



CITY OF CHICAGO • OFFICE OF THE MAYOR



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**MAYOR LIGHTFOOT LAUNCHES COMMUNITY WEALTH BUILDING
PILOT PROGRAM**

City issues the first of a series of Request for Proposals (RFP) as part of new \$15 million initiative to promote shared ownership

CHICAGO – Today, Mayor Lori E. Lightfoot, the Office of Equity and Racial Justice (OERJ), and the Department of Planning and Development (DPD) launched the Community Wealth Building Pilot, a \$15 million program to create opportunities for low-income residents to build wealth through shared asset ownership. The pilot program, supported by funding from the Chicago Recovery Plan, will address access to business ownership, home ownership, land stewardship, and commercial real estate.

“The COVID-19 pandemic exposed how a lack of wealth makes residents more vulnerable to economic insecurity and instability,” said Mayor Lightfoot. “In our recovery, I am committed to piloting new and innovative models of economic development that provide more accessible and sustainable pathways for our residents to build generational wealth and stabilize their neighborhoods.”

The City of Chicago defines Community Wealth Building (CWB) as an approach to economic development that promotes the local, democratic, and shared ownership and control of community assets in order to transform our economy to be more sustainable and just.

Many of the City's economic development initiatives aim to grow individual or household wealth, often defined as what you own minus what you owe. For many low-income and low-wealth residents in disinvested communities, building wealth through traditional models of individual asset ownership is often inaccessible. Community wealth differs in that it refers to the *shared* wealth of a group of households (not the *sum* of wealth across households). It refers to the assets a group of community members own and control together.

The City's \$15 million pilot program will invest in four specific CWB models:



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- **Worker Cooperative** (*Business Ownership*) – Business owned & democratically controlled by its employees, rather than by one owner, several partners, or outside shareholders
- **Limited-Equity Housing Cooperative** (*Home Ownership*) – Housing owned & managed by a cooperative made up of low-income members who each purchase shares at below-market rates
- **Community Land Trusts** (*Land Stewardship*) – Organization governed by community owns land in perpetuity while residential and commercial tenants own or rent the structures atop the land via a 99-year ground lease
- **Community Investment Vehicle** (*Commercial Real Estate*) – a legal investment mechanism that provides collective community investment in neighborhood assets based on shared development goal(s). In its perfect form, it is majority-controlled, majority-owned and designed by residents or local members

The Community Wealth Ecosystem Building (Community WEB) Program will invest in the CWB ecosystem, the interconnected network of advisors and organizations that provide the education and technical assistance necessary to start, sustain, and scale CWB models. Grantees will provide services in one of six categories: Education & Outreach; Business Development; Legal & Governance; Financing & Fundraising; Assets & Operations; and Research & Advocacy.

“Community Wealth Building is both a tool for building financial wealth and self-determination.” said Chief Equity Officer Candace Moore, “When historically disinvested communities gain ownership and control over the assets in their community, it builds pride and power.”

Today’s announcement takes place approximately one year after OERJ hosted “Community Wealth Building: Strengthening Chicago’s Ecosystem,” a virtual convening that gathered hundreds of Chicagoans to identify and strategize around the strengths and opportunities of Chicago’s CWB landscape and build a roadmap for the future. Since then, the City has supported CWB models through its Equitable Transit-Oriented Development pilot, Community Development Grants, Housing Cooperative Preservation Fund, and more.

“Through this historic investment in Community Wealth Building, the Department of Planning & Development is excited for more residents on the South and West sides to have an ownership stake in the businesses and property in the neighborhoods, allowing

communities to benefit from the local growth and prosperity,” said DPD Commissioner Maurice Cox.



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The City anticipates releasing additional Community Wealth Building RFPs in early 2023. Future RFPs will likely provide pre-development and development grants for specific CWB projects. To learn more about the Community Wealth Building initiative, visit chicago.gov/CommunityWealthBuilding. The deadline to respond to the Community WEB RFP is November 1, 2022, at 12:00 PM.

The CWB pilot is part of the Chicago Recovery Plan, the City's plan to amplify once-in-a-generation federal funding to create an equity-based investment strategy to catalyze a sustainable economic recovery from the COVID-19 pandemic. To learn more visit chicago.gov/recoveryplan.

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