

Community and University Podcast Series

Interviewee: David Palmer and Tony Willis

Interviewer: Emma Gilbert, REI Research Assistant

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Emma Gilbert: Hello, and welcome to Community and University, the MSU Center for Community and Economic Development podcast aimed at providing outreach to both community members and students throughout the state of Michigan. The Michigan State University U.S. Economic Development Administration University Center for Regional Economic Innovation's (REI) mission is to stimulate innovative economic development in the most distressed communities within Michigan.

The **REI University Center** embraces a culture of regional collaboration and knowledge sharing between economic development professionals and committed scholars. The Center's model provides responsive community engagement, strategic partnerships, and collaborative learning to support the creation and identification of innovative tools, models, and practices to increase the number of small businesses; create access to job skill development; improve public infrastructure; advance high-growth entrepreneurship, and; encourage global competitiveness to strengthen underserved communities and historically excluded citizens.

The REI **University Center**'s most recent award focuses on four key pillars of community and economic development that together will build up the resilience, sustainability, and equity within the communities in which it partners. The four pillars include, resiliency planning, financial resilience, circular economies, and 21st Century communications. The **University Center** will work with community partners to address these themes in Michigan Economic Development Corporation's identified Redevelopment Ready Communities containing opportunity zone census tracts and/ **OR** large concentrations of ALICE populations—or those who are asset-limited, income-constrained employed.

I am Emma Gilbert and I am one of the hosts for Community and University. Today we will be spotlighting two of the REI center innovation fellows, David Palmer and Tony Willis. David is working on a project entitled, "Growing a Well-Functioning Homebuyer Ecosystem for Low-Median Income Detroiters". Tony is working on a project entitled, "Exploring Communal and Cooperative Investment Models for Lansing". Together both these projects aim to build financial resilience in both Detroit and Lansing communities. Innovation fellows provide on the

ground support and coordination to move these concepts to actions implementing new economic development tools, models and policies. Welcome to the CCED podcast David and Tony!

Tony Willis: Thank you for having us!

David Palmer: Good times, thank you!

Emma Gilbert: So I know both of you guys were previously on a podcast with the REI Center. Today we're kind of transitioning away from focusing on your individual projects, but more into identifying the intersections in the work that you guys are doing, especially with regard to building a financial resilience in two different communities, but identifying those similarities and differences in which you've encountered in the progression of your work. And so today's conversation will highlight what we will call the democratization of financial resilience, and I'd like to begin just by understanding what democratization as a term means to each of you. So Davor or Tony, do you want to start us off?

Tony Willis: Thank you David, I guess I'll jump in here, so when I hear the term democratization in relation to economic development tools and programming. It kind of talks about from my angle. And the title of the project is the communal aspect where the community has ownership and governance of the resources to help build the prosperity the community deserves and the community believes it needs to have. And so that's where I come, or I believe where democratization fits in my project when it comes to first line of that space and we'll talk about how both the worker owned cooperative as well as the Community investment trust models relate to that further, in this conversation with developer here, David's and his thoughts on that.

David Palmer: So democratization of financial access and resources, I think, also encompasses the fact that. If everyone has equal access, then the opportunities and challenge matrix changes. Currently, because not everyone is banked or bankable, or because the investor class typically reaps the investment and the rewards, the community is oftentimes left out of those opportunities. So the Community investment trust model the Tony just mentioned is particularly interesting when you're looking at redevelopment of Geofenced area, so a neighborhood or entire city or region, if the residents of those communities gain financial stake through a legal vehicle like a trust. Then there's opportunities for more folks to benefit than just the investor class that typically comes in with a plan, executes the plan with some or nominal community input, and

then benefits the financial rewards of the plan. So it turns economic development measures, as we typically understand them on their head a bit when you can't run through a “simple algorithm”, what the economic impact in air quotes would be for the Community, because you're not really considering the whole community, you're only considering the limited inputs from the investors and the public sector that is subsidizing. In many cases, the investors to put a number of jobs or a building, or a series of buildings at post.

Emma Gilbert: That's wonderful, I think you guys really nailed what democratization means to you and not just to you, but into the planning profession and the community and economic development profession in general. Have you understood from your perspective why this democratization has been maybe on the forefront more now so than it has been in previous years? What might be the motivation behind planners in really trying to drive that point home now than previous to the pandemic?

David Palmer: I think if you want to talk about equity and opportunities and equal protection for addressing resources, and you want to do that with a strict face, then I think you need to be considering the broader participation of the community in these investments, because ultimately we're oftentimes talking about public investments in resources and those resources are not available to the public except in sort of nominally legally defined ways. So, for example, if you're talking about investing in a in a sports ball stadium, then you know 10s for hundreds of 1,000,000 or even billions of dollars can be invested into those things, and economic developers have traditionally said, well, it's going to attract all these people, and there's going to be this roll over to small businesses. But the folks that live in the neighborhoods deal with the traffic they deal with people, not from their community, using their community as a playground, and all of the benefits and negatives that come from that. And ultimately you have sports ball players who are receiving 10s or hundreds of millions of dollars in compensation, from the receipts to gain entry to the stadium and the TV. All these things that don't necessarily benefit communities that are even directly adjacent except through this theoretical exercise of the number of people that show up to a bar or restaurant. Which is important. But it doesn't fundamentally impact the neighbors unless they happen to be a waiter or a waitress or a small business owner, and even then that impact is limited to the 10, 50, or 100 engagements a year that occur through that facility so.

Tony Willis: I think that is that's definitely one of the main drivers there for why this type of democratization is happening in the space. That inequality and knowing where values are the value is and the access to that value is not had by the majority or many, especially in certain demographics that has been more prevalent or at least top of mind now in conversation that has been a years past. I think the pandemic, you know the celestial bodies aligned where additional awakening took place and What's going on and how other folks couldn't deal with pandemic as well as other people did, and it hurt a lot of people. The majority hurt. Some people prosper, right, in this space, but people that hurt the suffering wasn't equal suffering that some groups in cities and communities that were hit extraordinarily hard. Then why is that you know this thing across the showed that not all cities are treated equally? Not all communities are treated equally and then. Who decides, how those resources are distributed right? And who really has that community's best interest at heart? And if it's not attached to the local level to those that live there, and reside there on a day in day out basis not only just come in for the conference or come in for work and commute out, do you actually live there? If they're not really the powers that can decide when there's something's going wrong, and I think they would perfectly allow time for investment skews heavily. The amount of involvement, amount, direction, program grows and normally a lot of folks in a lot of communities are not making hundreds of thousands dollars anyway. The median income in America, \$67,000 right? And that's the median, and you know there's a lot of folks that are less than that in that space as we understand how dollars show and dollars, create leverage. And unfortunately a lot of these communities don't have that leverage, so a long winded way. I think we're all those things combined and created this additional need as saying local control and authority, and at least the voice to be had in the process.

David Palmer: Yeah, so with the research project that I have going on, there's an investment being made by taxpayers in the city of Detroit to rehabilitate about 1500 homes and those homes all happen to be in neighborhoods with very low probability that they will gain a mortgage to be purchased. So normal humans looking to buy a house are not likely to be people that are going to be purchasing these properties, if the system continues as it is. By extrapolation supporting the investor community through tax subsidies, and in this case hundreds of millions of dollars that were bonded by taxpayers through the city. And if we want normal humans to get access to those properties, IE democratization of capital and public investment then we need to have programs and indeed interventions that allow for that marketplace to be established, because the bricks and

mortgage lenders and online lenders of the world are very, very unlikely to make a loan to a median income. Detroiters who's making 30 to \$35,000 a year in their household to renovate a home that the city has already put in place. So just because we've always done economic development in a certain method, doesn't mean that, that can't change to be responsive to the evolving needs of the community, and the democratization of access to capital through community capital, impact investing, and indeed leveraging the once and three generation opportunity we have with the ARPA investments that are in our communities. If we don't think about how to do that in a very specific way that benefits our neighbors. Then those dollars will be peddled away through program management consultants and limited impact projects. That will come to fruition over the next couple of years, so it's a rare window of opportunity to influence the way that capital is distributed through the public sector to actually benefit the public, rather than a very narrow band of investment class organizations and individuals, which often very often happen to be the wealthy Caucasian class in this country. So if we want to make sure that dollars and investments further the communities of color. Then we need to engage in those communities and determine what those communities actually want on the ground versus what they're being told by the political and municipal management class.

Tony Willis: Yeah, I want to jump on that for David, I love how you said, "The way as the profession of economic development must always keep its finger to the post of the community and the local economy and the tools that work at that generation are at that point in time, doesn't mean there will always be the same for right now." You know the game changes and the change is the only constant here, and whether it's us changing it or it's been forced upon us some way, you have to adapt. You have to, you know, step up and meet the need and meet the call of duty at that point in time to do the job and profession is justice for the community, and give the respect they deserve in that space. Along those lines, when we think of how the wealth building mechanisms of America and this word kind of comes in mind in my project both when ownership of real estate and business. The entity or the organizational structure of business are both major, both generating asset classes that for the long period of time in the United States history black people have not been able to actually participate in, especially the housing market, right? And there's been tons of physical data, and evidence that show him the long standing effects that has, from the GI Bill and the lack of black people being accepted or approved in that space, and that was as, you know, one of the, boosters and boosters of the economy because

you're home continue to grow in that home is now owned and then like we were allowed to buy homes, it was in certain areas, right? You're only allowed to buy homes in the area that the system allowed you to buy homes in. It wasn't a free for all and yeah, you could buy a house in this location, net to the plant next to the pollution. And that was the right thing? You can get to work early on time because you live right there, it sounds bad, but that's that is the case as we know, and it's kind of like if you say like there's like, wow, that's a part of it. And then when it comes to ownership the game is already is being played. The Chess Board is already emotional and I'm already playing a game and it's already in motion, maybe chess is not the best option, but whatever game we're thinking that there's characters in the board and there is things happening and the hands are already being set and I say, " hey, I'm going to jump in the game now, where do I start?". The playing field is no longer the same as it once was. Once you started, you have to think of how do I interject new tactics to allow the new participant a chance to participate in what's already taking place? If not, why even bother is just lip service. You're just there for cannon fodder at that point. If we really allow you a role or special car to flip, that will make you jump 20 spaces or it has to be something there that makes it even worth it to get into the game. I look at the Community Investment trust model as a way that the community, not just tied to the black people, but the community of maybe an impoverished area best by our lack of invested area of the community can own a property, and own a piece of commercial real estate that can be a wealth building tool. And also they can help control and dictate what goes in that space. You know, maybe they don't want another payday advance loan space or another liquor store in that community, like those were things that you don't have to be there. That's very generic, but you go to a lot of strip malls in their locations those are prevalent, right? Then the worker owner succession planning is that a lot of employees might not even think that they are in a position to own a business, and but they if they do the job and do the job for over a decade or years and years. You know your job and have a good understanding what's going on in the business itself. How can we position that where they can have a succession plan? collectively take ownership out of from the current owner. Cause, just like most Americans, most businesses don't have succession plans. What happens when I'm really ready to, retire right. Both these ideas and projects here are really grounded in getting folks the access and to both generating tools that many folks have been denied access to, and others might even think they can achieve that.

David Palmer: So building on the game analogy is imagine you're a player that comes to a game of Monopoly where all the properties are already purchased, but if you expanded the monopoly board by 30 or 40% and then put new properties in place, and those properties were first targeted to folks that didn't have assets in play, then I think you're talking about inviting players to the game that they're going to be however many steps behind players that were already in the game. But now they at least have a way to get their foot in the door to establish a stake and earn resources off of the new properties that come on to the board. So if we're talking about the project that I'm working on in Detroit, where we're focused on 1st further developing the home buyer education system to allow for more thoughtful data collection and braided resources for program participants, from the perspective of the education provider who is themselves under resourced in in the game, and then all right. So now you've got educated homebuyers creating a demand metric for a resource that has very limited availability. So in this situation, the resources limited available is move-in ready single family homes whereby investments have already been made by the public sector into bringing some of these homes up to speed. So getting them finished has traditionally been will throw it over the fence to the investor class for whatever they're willing to pay for it " market rate". The intervention would allow for nonprofit community development organizations to gain access to those properties bring those properties up to certificate of occupancy with new furnace, new kitchen, new bathrooms, flooring. So who's going to do all that work? Well, we have an awful lot of resources available for workforce training programs, and we also have a deficiency of folks that know how to leverage skilled trades as their point of employment. So you begin braiding in these additional public sector resources which are going to get spent anyway, why not focus it on a program that allows a pathway to homeownership for individuals that invested time, energy and dollars into becoming more informed about how to participate in that process. Because example, when I list the home for sale in the city of Detroit, I will oftentimes geofence social media advertising to about 1/2 mile radius around the house. Most people move less than 10 miles to their new place of living, so I want to be able to try to advertise and communicate directly to the neighbors that are adjacent to this house who may be interested in buying a home and their own neighbors. 95% of those communications that come back to me ask me if there is a land contract or a rent to own option to purchase this property. And as I sort of ask questions about why that would be, their preferred method of acquisition almost inevitably the answer is, I can't get a mortgage because of

list of reasons and those reasons are essentially that not that you can't get a mortgage, it's that you don't know how because no one in your family has ever had one, and the only means to acquisition that you're familiar with are these payday lending for home purchases, IE, not friendly land contracts for the buyer, or rent to own schemes which are really leases .That include a very long opportunity, like hitting the numbers. If you play your daily for you know once every 25 years you'll probably hit your numbers right? But in this case you're playing that high stakes gambling opportunity with where you live. So if these resources became acquainted, available, and socialized within larger communities that don't have access to these resources, and this is one way to expand that game board to allow for opportunity in areas where the public's already investing and you know you have a demand established for obtaining these opportunities. And when you look at it and do just napkin math over a 30 year period. The \$250 million that would be invested into building a factory that might yield 5000 jobs, but will probably only yield 1800 jobs, is one way to go about doing it from an economic development perspective or do you provide opportunities for home ownership to individuals who that would be paying about \$7000 less in mortgage versus rent? And over a 30 year putting \$300 million into the pockets of your neighbors rather than a multinational corporation that shares its wealth with its shareholders.

Emma Gilbert: Very true and to our point, not just people in Detroit, for example, not having a family member who's ever gotten a lone, but also building those social networks that are extremely important to understanding what opportunities you do have to increase your you know economic position as an individual or within your family in general.

David Palmer: A quality education is directly correlated to an established and growable social network. Is, I think, an awful lot of people network their way into better jobs throughout their lives because of the access to social capital that is earned through primary secondary and post-secondary education. Not having those access points, you know, denies you the ability to learn from your parents around the dining room table about what it takes to make the mortgage payment every month, or to be at a social event or a golf outing, or whatever. The person that's in front of you that can do the thing that everyone's looking for a resource for gets that opportunity. It doesn't get posted to indeed.com, so these are the types of pathways that ultimately build capital and democratize access to information and resources in communities. Regardless of their color palette

Tony Willis: You just don't know because you just don't know, and really you just don't have access to that if you wear that education puts you in a position you're the first person to go to college, right? In your family. Now you're in a room with other individuals who might not be the first person to college and you're hearing from their experiences. You're like, hold on what's going in their lifestyles this way, and his lifestyle is that you glean information from that social, that social network that you have there in real life, and you bring that home like I think well we've be doing this wrong. We could be doing it this way, or I heard this works over here, and because you're now introduced and exposed new concepts that just weren't there for you at point in time. You know? I mean, it's like, ah, that's how you do that. You mean I can just refinance this support equity out of my car and pay for that stuff? Getting a whole other unsecured loan? I could do that? That's never. That's not a thought. Some folks and across the board I can actually own a property or my credit score. You know, people have that fear of things and it's like that more knowledge helps to elevate the fear of the unknown. Access to the social capital is definitely part of that big time. I just want to say that, Dave, that's a brilliant thought and that should be noted for sure.

David Palmer: So democratization of access to capital is not just cash money, it's goodwill, it's social networks, it's the connections that we have in society that allow us to navigate the ups and downs that everybody goes through. So in going back to, you know Tony's project where he's looking at a Community investment trust and land city. Organically, we're looking at the same thing in Detroit, so I'm working with a large group of community development organizations and others applying for United Way of Southeastern Michigan Grant, whereby we're looking at a neighborhood called East Chadsey Condon, which is a small subset of the Chadsey Condon neighborhood in Detroit, and there happens to be about 1000 vacant lots or properties. In a fairly small area of the city, but the neighbors that are there, we all believe should benefit and have strong input into how their community becomes redeveloped due to its proximity to some pretty major investments by multinational companies in the city. Eventually the investor class will see large tracts of land and want to put in market rate condominiums and single family properties. That is just the way the markets work when there is demand and opportunity and the performer shows that they can make some money, as a real estate broker, this math is pretty straightforward. But if the intervention occurs before all that gets gobbled up by interest groups and the community, then they become an owner in their own opportunity, then perhaps the

community could literally benefit from those investments that turn into new housing and could also prioritize the purchase point of some of these properties so that it becomes accessible for neighbors rather than folks. It's a lot more resources that are probably coming from somewhere else, so this model of looking at Community investment trusts is one way to allow neighborhoods to a stronger right to self-determination rather than having to show up in a reactionary fashion to a planning committee or a zoning board of appeals, or a whatever it is where lawyers show up on the side that wants to do something in normal humans. Show up with limited 2 minute talking point opportunities to public bodies that are about to dramatically change their way of life.

Tony Willis: Yeah, that's a lot right there David. You put that because that private corporation entity is paying somebody a large amount of money full-time to do this work while you are a community member working family. This or that and now you got to jump in here and say whoa, what's going on at that point the ship is already left and you're now, you're yelling like whoa, they might put the anchor back down. The best thing you can do is hope and pray somebody might be conscious enough to say "Mike, let's think about that for a second", but that's a low probability chance. I want to say this when it comes to furthering the point. It's all about individuals having that self-determination in the community and seeing it grow into a way where they can live out, they as the current residents, can see a growth strategy where they are winning as well, right? Not being displaced, not being put out or being brought out for something that's not really the value to only be marked up traumatically once they are out of there. You know it has to be looked at where people can who are currently. There can grow and thrive and see opportunities for themselves, and we think of the Community Investment trust model in our area is mostly advancing community. We think of...there's a number of spots on South Lansing here. Logan Square is a big commercial property. It's like if you have a Google Maps, it's a giant concrete slab, massive, its literally a massive strip mall.

Emma Gilbert: For listeners who maybe aren't pulling up a picture of this location. It's pretty much like a more leaning towards like a vacant strip mall at this point, correct? With a large parking area.

Tony Willis: if I were to guesstimate how many, maybe 12 to 25 acres of concrete and spaces. You know, in my mind of how between the property itself and the asphalt concrete parking space. So like I said it's a large area and majority vacant, but as we mentioned earlier, this part of

somebody's portfolio management of other properties, that person or company that owns the property doesn't live here, that's out of sight, out of mind, and if this is not performing is really hurting me that much that we're going to put in effort to it. I got other properties that are performing better. I deal with that one deal, and then while the local residents, that happens have to deal with it on a day to day basis... and I think, it further goes to the point that we have to act in a way that is probably moved because it is once generation, as David mentioned. You know I was having maybe three to four times previously of United States or this much money influx has come at once by the social climate as well as the political backing. There's kind of going out of alignment now think they're hiding. By mid 2020, like early 2021, but the time is still now to engage in this space. And there's always still be both. We should still look to attract the big projects that you know, has well equally, been put in the effort of growing the local communal infrastructure to create prosperity on a local level in that space.

David Palmer: So small businesses and small investors drive this national economy despite the attention that the Fortune 500 or Fortune 100 Fortune 50 received. They have disproportionate influence on the narrative of how dollars are invested expense, so when we think about previous REI projects through the center, we've looked at community capital. We've looked at impact investing. We've looked at a whole range of democratization of investment vehicles because about 97% of all of the investment dollars that are put in our retirement portfolios go straight to Wall Street. Right, so if you imagine peeling off one, two, or three percent of the endowment of Michigan State University, or the University of Michigan, or the Wayne State University, or the Michigan Pension Trust Fund, or the Natural Resources Trust Fund, you know a 3% kill, off of those billions of dollars would yield \$1.1 billion an opportunity to invest in our communities. So these are the types of opportunities for democratization to occur because really normal human investors like us, I will presume that none of us have a net worth over \$1,000,000, and that we would be amongst the investor class that goes to a retail investment advisor to tell us how to split up our portfolio, and send it all to Wall Street. Well, if we had community capital options whereby there were a secondary market to trade in the purchase and equity options within small business communities. We would then begin to circulate our dollars more locally, so using cooperatives as a vehicle for succession planning will work for a slice of the business community. Another slice of the business community may be able to sell their shares to Jane, and Joe, and Dichondra, and Jimmy within the community who want to invest in the local mechanic

shop, or the bakery or, the software startup. So making these options available in the market place is really what the REI centers research and their fellows have been focused on for a number of years, and the projects that we're working on now I think begin to look at operationalizing solutions based on the more theoretical frameworks that have been, you know, written about, and filled the shelves in our library. So thinking about how to, you know, democratize access to investments, capital real estate, business ownership, etc. Is really where our projects are going, building on the progress that have been made by fellows previously.

Emma Gilbert: I mean, as you previously mentioned in a previous comment and just now. Traditionally, you know community engagement has been a core feature of planning, and not just planning in theory, but planning and practice as well, especially at the municipal level. But how does democratization or the process of democratization really go beyond the efforts towards community engagement that are traditionally seen in exercises like creating a master plan or community visioning exercises for creating a corridor? Improvement Authority, for example, you know what makes the actual outcome of these democratization processes different than simply asking for you know community input? Not just community input, but you know actually having an exercise where they engage in creating the idea that will eventually be implemented.

David Palmer: So the proof will be in the long so the proof will be in the long term wealth accumulation. So ancestors that look like me got subsidized to leave Detroit and other urban areas to move into freshly built suburban homes and communities that ancestors that looked like Tony didn't have an opportunity to buy. He mentioned that earlier, the simple fact, it was called redlining steering blockbusting there's all kinds of terms that were tried and true from the federal government, the real estate community, and the lending community that separated resources, in a apartheid light. Implementation in the Detroit region, the Lansing region and really urban communities around the country does really drive a stake into it when the Interstate Highway systems were built, almost all those highways got built right through black and brown communities, so more displacement the land owners of those communities were folks that were Caucasian and they benefited from the sale of the property to the government or got opportunities to build new developments for the people that were displaced who also didn't have ownership. So when we think about the democratization when the dollars start circulating locally and normal humans who are assumed not to be a part of the wealth building conversation are now included and start to earn incremental improvements over time. Then the chart for

Caucasians after World War II and intergenerational wealth transfers goes slightly upwards and dips a couple times through recessions and then recovers and keeps going up. Where everybody else stays at pretty low and then falls off and then maybe it comes up a little bit but keeps going downward. So when those long term trends start shifting because folks are making improvements in their lives off of the access to opportunity capital real estate, business ownership, etc. Then we'll know we'll be successful. So just like anything, if it's in the budget and you're measuring the outcomes that you want to see in your budget. Then we need to be measuring outcomes to benefit communities that have traditionally been locked out of opportunity.

Tony Willis: Yeah, I think it was a great question Emma, and great answer there, David. You're right, community engagement happens often. Right, let's hear from the community, and what does what does that tell us that we're only hearing this mean? We're going to have to listen? We're going to proceed from here. Get some type of understanding maybe..

Emma Gilbert: It's more like a yes, maybe a facially kind of beneficial type of program and in terms of community engagement, but the actual outcome is truly not.

Tony Willis: Should be community based decision making, right? That's where we are not community engagement. Yeah, we've engaged them. If I play with my kid, I'm engaging with my kid, but doesn't mean he's going to impact, what I decide to do that night. I'm engaging with what we're going to do, right I'll say way of engagement, but I'm still going to pick the mini out and make this. That's why I feel like a lot of happens here, we'll engage them. Your voice is heard. You know, we're talking to you, but all right now it's time for the big kids to pat you on the head and the make the call.

David Palmer: Choose from the three options that we've already predetermined are palatable for us, right? And then now you've had your input now do we want to go back to direct democracy and have votes on every single thing? No, that's not practical or reasonable, but I think we can look at legal and commercial vehicles to be inclusive of areas that are seeking redevelopment, especially if those communities have traditionally not been at the table for opportunity.

Tony Willis: There's so many ways and it's all about being open it up to the possibilities, right? To try something and see where it goes. That is the human condition. Humans create a lot more things. All the factories and the pollutants were trying to figure out how to fix now to. We create more things and we think of the solutions after it affects us. "Oh now we got think of solution to it". I feel like from that vantage point if we are talking about real community lead decision

making or incorporated thoughts. Let's break that down, alright, here are our main officials, that's one thing. Here are other project leads here are these organizations who from this community, from this zip code, this neighborhood. Who's being heard from that specifically? Somebody in that realm, right? Who? And not someone who used to live there. You know ,that's the thing. Yeah, that's the past you, the current you is not there, right? Who's currently in that space right now? That can be that voice and then not just that person. But number of folks. But that person has a position to really push change this where that way where the entire group must understand and see what's coming from, and that's more aligned to actual decision making than just the engagement. Do you think this will work out well? I was like, yeah, because I get it, not everybody has a vote in that space. Maybe in the future we can technology might take us to a place like that.

David Palmer: If we had instant run-off voting to solve for the duopoly system of tribal warfare that manages our politics, then you might be able to get to that point.

Tony Willis: But that's the fact, though. Those are. I feel like as things progress, we have to be progressive within our tools or operations to meet the need as community changes. And as you said in the monopoly board how do we spend, and let other people that had that had entry access have ability to catch up and play the current board game at the current status? As it is right now.

Emma Gilbert: So I think one of the things we haven't really talked about, through this space is how politics are involved in this process. Now we're all pretty fairly aware that things have to be politically... they have to seem like a benefit to the political body in which governs either the main municipality, or like a smaller unit of government like the for example, a corridor improvement authority. Just that's off the top of my mind, but there is always some kind of governing body over the larger decision making processes like you previously talked about. You know how do we get people in the door in order to not only engage with them, but to actually include them in that process so. How do we move beyond truly, you know, inviting people to make a public comment for two minutes on an issue like this, but truly involving them and listening to them, not just or not just listening, I should say, but you know, mobilizing on their feedback in terms of what they want because that is definitely something that has been a political issue and will probably continue to be a political issue, but there's got to be some kind of in road to breaking down that barrier in politicians that don't really truly want to incorporate community members input in their decisions.

Tony Willis: In order for it to be here, we need these three things to be prioritized as a communal investment in this space. Then whatever, like the official has and has the mandate or standard that that demographic needs when it comes to dealing with the project. The EDO does this, the chamber, whoever is involved. These are our standards this community here and when you say it in that grant, then that opens opportunity. You say, "I can't have this project go through without these things being met". And then the corporation or the project says, "well, I'm not sure about that". Then we work on negotiation, and the community, they have a real say on how much the community wants or values, those standards versus having this elected official who doesn't really know, because they're elected for a large swath of the area they're oversee. And that's a lot of different neighborhoods, have different desires and needs and wants, and really have you know that localized level this community needs this, and if you want this deal to happen here for this party to take place, we need to either meet these as is, or I need to follow that community and say, "hey, they want to do this project but can't do it because of these things here and then the community can determine if they want to negotiate or not to some degree.

David Palmer: So if I solve for lowest common denominator for question, which is essentially, the politics that overlay this situation, there's I see three buckets. I see the political class, I see policy and local implementation, and then I see vehicles that interact with the first two. So from the political side I'm not aware of any corporation or entity in the state of Michigan that has a \$60 billion budget where you can have no more than four years of experience to be the key decision maker. That is the Michigan House of Representatives and the Michigan State Senate is similarly inclined, with very short time span, very limited experience, and very limited depth into many policy carriers. So that bucket can be changed through the state constitution through direct action and then organic legislative changes. And the policy bucket in the middle is the policies that municipalities and local entities or quasi-governmental organizations interact with to do business. So the EDO, that was Tony mentioned is economic development organization and there are EDO's all across the state with different geographies and focus areas. You have local clerks and municipal structures or townships or counties, and they have zoning ordinances and investment trust that becomes the land owner of a particular area and the trustees of that trust happen to be the neighbors that live within the community. Now they are organized under an umbrella that allows them to engage differently with the policy folks and the political folks. Right, so they're engaging in a similar way as a for profit corporation or even a nonprofit

corporation, would engage with those structures, so it's whether it's a co-op, or a trust, or a nonprofit entity, you know banding together these resources allows the opportunity to have conversations and make investments at a different scale than most people can do as individuals with limited time, resources, and expertise. So if we want to fix any one of the three buckets or change them over time as the conversation is alluded to, then it's really upon the population to band together to say these are the things that we want to see as outcomes from these investments, and do you band together in a vehicle like a, trust or corporation? Or do you band together behind one or more political candidates that are willing to carry that water to the firing squad that you have in Lansing? Or do you organize locally and try to influence your municipal calendar and schedule and priorities ultimately in the state of Michigan, the legislature over, especially the last 30 years as hamstrung individual communities and their ability to band together in different ways. As has happened in other states, so you can't do things like rent control in cities you can't have municipally owned broadband systems because the Michigan Telecommunications Act was amended to say that municipalities can't participate unless they jump through all these hoops first. So there's all kinds of barriers to collective engagement that have been sort of chopped off at the knees by forward thinking lobbyists that have influenced amateurs that run our state legislature. So if we want to organize this communities trust vehicles like Tony is working on or nonprofit corporations or even traditional corporations are ways that neighbors can band together to influence and survive within the frameworks that we have created for ourselves.

Emma Gilbert: I mean, one of the things you just briefly touched upon was the fact that in politics a lot of the times these private entities or these private businesses have more say due to the fact that they have money, right? These businesses, as you know, Citizens United decision in 2010 ruled, you have the ability to engage in political elections. OK, so now we have people competing against businesses or corporate incentives, basically in politics. So I think that what you're saying is wonderful, but like, how do people truly overcome that barrier? I think you know, relying on EDO's as entities maybe or not EDO's I should say, but rather economic development entities outside of specific municipal government, like LEAP for example, it is not specifically tied to the city of Lansing but serves in a similar capacity to the economic development. You know, department within the city government. How do those interactions with other types of organizations that are not specifically tied to the local entity, or maybe even a

regional entity, get mobilized in terms of trying to have that collective support and mobilizing these things forward, right?

Tony Willis: Great question. I think I've seen a number of grassroots efforts and probably you guys too, in this space. There's one group, community education economic development group. The seed is what it goes by. They meet in the Logan Square Plaza on the monthly basis that weekly for different type of educational workshops when it comes to economic community education development in that space. Local grassroots group, not a formed organization yet less space, but how we pivot them to be that and give them some control authority, thought process leadership on that community in that space where then that group that's not formed yet or formed can interactively directly in the way at least have a direct contact or in that space as well as with the city or any other major partner when it comes to economic or business development in those spaces. There comes both the formation on the local level, but then that's when we have to create as organizations the inputs, so we can incorporate them into us. We have to, you know, say, “hey, we are here and how can I incorporate that to my structure?” And because once that's really incorporated. We value that membership they're not just the thing out there, they're a part of it now, whether that's having the seat at the board, there has to be some directive. Those are just some ways, but it's a larger conversation we're getting ahead of at that. I definitely understand that.

Emma Gilbert: I guess I was just trying to get into how networking opportunity is part of building the social capital that we previously talked about because a lot of the things we're discussing have systemic or institutional barriers involved in them, which is prominent in any discussion about equity building. Or, you know, building resilience and underserved communities. But I guess that that comment was really just to show that although you can mobilize as a grassroots organization or as a neighborhood association, building that social capital with other entities that are not just the local government, but you know other nonprofits, for example, is another inroads to really mobilizing yourself forward in that process of trying to get inroads to decision making.

David Palmer: Community organizing is what you're really getting to, and how do you organize resources, knowledge, expertise and assets to be able to move the needle on a topic. And you know the third bucket that I was talking about that Tony is working on the Community Investment Trust is one way to organize under an entity that can own assets and have a collective

soapbox to reach out because if you know this community in Lansing, or in Detroit, or in Flint, or Benton Harbor, or Papa, or whatever it is, you know those community members choose to get together, and they're working with a common agenda and voice. Then that's a really powerful way to gain the attention and provide leadership pathways to have the system become slightly more responsive to the positions that you hold. Ultimately, you know, in f the systems that we have built and maintained through state law and constitutional constraints that we have in place are too cumbersome, then perhaps it's time to consider reestablishing the way we choose to do business with each other as Michigianians. So in 2026 there will be question on everyone's ballot, "Would you like to hold the Constitutional Convention?" So a state constitution asks voters every 16 years if you'd like to hold a constitutional convention to reestablish the ways that we all choose to work together under our system of government in this state, and I think reasonable arguments can be made that now is actually a pretty good time to consider holding a constitutional convention and determining how we all want to live together in this civil society in the 21st century moving forward because we haven't had that sort of hard grown up conversation since the early 1960s, and I dare say that life has changed a wee bit since the early 1960s and, you know, perhaps we as a society are actually rendered ready to become our better selves and we should have governing documents that reflect that. So all of these things are big and yes, they will take time, effort, and energy. But I think that the Commons are worth that time and investment, and if we start with small projects, like trying to figure out how to get 1500 homes in the city of Detroit that are being invested in by the city into the hands of normal humans rather than investors, or you look at 25 acres of concrete jungle in in Lansing that could be transformed into a beautiful place for residents, where residents actually benefit. You know these are both sort of small ways to take those steps. The macro ways need to be thought about as well and we desperately need, you know leaders to step up and think about, reestablishing the rules of engagement in the 21st century.

Emma Gilbert: That was wonderful way to really, truly close off the larger conversation we're having, not just about democratization at this point, but about really, truly kind of rethinking the systems by which we operate as a state you know, and as a nation. So there's definitely a lot to digest in what we just talked about, but I think that this is a good place for us to kind of tie off what we talked about. We've done really in a full range of things from community engagement to, you know, financial resilience itself and everything in between and behalf on behalf of the

REI office, I would like to personally thank both of you for joining me today and having this conversation. I think talking about things that are uncomfortable is one of the ways that we can make important conversations, less taboo and also breakdown that wall and providing more accessible language. Having really discussed these items and not just, you know, having a theoretical perspective put forth, but you know one that can be in practice and built upon too. So you know again, on behalf of the center, we truly look forward to you guys completing your research and presenting what you find at the REI Summit this summer. And with that we'll see you next time with another REI Innovation Follower Project leader. So thank you.