

## Developer duo tackles mixed-use project from the ground up in Deanwood

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When she first moved to D.C. three years ago, [Talayah Jackson](#) remembers being struck by how such a short distance can yield such a large divide.

The former health care worker would ride the Metro eastward as it dipped underground from the NoMa neighborhood she called home. And when the railcar rose again in the Deanwood neighborhood a few miles later, it seemingly emerged in a different world. The bustle of high-rise apartments, pedestrians and blocks of retail in NoMa suddenly gave way to a quiet neighborhood of squat brick buildings or low-slung homes half a century old, largely empty of that swarming retail.

Deciding to be a part of the solution, Jackson moved to Deanwood and began to study real estate and involve herself in the neighborhood civic association to better understand how the Ward 7 neighborhood, so close to the Maryland border, came to be so overlooked. In doing so, she met former branding executive [Thomas Houston](#). Together, they hatched a plan to begin a ground-up revival.

"I love this neighborhood. There's so much cool stuff here, but you don't know it looking on the surface," Jackson said. "At the same time, it's hard to live here sometimes too because what's needed is not available."

The duo formed Medici Road Economic Development Corp., a nonprofit dedicated to reducing generational poverty through real estate development and data, as well as education and public health initiatives. Jackson's experience in health care, formerly as a project manager for Avalere Health, illustrated how the interplay of public health, nutrition, education, housing and racism could create disadvantages that kept Deanwood down. Thomas had previously worked in D.C. government and at Living Cities, a coalition of foundations and financial institutions aimed at closing the country's racial wealth gap.

And with their maiden project, they're looking to make considerable change — to build an \$11 million, 17,000-square-foot affordable condo building anchored by a locally owned grocery store on the ground floor at the corner of 48th Street and Sheriff Road NE, replacing an overgrown parking lot. The condo units, they said, would be affordable to people making 80% of the area median income, which is [just under \\$29,500](#), at a time when attainable housing is far out of reach, particularly for people of color, in a rapidly escalating market.

"Homeownership is the key to equity," Jackson said. "But a lot of times in D.C. you have to go from renting to \$500,000 for a house."

The grocery store is a necessity for her neighbors, too. The D.C. Policy Center, a research group launched years ago by the Federal City Council, shows that 53% of the Deanwood neighborhood [lacks access to a car](#) and faces a 25-minute-walk to the nearest grocery store that isn't a carryout or dollar store, defining the area as a food desert. More than 80% of the District's food deserts lie in wards 7 and 8, per the center's research.

But that hasn't made their first development effort any easier.

New developers, upon starting off, typically take on small projects — renovating duplexes and fourplexes, for instance, then teaming up with other developers on parts of ground-up projects to build a resume to strike out on their own. Medici Road's project, however, falls into a gap. On one hand, it's too small to be the type of building larger companies want to take on, but as a mixed-use building, it's also considered big enough that banks consider it an elevated risk.

Here is where the duo has said the industry's systematic disadvantages start to emerge for rookie developers of color. Banks want a track record in order to lend, while legal and government bodies want financial approvals and prerequisite inspections to sign off. It's a series of hurdles that is much easier to jump with an established network of insiders. If not, you're stuck bouncing back and forth amidst a maze of intersecting requirements, the partners said.

"There's a lot of: 'I know this guy and I trust him, but I don't know you and so I won't lend to you unless he signs off,'" Houston said. "And as you try to get those sign-offs, you lose a little control and a little stake at a time. We've been told we'd be doing this for free for three years just to build a name."

For Medici Road, a break has come in the form of [a \\$1 million loan](#) from Capital Impact Partners' \$20 million Diversity in Development DMV Loan Fund, intended to help developers of color get off the ground. From there, the founders cobbled together other sources — they're applying for \$3.2 million in new market tax credits and raising \$3.9 million by selling the condos to pay down construction loans. The project has even sought up to \$700,000 in crowdfunding. But that still leaves millions of dollars that must come from a bank.

Capital Impact CEO [Ellis Carr](#) said these hurdles are typical for developers of color across D.C. — the established ecosystem of development entities is difficult for newcomers to navigate. So the financial organization's efforts have revolved around helping these developers find partners and build a track record that helps them get established for the kinds of projects they want to build, often ones that are more neighborhood-oriented.

To Jackson, it's all the more reason to push on. They have found a development team — architect Wiencek + Associates, civil engineers Wiles Mensch and legal counsel Nelson Mullins

— that has helped by forgoing upfront payment to help the project advance. That way, Houston said, the team has been able to approach banks with more confidence to ask them to come aboard.

"We know what this neighborhood needs, because we're here experiencing it," Jackson said.  
"No one is bringing it, so we're going to build it ourselves."