner in his family. He has no one that he can go to and ask for that little bit of help. And that little bit of help is what brought the rate down, it's what finished their down payment, it's what overcame the barrier to being denied that mortgage loan, to accessing that mortgage loan. So we're turning denials into approvals.

PERRY: You know, Junia, I'm gonna ask you the same question, but we've come to live with traditional appraisal practices. Same way we've come to live with school districting and all other things. What will it take for your organization to really scale and grow?

HOWELL: I don't know if that was the same question. I was sitting here thinking of an answer to that question and you threw me another. I wanna start with what success looks like and then I'll say how I'm gonna get there. Okay, okay. Because as I was loving listening to Gabe over here talk and you were talking then at the end of parity and that's where my head was where. I, for me, actually I was using this analogy yesterday talking to someone that I'm someone when, like if I'm going somewhere, like today I walked from Union Station, I don't like looking at the map, I don't like having a phone tell me directions, that actually like freaks me out. I know I'm weird. I like to know like where the sun is and where I'm going, and I try to head towards there. And for me, that's comforting. And that does not need to be everyone, obviously. I am well aware of that. But for me, I like looking up the sun of where I'm going with this organization, with plans. And where the sun is for me is a place of equity, is a place where everyone can thrive, no matter who you are, no matter where you live. And so every time I take a step, I'm looking at that parity, that equity, where are we going? How are we going to get there? How can we make it a place, not for some people now and other people other places, but how can it actually be for everyone, excuse me. And to me, getting there means recognizing that we're talking about money and we're talking about value, it's all fake. I'm sorry, but it's just fake, right? It's a social construction. I have a Ph.D. in sociology, so I'm gonna use some little soc words here, right? But it's a social construction, and it means something because when I take my dollar and I might be able to buy a coffee or I might be able to get some food, but when it comes down to it, that is fake. If we decide that tomorrow that's not real, that's no longer real. And because of that, what that means when we're talking about prices for homes is the value of one home is always connected to the value of another home. So when I think about getting from here to that sun where we all can be equitable, where we actually all have a position, I think about the history of change. And I think about how generally speaking, there's been two general ways, in my scholarly hat here, there's been two general ways that we have approached change. And one is often inclusion, trying to say, oh shoot, this is a really unequal process. Let's make sure we get a few more people in the door. And yes, we need that, and yes, that's important. But generally speaking, bringing more people into an unequal system doesn't get us to equality. The other approach has been generally an uplift approach. Forget them, that system is corrupt and messed up, let's focus here, let's put our heads down, let's support each other, let's make sure that we can at least live in whatever we can and thrive and be holistic and a loving community. And what I'm trying to do is marrying both of those and learning from both of those. And so to answer your question that you did ask me of how we get from here to get to that sun, it's a process of. collective engagement in a very uplift small way towards a systemic change that will not only affect all of us, but even the ripple effects outside of those engaging in this individual thing.

PERRY: Now, Cat, we got here largely in part because governments were the main culprits in discrimination.

HOWELL: You're not blaming her for discrimination?

PERRY: No, I'm just saying, when we talk about redlining, people point to 1910 Mayor Mahool in Baltimore who established redline, and it ultimately was resourced and codified by the federal government. What will it take for government to somehow build from the ground up policies of inclusion and equity? And is that what you're working on at the state of Maryland?

GOUGHNOUR: So interesting for those who don't know me but would know me well that I am speaking in this seat. But to your point, I think the first step is creating a law that codifies a different approach, that takes account of -- and if anybody hasn't read the Just Communities Act. I recommend it. It's two pages, two and a half pages, simple in its approach, complex in its application. But it says, the reason we created the Just Communities Act is because people have historically not benefited from public investment due to actions and inactions of the state government in Maryland. It counts, or takes account of redlining, of the placement of freeways, of eminent domain, of restrictive covenants, of all of these multivariate factors that have been layered upon layered upon layered for communities, and it tries to understand through geospatial mapping and data, who's most impacted. And for us to think about an equitable approach for me as always, who needs to be served the first, the fastest, and the most.

So, it is a different approach in that we are engaging grassroots communities, like I said earlier, to become the architects of what a just community looks like for them. Just communities have a significant amount of injustice. And that is what we're working to rectify. The fact that it is at state level, that it's codified in law, that it gives power to the governor to designate, not for local jurisdictions or communities to apply for. It gives a different sense of power that the state is actually working alongside communities for grassroots to grasstops restructuring of society. It's an experiment, so I'm gonna say that. But I have not seen, and I know there is not a comparator, this is a first of its kind in the nation approach to thinking about how the public sector can really catch up to the 21st century to understand its role in all of these inequities and think about not just how do we get right with this, but to experiment with the people most impacted and say, we are committing to this starting on July 1st, 2025, when we roll out the first designations.

And it will signal to the private sector, which to your point, Andre, it wasn't only the government, it was also the private sector working in public-private partnership, also philanthropy, thinking really about non-profits, how do we shift the behavior and the practices of these institutions, for me, is what structural change is about. And a legal approach is, in my opinion, more powerful than a policy approach in that it is more enshrined and it will take more, it will take more to ensure its success, but it would also take more to roll it back.

PERRY: Well, that was great. We're going to move on to the next panel. But in short, I just wanted to say that it will take a grouping of market-based, as well as policy solutions, to end this problem. So I just want to have you thank Cat Goughnour, Gabe Ewing del Rio, and Junia Howell for their wonderful presentation. At this time, I'd like to bring out my colleague Rob to present the next panel.

KNOX: -- following his lead.

PUENTES: Direct me where you want me to sit. Hi everybody, I'm Rob Puentes. I'm the research vice president and director of Brookings Metro. Really, really happy to be here today, really excited for this panel and for this day. This is just a really wonderful celebration of innovation that's happening, obviously all across the country. And as Stuart mentioned at the beginning, here in Washington, this is really important right now. So the work that we have done at Brookings Metro over the years has always been obviously tethered a little bit to the federal, to what's happening here in federal Washington, but all the innovations, all the great ideas are always coming from cities, states, metropolitan areas, and innovators all across the country. So for me, it's really exciting to be here to hear from you all and hear what's going on across the country and for this fantastic panel.

So, it is a flash panel, so they told me to shut up and just get to the point. So I'm going to introduce these three amazing individuals who are rethinking and redefining what home ownership actually means. So, we have Ashon Nesbitt from the Florida Housing Coalition, where they are using community land trusts and pre- and post-disaster, as a pre- and post-disaster tool to create missing middle, affordable, and resilient homes. We have Doug Ryan from the Grounded Solutions Network, who's working to bring accurate tax assessment policies to the more than a dozen states that have community land trusts. And Tamara Knox from Frolic, where they are using a new model to empower homeowners to unlock the land's value and build homes that they can afford, and importantly, keeping the benefits of the community transformation within the community. So I'm really looking forward to hearing from these folks.

So, I'm gonna start with just a question from each of you, we'll just go right down the line and make sure we get it in the 20 minutes we're allowed. So just let's start, tell us a little bit about your core idea behind each of your innovations. What is your elevator pitch, and specifically, what's the structural innovation that's at the heart of what you're trying to do. Ashon, we'll start with you, Doug, and then --

NESBITT: Good afternoon, and I'm from the South, so I'll talk a little bit slow, so I'll try to get this in within the time frame. But Florida Housing Coalition, we believe in permanent affordability, and we believe in permanent affordability primarily through the community land trust model. And the community land trust model accomplishes a lot of things, but one of the things that I think doesn't always talk about is the risk profile. We look at risk in investing and insurance. And one of the things that CLT homeownership affords is through the CLT, through that ground lease mechanism, there's the ability of the CLT as that 501C3 to cure defaults on behalf of homeowners. And so right there, we've reduced the risk profile for a lot of low- and moderate-income homeowners. And so carrying that forward in a state like Florida where we are often faced with climate risks, extreme weather, which really subjects a lot of properties to the speculative market in ways that they normally would not be, particularly in high renter communities where those properties are lost, people sell them, or people that are low-income, they are forced to sell, effectively.

And so really what the CLT does is reduces that. We wanna come in and create stability through the CLT model, put more folks into homeownership, turn more renters into owners, as well as combine that with the climate risk. And so by building resiliently, we've attached a couple of different risk mechanisms. So the risk to the mortgager, the insurance risk, so we reduced those prices. So all in all, we created a more stable home ownership environment for folks and that benefits everyone. More homeowners, reduces the risk profile for a community, increases the value for a community. So everybody's values goes up through that process and so that's really what we're looking to do through this challenge.

RYAN: Great, yeah, thank you. First of all, I'm glad to hear that Ashon's here. He introduced the CLTs. Florida Housing Coalition is our partner in Florida, so it's great to be on the panel with him. So I don't need to get into what CLTs are doing, but I wanna tell you what we wanna do with CLTs and other shared equity models on the tax base. So property taxes are structural. They are the foundation of the financial system for most localities and many states. So we wanna talk about that. So addressing the inequities in how we assess properties is fundamental to doing two things. One is advancing home ownership and advancing home ownership for people of color, particularly Black future homeowners, and two, making sure that tax treatment is equitable in our communities. That's really fundamental. So we heard a little bit earlier about Andre Perry's work on that homes in Black communities are under-appraised. Similarly, they are over-assessed in the tax space. And that, you combine those two factors, that is a double whammy of inequality, and that is something that we need to address.

Why is that important? First of all, it's fundamentally unfair. Secondly, it does two things. It also limits wealth building in those communities and by those homeowners, every dollar you spent in that, in an unequivocal tax bill, you're not saving to reinvest in your home, your family, your kids' college tuition, your business, whatever it may be. That is fundamentally unfair. The second piece is it also adds to the inequity in our tax system. We know that taxes, as I said, are structural. Just one example that may even seem a little outlandish, but it really isn't. The 1890 constitution of the state of Mississippi did a lot of really bad things. It had poll taxes, I think, as everybody knows, that stripped the voting registration from Black Mississippians. What it also did, it used those monies to fund the school systems. That is a tax, an inequitable tax that was used to fund an unfair school system throughout the South and also in other parts of the United States. I think we have to recognize that our tax system was built in an unfair way, but we can do a much better way of moving forward from states and localities that are already doing a pretty good job.

So, and what we have found out is that over a dozen states do not treat CLTs and other shared equity models fairly in their tax assessments. For example, they tax them at the market rate rather than the rate that the family can actually get when they sell their home. That is unfair. We want to make that better and we will get there with help from our partners like Ashon in Florida and partners across the country. Just two examples. The state of Oregon, the state of Vermont have actually done a really good job to make this fair. We think other states can learn from them with our partners on the ground. Then finally, I'll close with this for this segment of the conversation. We wanna be on the ground and talk to policymakers about the value of shared equity homes and community land trust, because we do believe, and we know this can move the needle, advance homeownership, and close the racial homeownership gap. I think that's really important.

KNOX: Hi, everyone. I'm Tamara, so I'm with Frolic Community. I love that you're talking a lot about taxes. My mind goes to -- Well, overview is Frolic both builds cooperatives and then we help other developers, either developers with a lot of experience or new young developers to step in and start also building housing cooperatives. So back to taxes. When a lot of cities are doing big upzones, is part of a lot of conversations we're a part of, which means what used to be able to just have a single-family home on it, you can start to build many more units on it. And so what happens tax-wise for someone who owns that property is, okay, great, the value of my home just really increased a whole bunch, but the assessed value also increased a whole bunch because it is being assessed off of the potential of what could be there rather than what is actually there. And so that means that when you own the home, you're in a very, very scary position where your property taxes have skyrocketed. And we all know that homeownership is also a really scary process because there's all of these unknown expenses that come up that are unpredictable that a lot of people are not prepared for.

And so with our model, so we've built out a development model of a process and then also an ownership structure. And with that, it allows a homeowner that's in a home to take the equity that's inside of their home and then use it as the first kernel of a development process. And if you live in an upzoned parcel, so your property value is increased, you have a whole bunch of potential money there to put towards a development process. But if you don't, if you aren't lucky enough to sit inside of the strange little developer world, you have no way of accessing it. And so often you're forced to sell your home because you can't afford your property taxes and keeping the upkeep, you're losing the value of your home while you can't keep adding more to it. And so with our model, it's allowing, It's allowing a homeowner to really dream and understand the power that they have in that equity that's sitting inside of their home. But then the other part of what we do is able to really pair it with other capital. And so that kernel of capital is pretty close to what you need to be able to secure a construction loan. So it's pretty close to be able to get all the capital you need to make a 10-unit project, which is an incredibly valuable asset. We partner with homeowners, help them redevelop their land, be really a part of the process. But then once the project is built, you have this 10-unit project, which also we care so deeply about design because these are people's homes and also it's beautiful. And so it comes in the ownership structure that we've created. The original homeowner can remain on their property. They can keep living there. I mean, can you imagine just feeling like you have a future in your neighborhood? That's a huge part of what we do. And know that you will financially be able to afford to keep living there.

So a lot of our homeowners, all of their monthly expenses pretty much drop in half once the process is done because then they will own this new unit, which is in a co-op structure, which might feel a little bit odd to folks within the shared equity world. And the question of how do we bring a kind of a different structure of ownership to allow more people to enter into home ownership. So co-ops are also very conventional. If anyone's from New York, it's just part of your rubric of what is a conventional home to own. And so a lot of our work is spreading that out across the country and making it more conventional and known, and then allowing banks to feel comfortable. Because in the end, the lending network needs to feel comfortable to be able to interact with it. And so with the ownership structure that we have, or kind of we're all talking about down payments and how to help more people enter into homeownership and what that means both for financial security in the long run, just emotional security of being in your neighborhood, but then also being able to build wealth. So our down payments are quite low. And then, so about 10 to $40,000 would be the down payments to buy a home in our projects, and often that's pretty close to what it would cost to move in the rental market. And then over time, your monthly expenses are really thoughtful.

So in our world, it's really thinking about the financing, but thinking about it in a long time sense, and thinking about not just the moment that the project is built, but what happens five, 10, 30 years down the line, and making sure that not only the people that are there right now that move in are able to stay there comfortably, but then they're able to also sell their homes, make money, build wealth, and the people coming in are also in a kind, good situation.

PUENTES: So easy, you change the whole traditional development model.

KNOX: Yeah, yeah, it's great, yeah, yeah.

PUENTES: So when was the, what was the aha moment? When were you like, as going through this work, you're like, this is what the structural innovation I need to work on, and that you really got something here. When did that moment hit? I'm gonna ask the same question.

KNOX: There's a couple of different pieces come to mind. I would say National Co-op Bank is one of the leading lenders in co-ops. And they, I think, seeing the degree in which they believed in what we were doing and saw this, that they have so many people come to them and say, I want to build a co-op, I want to build a co-op. I think any lender that works with co-ops receives this, but they're not trained and they don't know how to help. Like, that is not what they're there to do. They're there to lend in a safe way. And I think for me, part of it was seeing them see the potential. And the fact that there's all this money in the market that is looking for places to put it. And there are so many people who have solid, solid middle-income salaries that are trustworthy. But as we've been hearing from different people, their parents and their grandparents were not lucky enough to own a home, so they can't get that down payment. So for me seeing the thirst from the banking industry for this and that it opening up the market.

NESBITT: Kinda a series of things. So we started a CLT certification program working with Freddie Mac. Because they really saw the value in working with CLTs, and they saw these are low-risk investments. The problem was everyone was kind of doing their own thing out there, so they really needed to standardize it. So we worked together to create some standards that all CLTs can follow in order to make sure those loans can be sold to Freddie Mac. And that then opened up a lot more opportunity for folks to get better loans to purchase and get into home ownership.

But a couple of things that happened alongside that, we had some hurricanes, you guys know about that. Going back to 2017, and so we worked with a group of philanthropists down in the Florida Keys. A lot of the low-income workforce was living in mobile homes in the Florida Keys. And so their homes were wiped out, and that opened the door for speculators to come in and to buy those properties, and so. those philanthropists said, you know, our economy is going to fall apart if our workforce can't have a place to live. So they started individually taking their own wealth to buy those lots and put them into to trust. And we work with them to form a CLT on which that they built some more resilience. They raised them up, built it with structural insulated panels. If you know anything about construction, it's basically combining everything in the wall into one piece and building it that way. But that was better, so it created a more resilient structure.

So that was a rental activity. So how could we take that and apply it to home ownership? And so that was really one thing. And one other thing was there's a community in Florida called Babcock Ranch. It's a gated community, upper middle class, the typical thing you see in Florida, single family attached homes. And so when the Hurricane Ian came through, a lot of communities were destroyed, but this one community basically got through unscathed. And so why can't we have that same level of innovation and construction for inner city communities, low- to moderate-homeowners? Why can't we bring that level of innovation to the people that really need it? And so those were kind of my aha moments. And so kind of bringing all that together is what's exciting about this.

RYAN: Real quick, a couple things. One is a member reached out to us and told us what they were seeing in their community when their local tax assessments came through to their CLT. A couple things, one is that their homeowners were not eligible for the benefits that other first-time homebuyers were getting, which is unfair. And two, we're hearing things from across the country what is working, I mentioned Oregon and Vermont, which have really robust shared equity environments. And we're also hearing what isn't working when we're doing our technical assistance work across the country with partners like the Florida Housing Coalition, and also our policy research and development work too at the state and local level. We are hearing what's working, what's not working, what's impeding home ownership and frankly what's advancing home ownership. And that's where we learn and we realize this is something that we can do more with.

PUENTES: These are obviously great practices and things that you work on in your communities. The work we do here is obviously very policy focused. How do you translate the practice innovations into policy reform? Any ideas on that? How do we, as this audience, how do we think about that connection between what you all are doing with your organizations and the policy innovation that needs that to happen? Any thoughts?

RYAN: Yeah, sure. Real quick, I think a couple things. One is, as I just said, we know what works and what doesn't work. And I think we could bring that to policymakers and practitioners across the country. We don't want to go into, you know, Mississippi and tell them what's working in Massachusetts. We want to hear from people on the ground with our partners and tell us what you're doing, your hearing, what you're learning and what you need and how can we be helpful. That's one thing. And then policymakers, I will say this really clearly, is that when we want to talk to policymakers, we're not only talking about tax assessments and things like that. We're talking about expanding the tax base, adding more revenue to your community, but also enhancing home ownership, which makes the community stronger. And we know the outcomes from home ownership. And frankly, after the Great Recession, we lost an entire generation of first-time home buyers. We are at risk of doing this again. We think what we're talking about can help move the needle and help avoid that.

NESBITT: I'll just add, you know, you hit it, you know, what's important to policymakers in that, you know, sometimes that's a local decision or a state and kind of what's important to those. You know, in our state, it really is about, you know, climate risk at this moment. Insurance is really the big buzzword. So insurance now, that's affecting everyone, it's become the great equalizer, you know, what's, you know, it's affecting high-income homeowners, low-income homeowners, all alike. And so that really gets back to this issue of risk. And so really kind of speaking to that and really having the data behind that to say, we build this way, not only is it creating more stability, creating more homeowners, stabilizing communities, it's also reducing our risk profile or has potential to reduce our risk profile as a state. And so that's really important to policymakers right now. We have the numbers to back it up through this.

KNOX: Okay, two quick thoughts. One is for folks out there that are working within land use and changing the zoning in their cities, I incredibly urge you and plead you to think about what is the environment of developers currently within your city that can make projects happen. And if you go out and do the wonderful thing of allowing for more density, which has a lot of benefits for various reasons, but you don't pair it with understanding what is the ecosystem of developers out there, and the type of capital that's out there, then the people that are going to do the development are going to be extremely wealthy developers building what is very, very simple and very, very expensive. And that needs to be thought of.

The second piece is, for so many reasons, consumer protection laws are important. There's -- I had to pause for that. Folks that are engaged with them, I also urge you and plead you to think about how you can create nuance within pieces of the policies. Because as we are here, all of us, and we're figuring out different ways of actually serving people and protecting them, if the policies are larger than what they need to be, I mean, they need to be as large as they need to be. But if they spread out further and there isn't nuance within it or an ability to engage with a nuance on the edges, it will not allow for certain things to emerge, but if you do allow for that, then things could be extraordinarily beautiful.

PUENTES: I could talk to you folks all day. This is such an important conversation. And especially in light of being here in Washington and the narrative that's coming out today, hearing the positive stories, hearing the innovation, hearing just all the optimism is really great for me. So I want to personally thank you for that. Please join me in thanking the panel. It is now my pleasure to bring up Stuart Yasgur for the last panel. Thank you very much.

YASGUR: Great. Hello, everyone. That was a great panel. Thank you so much, everybody, and Rob, thank you for kind of leading that. That was fantastic. So I'm here joined by – I'll give you an order so you can – well, I guess everybody's faces are behind us, but so, Kyle Kamrooz, Bonus Homes; Marcus Martin, Homium; and Vernon Jay, Equity Share. Thank you all for being here today. I'll just mention really briefly, I think, you know, for many families across the country, purchasing a home, owning a home is one of the largest investments that they have. The same thing is true globally, in the global markets. U.S. homes are the largest asset class in the world. Conservatively speaking, it's over $44 trillion of wealth that's tied up in U.S.-owned homes. That said, the financing mechanisms we use to purchase homes, to sell homes, are relatively straightforward, you know, the 30-year standard mortgage we're all familiar with.

You know, one thing that we saw when Andre and I did the first version of this challenge, we saw that there was a new frontier of innovations that were emerging with new mechanisms to enable people to purchase homes, own homes, kind of participate in the equity of those homes. I think what we're going to hear today is a little bit of a glimpse of this emerging frontier. We're now kind of the fourth generation of what those innovations look like. So this is going to be new, I want to warn everybody this is new, this is going to be less familiar, there are going to be some new terminologies and new ideas here, but this is also a really powerful kind of emerging frontier of how we can think differently about using finance to build wealth, access homes, to create new homes. And so with that, I'd like to thank and welcome our panelists and let's get the ball rolling a little bit. Vernon, are you okay to be the first one up?

JAY: Let's go, let's go. So, good afternoon everybody. My name is Vernon Jay, CEO over at Equity Platforms. I've been fortunate to be in the private equity space, mostly multi-family, for the last 19 years, a little bit over $200 million in transactions. I've also spent the last nine years in the blockchain space, just in that rabbit hole, traveling across the world, across the country, learning how blockchain and real estate intersect. I started building my portfolio in 2017, and we started housing families coming from shelters. And it was like a clicking moment for me. I knew that's what I wanted to do. I was able to partner with housing authorities and create guaranteed cash flow for myself and for my investors, but at the same time, I'm actually making an impact.

And it was then when I found this moment where one of my best friends, he's our CTO now, he actually helped Venmo and PayPal build out their blockchain system. And we came up with this concept of the sharing equity economy. Where actually, when you tokenize assets and when you use crowdfunding, you can actually have community members own fractions of those assets so that you can all benefit with the appreciation, with the dividend sharing. And when you have it on the blockchain, everything becomes more transparent, the transactions of the dividends, the keeping clean ledgers of your investors. I mean, everything is just on the blockchain for everybody to see. And I'm excited to kind of talk about that sharing equity economy during this conversation and how Airbnb, and I'll land the plane here, Airbnb, Toro, the, Uber, you know, taking your home and being able to democratize and taking your car. These are all concepts that years ago would have sounded so foreign. So I think the sharing equity economy 2.0 is with the disruption of banks, where communities are coming together and saying, hey, you know what, we have the resources within. Why are we looking for these third parties to come in and provide capital when we have it inside and we can keep the value and gentrify from within instead of without.

MARTIN: Hi, everybody. Can you all hear me? I don't think the mic's on. Okay, great. All right, so Marcus Martin, I'm here with Homium and very much like Vernon, and you'll hear from Kyle as well, I think all three of us and many of the other panelists are really focused on the sharing economy and thinking about the ownership economy and the idea of shared equity. So what Homium is, is a combination, basically, of technology and a deep amount of capital markets expertise. And ultimately, it's very simple. Homium is a shared appreciation mortgage. It's fair, it's transparent, it is not an HEI, it is not a home equity investment. It's very, very straightforward. There is no interest that's charged to the borrower and the only thing that you have to return is obviously the principal that's borrowed, but precisely one-to-one equity of the amount that's borrowed. So again, very simply, $200,000 home purchase price, you need to borrow $20,000. The actual loan sits as a second lien and the only thing you repay is exactly the 20% of the value in the future, assuming the house appreciates, which we all hope it does, that you borrowed. Of course the principal as well.

Some of the interesting components that are very similar to what Vernon mentioned, and I think you'll probably hear as well from Kyle, is the use of technology to perfect some of the operational aspects of what we haven't seen in previous forms of real estate finance. And what we do see, and as we continue to scale our platform, is every home that receives a portion of home equity through Homium, you pool that into a larger, almost like an ETF, if you want to think of it that way, and at scale, Homium, being very clear, transparent, and direct, is actually a new investable asset class. It's kind of shocking, but as was mentioned earlier by Stuart, single-family owner-occupied equity is not an investable asset class. We've seen plenty of homes purchased and then rented back to individuals. But what we're hoping to accomplish at scale is essentially this new asset class where that single-family owner-occupied equity in a pool can be investible with the world's largest pension funds, investment managers, Wall Street, so on and so forth. What's most important to the borrower is it's very clear, it's very transparent, there are no gimmicks, there's no adverse action that occurs during the life of the loan. The second mortgage lasts the entire 30 years paired with your first.

And there's a lot of other interesting components to this, but I'll just wrap it up here. Because of the simplicity of the model, you can see how it can work across the entire life cycle of homeownership. So on the front end, when someone's looking to essentially get down payment assistance to buy their first home, if they're fortunate to own a home, it becomes an equity unlock mechanism that is very fair and transparent, unlike most existing home equity products that we see. And obviously for elderly and for those who are in gentrifying communities, it's an age-in-place or an anti-displacement mechanism as well. Because again, the same math works at the end of life, if you will, or the same math works if you're hoping to not be displaced and the value of your home is increased, you're dealing with increased taxes, so on and so forth, you can take out a Homium loan. And whether it's on the front end, while you own the home, you can use it for a small business, home improvements, or again, at the end of maybe an individual's life, the math doesn't change. Whatever percentage of the value of the home that you're borrowing is exactly what you will return when you refinance to cash out or sell. There's no other mechanism or no other factors to it. It's very fair and transparent.

KAMROOZ: Hi everybody, my name is Kyle and I'm with Bonus Homes. And I think the best way to kind of describe what we're doing is a little story. My father, and this is kind of my why, and in essence the why of Bonus, but my father was an immigrant, bought his first house after being here since 1976, bought his first house 39 years later. And he ended up buying the house for $500,000. And in 2008 and 9 crushed him, crushed a lot of people. He was, he had to sell because he needed to move. He needed the liquidity, he had equity in his house, so he had a $500,000 home, he had about a $100,000 of equity in the house. And my father was in the real estate industry and he knew this house was going to be worth a lot more in the future. And he had no other choice but to sell an appreciating asset. So we sold in 2010 for $550,000, cashed out his $100,000 of equity, used it for life. My dad is 75 years old now, and if my dad was able to hold on to that asset, that house is now worth $1.3 million. So my dad would have had hundreds of thousands of dollars of wealth at 75 years old that, right now he doesn't have a retirement. And that's a problem. And so how many millions of people out there, whether my father's situation where you had to sell the house or people are looking to move, you know, you have a family, your house is too small, you need to get to a bigger house, job relocation. There's a myriad of reasons why we all move. And yet we are forced to sell our most prized possession, which is our home, and by the way, the most predictable wealth generator in human history, right, a real estate asset. And we're forced to sell it just to move. And Bonus is basically solving that problem. And I'll explain more of it as we go, but, that's kind of the story to start with as far as the why.

YASGUR: I think that's incredibly helpful and I think everybody in the conversation gets a sense for, one, how complex some of this is and that this is really new terrain for many folks, but also how profoundly impactful it could be. And maybe if I could ask you to kind of flip and do the counterversion, because I know Marcus and Vernon, in both of your innovations, there is also this kind of poignant human aspect to this, so maybe if I could ask you each to flip and if you could share a little bit of, walk us through the personal experience of somebody who would be using your work, and then Kyle, if you could kind of share some of the kind of mechanisms behind it. Just to change up order, Marcus, do you want to go first?

MARTIN: Yes, sure. So you want me to walk through what the homeowner actually experiences?

YASGUR: Yeah, exactly.

MARTIN: Yeah, so part of the purpose of why I'm excited about Homium is I've spent my career in capital markets and Wall Street, but I started moving towards what we would call impact capital markets where we were looking for ways to use private capital to solve community challenges beyond government, beyond the limitations, frankly, that government has, and beyond some of the inefficiencies of taxpayer capital and ultimately the inability to direct specific solutions to individual homeowners. So when I had the opportunity to join the Homium team, which is now six years in the making, I realized that ultimately our first-mile challenge is creating programs and products that focus specifically on what an individual borrower needs as well as beyond just that immediate need but over a period of time in that individual's cycle of homeownership growth and ultimately wealth building.

So again, back to the obvious point, home ownership is the access point to the ability to build wealth. So if you're an individual looking to buy a home, regardless of where you are mostly on the income ladder these days, it's very difficult. Particularly those that are at lower wealth levels, it's almost impossible. And then when you look at government solutions and there are a lot of great ones, it's often impossible to get the scale of silent and equity investment that's necessary to allow for a homeowner to have the dignity and flexibility to find a home anywhere in whatever locality they're looking at, to be able to move into that home and stay for as long as they would like. So ultimately the way Homium works is it works through partnerships with HFAs, housing finance agencies, works through partnerships with PRI, foundations, impact investors. What we're doing is bringing a new public-private partnership together so that the taxpayer dollar has scale, but the mission is not affected. Ultimately, you're gonna find this product with an HFA and you'll be able to go to that HFA and say, hey, I'm looking at Homium as a solution. You'll be educated to understand that yes, you are giving a portion of future equity away. There is no magic trick. There is no trap door. The percent that you're borrowing today when the home appreciates is the percent you pay back when you sell or refinance and cash out. And that gives you a lot of clarity and it gives you stability and it gives you obviously access to the utility. But what it puts you on is the journey for wealth building. I think it's critical for us to think about that from a market-based perspective versus putting caps on future sales and a bunch of other things that ultimately eliminate the ability to generate true market-based wealth. And so that's a big part of what happens for the homeowner, a bit of my why, and I think a bit of the product.

JAY: On the private equity side, I've seen, when I try to work with my family offices to bring their capital into underserved communities, building affordable housing, we get close and then it doesn't pencil. We get close and then it doesn't pencil. I've seen that happen time and time again because in the communities of color and underserved communities, like we're talking about today, when you go to the bank, the property can have the same amount, 100-unit property can have the same amount of income as a property in East New York, Brooklyn. than it does in Clinton Hill, Brooklyn, but the thing is the bank is gonna say, okay, this property in East New York is worth 70% less, or 30% less, so we can't give you the funding. So I've seen that, and then I've also seen institutional players, large companies owning the majority of assets in underserved communities, and I'm talking about big companies. I think those are fundamentally wrong, right? That's fundamentally wrong thing.

So what we're doing at EquityShare is creating a model where, if you live in a community and you see a $250 million development taking place, you're not just a cog in the wheel. You can actually take ownership. You can say, look, I could put $1,000 into that and own it and own a piece, own a piece of the equity that's going to increase. And when you do that with using crowdfunding, for EquityShare, we're focused on the community developer. So if you look at the Uber model, Uber's main customer is the driver. The end user is the one who benefits from not having the monopoly of taxi commissions and mafia-driven organizations having the say in what car you drive, right? So same with that. If you take the model and you apply it to equity share, our drivers are community developers, diverse community developers who are, because of interest rates getting high, because of construction costs skyrocketing, because of banks tightening. and saying, you know, we're not lending in that community. It's happened to me. I know what that's like. I know what that feels like. It's not a fun thing. And the thing is you don't want to sue because you don't have the time or capacity because you have business to take care of. So we need other options, other options besides banks. And that's what I think everybody on the panel here is discussing, which is having an alternative from these monopolies who have had such a grasp on the capital. And now that we can have crowdfunding with Obama's Jobs Act from Obama's era, where we can help community developers raise $5 million annually. So it's a perpetual thing. Every year, we can help you raise that capital. And then we can have your investors on the blockchain using our equity share system so that it's all simple and easy to maneuver. When you're thinking about FINRA, the SEC, all of that is coded into our smart contract. So it keeps you compliant, it keeps you going, and it gives you that alternative, so.

KAMROOZ: All right, so now kind of a deep dive into the product. I'm a storyteller, so I'll just give you guys an example to kind of walk through. So an actual, we call them Bonus members every time we have a customer, because it is a partnership in what we're doing. So in 2022, we did a batch of homes as we started testing this new financial instrument. And I'll just name this customer. Her name is Edith, but she was looking to move. She wanted to move across the country. She lived in Phoenix, Arizona. She had a $400,000 home. Her agent heard about us through word of mouth. At that time, no one knew about us. So the agent said, wow, this sounds interesting. And instead of selling the home, she ended up Bonusing the house. And here's how it worked. So the home was worth $400,000. Edith owed about, she had about a $250,000 mortgage. And she had an interest rate of 3%. Now that's important. So she has $150,000 of equity, right? So we cash her out of $150,000 of equity, just as if she sold it. It's like a cash offer. She got the cash within less than two weeks. So didn't have to show the house. It was listed, but then the agent was like, well -- and the agent gets paid -- well, I can go ahead and, the homeowner doesn't have to leave the house and wait for someone to walk through and all that kind of stuff. The uncertainty of buying, of selling a home, that long process. So cash offer, $150,000, gave it to her. No payment, no interest rate. It's an investment, it's not a loan. She moved out, moved on with her life. What she did, it's up to her. That $150,000 is her money. That's her equity. Bonus, in that case now -- by the way, she still owns the property. So what we did for Edith is we turned this house into an investment, into an asset. She's now building a portfolio. Okay, the beautiful thing about this is, she never has to pay another dime on that house ever again. And what Bonus does is we manage that property, we turn it into a rental property, we manage it on her behalf, we take care of every expense. So we're gonna rent it out, if a tenant misses a payment, that's on Bonus. Leaky roof, refrigerator needs repair, homeowner never touches a thing. No risk to the homeowner in the sense of having to come up with surprise costs and whatnot. Bonus is now managing this asset, kind of like a financial advisor, managing your stocks and your bonds. Bonus has been now managing this property in 2025. So we did this, I think, around September or October of 2022. So now two and a half years we've managed this property so far. We've had tenants come in. That house since then, and the past couple of years hasn't been too great in home price appreciation, but this house in this area is now worth $470-490,000. And based off of the future upside, Edith has an extra $30,000 of wealth that's built into that home, and she hasn't done anything. She doesn't even know about it. She knows about it because we told her, but she didn't really do anything. It just built there. And that's just after two years. Edith can sell this property after five years. So we have five years to, from five years to 30 years she can sell this property. So time is on our side. This isn't something that we're going to say you have to sell after a certain amount of time. We're not selling this to an institution that says you have to do this and so forth.

So we believe in a long-term hold approach, right? Very similar to Warren Buffett. What does Warren Buffett say? Best holding period is what? Forever, okay? That's what we're doing. Middle America has been stifled, people like my father who have had to sell an appreciating asset just to move on with life. And that's gotta stop. And that's not the reward we should do for ourselves, right? Because if you think about it, wealthy people, they can afford to go ahead and hold that asset. Why? They don't need to get that equity out to put as a down payment or to put into a new home. Well, most people in the communities that we're in, Birmingham, Alabama, Memphis, Tennessee, Nashville, Columbus, Cleveland, Reno, Nevada, Las Vegas, Houston, Dallas, those are just some of the cities that we're in, home values between $200,000 to $500,000, they have to take the equity out. but then they lose on what this future value of this home can be. This house right here that we're talking about, Edith, in the next 10 years, she's gonna have $100,000 of wealth that she never would have had. What can you do with $100,000 of wealth in the year 2035? I could probably do a lot with it. And who knows what happens in life? We all have trials and tribulations. We have things that just happen. And retirement is scary. And what do we go towards? What do we grab? Well, if I have a 401K, which is actually a great program, but I'm not 60 years old, so I can't really tap into that. Well, I have this other thing, but there's a restriction. So we're just almost, look at us as almost another wealth line item in your portfolio to build, to allow you to actually maximize the full value of that asset that you bought so long ago. So that's kind of how it works.

YASGUR: That's great. And I think that the, so, you know, I think there are a lot of challenges for new innovations. It's not an easy space to innovate in. But one of the things that people talk about when we look at kind of structural innovations, the magnitude of the problem is, you know, what is the magnitude of the solutions gonna look like? So can you flash, kind of lift our eyes to the horizon for a moment and start to, can you paint a picture for us? What does this look like if it succeeds? What's the magnitude of scale this can reach? How do you envision that?

JAY: Yeah, I'll get started. So our vision for the next 10 years is to inject a billion dollars into underserved communities throughout the United States. And that's through crowdfunding. That's through making sure that the capital is flowing into the right spaces. And then also getting legislation passed. Where developers should be, if you're getting government dollars, and we spoke about this earlier, if you're getting government dollars, you should be kind of forced to have the community be a partner. You know, we do these benefit agreements, and all this is cool and well and dandy, but what about giving the community a sense of ownership in that half a billion dollar new infrastructure project that's going on in a community? Even giving them the opportunity, because really it's just about opportunity, some people may not put the thousand dollars or the ten thousand dollars in, but if you're making a hundred and twenty thousand dollars in Harlem, for example, and you've got this billion-dollar project that's coming coming under way, I should be able, if my tax dollars are going into that project, I should be able to invest in that project and actually take part in the development of my community in that way. So I think, you know, we're working on the sharing equity economy plan, which would be going into the states and making sure that these, holding these community developers and these developers accountable, making sure that they give the community ability to own.

MARTIN: Stuart, what was the number you threw out earlier in terms of the value? Because you're the academic, I don't want, you tell me what that number was.

YASGUR: Disclaimer i'm not an academic but uh, forty four trillion dollars.

MARTIN: So, what percentage of $44 trillion could convert into a new investable asset class is what the future holds. I think the challenge right now is capitalism and capital markets do not align incentives and outcomes. And our goal is to bring back the alignment, if it ever existed, towards the incentives and outcomes. And at some point in time in the future, a portion of that $44 trillion we think is going to be a new asset class that everyone can invest in. But to start with, obviously, we have to take baby steps. I would just pivot for a quick second and say that there are some challenges, because all of us on stage are familiar with advanced technologies. I would certainly say to the younger people who are in the room and who are listening, if you have a policy angle and you're doing any work on the policy side, make sure that you're also advancing yourself on the advanced technology side. We focus a lot on what we know. Vernon's talking about nine years, 10 years in blockchain and crypto and digital assets and all that stuff. But at the end of the day, it's just new architecture, a new infrastructure. And it opens up a whole host of doors that previous leadership, with all due respect, may not be familiar with. It's not scary. It's actually very efficient. It's actually critical if we want to start closing the racial wealth gap. It's critical if we want to open the doors to the ownership economy. And it is what the future will hold, and the rest of the world is very familiar with it. And so I think we just need to make sure were thoughtful in terms of matching policy, legislation, and technology in a way where we hear about it, but I think for everyone who's thinking about it right now, I think these three organizations represent what could be the future if there is partnership amongst many of those in the room and who are watching to advance the policies, advance legislation to meet the moment where the technology is already gone.

KAMROOZ: Yeah, I would say there's an immediate for Bonus and then in the long term. The immediate is, I don't know, how many of you have heard of the lock-in effect by chance? So if you look at right now, I think 60% of all mortgages in the country have a rate below 4%. 83% have a rate below 5%. There are a lot of people who aren't moving. There are a lot of people who have this low, I have a low interest rate on my house. And, what's interesting is there's actually a study done by FHFA that 42% of the people who have a low interest rate would not move because they're giving up, they know that they have this low interest rate. That is gold. And if you think about, we've never had, and we probably will never see rates like this ever again, we've never had the mass community have a lower cost of capital than the entire government. Who can borrow at 3% today? Nobody. You know who can? Bob and Susie. Edith. Some of you, I'm sure. That is a huge opportunity and Bonus is just basically helping millions of people, in essence, take this once in a lifetime opportunity that they have to be able to lever that low cost of capital to become wealthy in the future. So that's a low, I would say an immediate impact that can, tangible, that's happening right now. Today we're doing that. Our average interest rate on these homes with these homeowners is 3%. So that's a huge opportunity.

And I would say for us, this is my second technology startup and I always remember people are saying, you never can do it, that's not gonna work. No, you're too early and all that stuff. You know, one of the things if you go to our website on our About Us page, one of the very first questions we answer is, this sounds too good to be true, what's the catch? And so we hit the head-on because, you know, this is an opportunity and it's very transparent of what we're doing and, you know, we're just excited to be able to do that. We've got institutional capital, some of the largest investors in the country who invested in Uber, Facebook, Airbnb are backing us to be able to see this and be able to bring this about.

I'll say long-term, two things. One is we're starting to see, ever since 2008, corporations, it's a small number today, but we hear a lot about the Blackstones of the world. We hear a lot about corporations buying houses. That's not good for communities. And if you think about what Bonus is doing, yes, we're turning properties into rental properties, but here's the beautiful part. Edith owns that property, not Bonus. I don't, we don't own it. Edith owns it, it's her house, right? Her neighbors who knew Edith, they know that that's Edith's home. Even though Edith had to move, that life happens, we have to move. Sometimes we have to leave our friends and our neighbors. But guess what? Her neighbors now know that Edith owns that house. Bonus is just managing for them. So, what we want to do is we want to keep homes as investments and build wealth for the people in the community, for those homeowners as well, too. And the last thing is, as far as the impact, again, if you go to our website, one of the things that we did with just 50,000 families out there, just 50,000 homes on an average of $100,000 to $200,000 of wealth created. New wealth, not the money that they have today that we're gonna cash them out. New wealth five, 10, 15 years from now. Which isn't just some. you know, pie in the sky number. It's actual factual data that home prices in these areas will go up. Can't time it, but we know between 10, five, 10, 15, 20 years, Edith is gonna have another 100 to $200,000 of wealth. Multiply that by just 50,000 homeowners, that's $10 billion coming back into the local communities, coming back into those communities as well too. So that's just the immediate impact, long-term impact that we're trying to shoot for.

YASGUR: That is incredible. Well, with that, we're going to have to end this panel. And please join me in thanking each of our panelists. And before you go anywhere, before you go anywhere, we have to make one quick change, is we did not do the picture. So we need to invite all the Spotlight Innovators for the Valuing Homes of Black Communities Challenge to please come join us on stage for one quick photo.

[cross-talk]

YASGUR: Thank you to all the Spotlight Innovators.

PERRY: In conclusion... Yep, go for it.

YASGUR: Thank you. Thank you to all the innovators. Thank you all for having joined us. I think today's conversation is remarkable. We got to see compelling new restorative opportunities to think differently about how we address the history. We've seen new approaches to rethink ownership and, of course, an entirely new frontier of how we think about financing in the space. I think in the current context, we see that there are concrete opportunities for each of us to engage, to participate. Whether we're individuals, thought leaders, policymakers, think tankers, funders, investors, whatever role we play, there's opportunities for us to contribute here today. And that action is so desperately needed as we start fostering this new generation of structural innovations to bring about the change that we all need. So with Andre, with that Andre, would you bring us home?

PERRY: Yeah, and I just want to remind people why we're here. We want people to invest in their communities. If you're in southeast DC, if you're in Homewood, Wilkinsburg, if you are in parts of Miami, if you're in Gary, Indiana, there are ways to invest in your communities. And so this is just our effort to play our part, but we cannot do this alone without the wonderful support. of funders and innovators throughout the ecosystem. Just to name a few, Progressive, JPMC, CZI, and others who really contributed. But more importantly, there are everyday people contributing to their neighborhoods and not getting the value back. And so our goal is to restore the value that's been extracted by racism. and we will continue to fight for everyone. So with that said, thank you for coming and we look forward to the next round. Thank you.

YASGUR: Thank you.