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I. Executive Summary

Systemic racism is what fuels the racial wealth disparity. It is driven by antiquated housing and penal policies that were designed to reverse the advances blacks made during Reconstruction.

Racial violence was used to enforce this new social order, while Black Codes and the 13th Amendment provided the legislative cover needed to re-establish slavery in a more constitutionally-palatable manner.

Our inability to mitigate the racial wealth disparity is also related to the agenda established by black leadership during the Civil Rights Movement. We marched, protested and died for the right to sit next to white folks in restaurants. Reconstruction showed us that there is much more we should be fighting for.

In order to reverse the wealth disparity, we must address the subjectivity of the agencies that steward public real estate assets, subsidies and resources, and develop a formula to address systemic racism in a manner that is palatable for our social and economic systems.

The Equality Equation uses public assets, subsidies and resources, to heal blighted and distressed communities in place, by building economically viable anchors of healthcare, workforce development, and sport.

Overview

The *Equality Equation* facilitates the cooperation needed between government, private industry, non-profits and investors, in order to mitigate the racial wealth disparity, and provide access to the American Dream, to all citizens.

The *Equality Equation* suffocates systemic racism by propping up the benefits of black economic empowerment against the negative effects of systems that have kept our people suffering in perpetuity.

The *Equality Equation* is a collaborative, citizen-centered approach that engages societal systems to create synergy between black economic empowerment and the institutions that perpetuate systemic racism.

II. Foundations of Systemic Racism

The Compromise of 1877 allowed southern states to salvage the business of slavery by incorporating servitude into state law. These Black Codes shepherded freed men back into the hands of the plantation owners thru labor leases to private companies. State profits from these labor leases were enormous and served as powerful mechanism to subjugate and intimidate blacks to conform to this new, post-Reconstruction social order.

In the early 1900's local, state and federal housing policies mandated segregation. The federal government's justification that blacks drove down property value was fallible, and not rooted in study. In most cases property values rose in neighborhoods where blacks bought homes, because blacks were willing to pay more for their properties than whites, due to limited housing options.

These policies were never mitigated properly, and the widening of the wealth disparity continues to this day.

Redemption

Reconstruction historian Eric Foner said, "Black participation in Southern Public Life after 1867 was the most radical development of the Reconstruction years, a massive experiment in interracial democracy without precedent in the history of this or any other country that abolished slavery in the 19th century."

During Reconstruction (1865 - 1877), the formerly enslaved population took significant strides economically, socially, and politically. Black men voted, and even held political offices. Black literacy surged, passing literacy rates of whites in some places, and black schools, churches and social institutions thrived.

The Compromise of 1877 ended Reconstruction and brought slavery back to the south. History makes light of this as it implies Congress made a reasonable compromise in an effort to settle the Presidential election of 1876. In this informal compromise, Congress agreed to pull federal troops from enforcing Emancipation in the south, negotiating with former confederates in evolving the institution of slavery into a more palatable form via "Redeemers' Rule" and "Jim Crow". Plantations and farms were global businesses that still had a significant amount of influence in the south post-Civil War.

Redemption (1877 – present) began as an organized effort by white southern democrats designed to reverse the strides the formerly enslaved population had made during Reconstruction. White businessmen, merchants, farmers and politicians, "Redeemers", used racial violence and state legislation to prevent blacks from equality entitled by the 14th and 15th amendments.

Slavery made the south's agricultural market a global economic force, the Civil War devastated this economy. Congress handed these former confederates the space to exploit the 13th Amendment by instituting Black Codes (state laws) that kept freed people in servitude in this economy, thru the penal system.

This institution did not just serve the white social and political agenda, it was vehemently economical, and it continues to be one of the most powerful facilitators of systemic racism. So powerful that it is allowed to openly exploit young black men and women by manipulation of education policies marketed as the *School to Prison Pipeline*.

Federal Housing Administration

The Federal Housing Administration, established in 1934, refused to insure mortgages in and near African-American neighborhoods, and excluded African-Americans from buying homes as federal government policy.

Federal, state, and local policies subsidized the development of white suburbs in cities across the country for the entirety of the 20th century. Federal home loan programs allowed white households to build and transfer assets across generations. These governmental policies contributed to glaring racial disparities in homeownership and wealth between blacks and whites that still exist today.

Armed with manifest destiny and eminent domain, these authorities went on to displace blacks by constructing new highway systems through communities of color in order to give white commuters access to job opportunities in urban centers.

The Fair Housing Act propped up federal housing projects in urban settings, as a separate but equal institution to the advantages and wealth created for whites by federal policies.

Now, however, white fragility and displeasure with congested roadways have resulted in middle-class and wealthy white households relocating to the cities. The result is our continued diaspora, and a rush to redevelop neglected neighborhoods for middle-class and affluent citizens.

III. The Equality Equation

The Equality Equation are means to facilitate economic equality for disadvantaged communities by creating mutually beneficial development projects where government, non-profit, private industry and investors are comfortable with projected outcomes politically, socially and economically.

Equality Partners

Government

- State government provides black developers access to strategic pots of funding, resources and subsidies, as well as provide points of contact to access data needed to develop.
- State government partners with black developers to implement robust workforce development training programs that end in meaningful employment for disadvantaged citizens
- City government provides black developers supports, contacts and means to comfortably develop site control agreements for public land.
- City employment services agencies partners with black developers to train and hire disadvantaged citizens

Private Industry

- Development teams have the flexibility and capacity to resolve public health issues quickly, they take the burden off of public and government institutions.
- Tenant leases help mitigate financing for a 21st century build.
- Manufacturing tenants commit to training local citizens for jobs in their industry.
- Education partners provide customizable workforce development programming for businesses in the community that have workforce training needs for introductory, median and advanced job skills.

Non- Profit Organizations

- Provide governance for the use of public assets and resources for the redevelopment of our blighted communities without gentrification.
- Provide governance for the development of federally qualified healthcare centers to provide proper healthcare for our uninsured and under insured population.
- Partner with black developers to create anchors of wellness that heal the community without perpetuating the diaspora.
- Advocate black wellness developments to city and state partners.
- Provides access to funding for predevelopment services and soft cost.

Capital Investors

- Mitigate financing with low interest dollars, as they expect above average returns in development transactions that include public partners.
- Engage their network partners to provide complimentary services to the development project.
- Provide strategic funding for the project.

Equality Anchors

Workforce Development Training Facility

These 21st century facilities will move workforce development programs from being an act of social responsibility and into a space where they are an economically viable function for community, government and industry that employ and provide services for disadvantaged citizens.

These workforce development training facilities will be a state of the art, socio-economic development component, serving as the intersection of industry and workforce development.

The facility will house workforce development programs including construction, manufacturing, cyber security, culinary, urban farming, healthcare and heavy equipment operation programming. The campus will also house manufacturing tenants who will develop training programs for, and provide potential employment to citizens being served by the facility.

Affordable Home Ownership

As the affordable housing gap continues to grow, the mitigating strategy has to offer an alternative to utilizing federal, state and municipal funds and bonds to pay for the development of low-income housing and infrastructure. Projects have to be attractive to private sector investors, who offer lower interest rates on the debt of the project. This creates an opportunity to invigorate the local economy by creating wealth through home equity.

Federally Qualified Health Centers

Most of the Broadway East Community lies in a Medically Underserved Area. MUA's are defined as areas where the community has a low primary care physician to population ratio, a high infant mortality rate, a high percentage of the population living below the federal poverty level (FPL) and has a high percentage of the population aged 65 and over.

Federally Qualified Health Center (FQHC) or one with *Look-a-Like* status are unique to *Medically Underserved Areas*. FQHC status allows for SF 330 Funding, this funding can help with pre-development, construction, operations and even enabling and transportation services. FQHC status also allows for prompt payment from the government and it saves us costs with malpractice insurance. These economics create the opportunity to provide our most disadvantage citizens with the highest quality healthcare, that does not change with their inability to afford healthcare at all.

Sports Entertainment and Arts Centers

Community health is a product of collaborative networks, where all members in a society contribute to and inform population health. Sports entertainment and arts centers will enable locales to address the rapid decline in childhood health and wellness by engaging children and affording them options at an early age. These centers will provide a space for the youth to play, learn, heal, grow and serve via programs that center around art, entertainment and recreational sport. The programs will be custom built to address specific needs that will help to engage and sustain a community's health.



IV. The Baltimore Wellness Project

In response to the pervasive socio-economic challenges negatively impacting the community, The New Broadway East Community Development Corporation/CNI will coordinate collaborative investment towards the socio-economic development of the Broadway East community.

We will construct affordable market-rate homes, develop a workforce development training facility, and create and pursue other economic development opportunities.

Our plan incorporates a community health approach. Community health is a product of collaborative networks, where all members in a society contribute to and inform population health. The Baltimore Wellness Project will address the wealth disparity, impact the rapid decline in childhood health, and provide a path to wellness.

The standard of our approach is rooted in collaboration. It allows us to empower all partners involved, due, in part, to the customized solutions being developed collectively. We create specialized lanes and engage partners to perform their specialized tasks.

The Baltimore Wellness Project moves community wellness from being an act of social responsibility and into a space where healing citizens become an economically viable function for community, government and private industry.

Our innovative development model mitigates the planning & financial burden on education, recreation, government, and healthcare agencies. We accomplish this through the facilitation of public-private collaboration.

Industrial Park for Workforce Development – The Park

The New Broadway East/CNI, as a coordinating entity, will ensure that our most disadvantaged citizens, the disabled, veterans and senior citizens, will have access to 21st century training and 21st century employment opportunities. We will accomplish this by developing a network of businesses that will commit to employing our most disadvantaged citizens. As a coordinating entity, The New Broadway East/CNI will engage a consortium of businesses who have and will develop workforce and manufacturing spaces that are designed for and accessible to disadvantaged citizens. Being named a coordinating entity by the Secretary of DGS, will mitigate the financial burden of operations and

maintenance by enabling the workforce development training facility to procure state contracts via the Employment Works Program.

The New Broadway East/CNI is partnered with Baltimore City Community College, Maryland Higher Education Commission, and the Mayor's Office of Employment Development to expand and provide a variety of workforce development construction-focused programs which allow students to earn a single certificate or stackable credentials. Stackable credentials prove greater levels of expertise and knowledge, by providing related multileveled courses equipping students to advance their careers beyond entry level positions.

BCCC and New Broadway East/CNI, will line-up the Broadway East community's demographics with resources and revenue buckets afforded by the city, state and federal government. The resulting data will enable us to subsidize 21st century training for the Broadway East population.

Strategic partnerships with BCCC and MOED, and being designated a coordinating entity by DGS, ensures that population with the greatest need receive the most effective quality programming possible that result in lasting, livable employment.

Broadway East Affordable Home Development

New Broadway East/CNI will use a funding formula that requires no additional government funds to develop low to moderate income housing. Instead, we utilize public-private partnerships, to secure capital from private equity, pension funds, real estate investment trusts and other financial mechanisms in order to fund the development. This mechanism allows for quality affordable housing that has market rate value and an affordable payment structure.

This model will enable Broadway East citizens to affordably go from renters to home owners by modernizing their existing inventory and creating affordable home ownership developments.

The intent of this development is to "develop in place" without the relocation of residents.

NACA – America's Best Mortgage Program

The New Broadway East/CNI has partnered with NACA. The Neighborhood Assistance Corporation of America is a non-profit, community advocacy and homeownership organization. NACA's primary goal is to build strong, healthy neighborhoods in urban and rural areas nationwide through affordable homeownership. NACA has made the dream of homeownership a reality for thousands of working people by counseling them honestly and effectively, enabling even those with poor credit to purchase a home or modify their predatory loan with far better terms than

those provided even in the prime market. The incredible NACA mortgage allows NACA Members to purchase their homes with:

- No down payment,
- No closing costs,
- No fees,
- No requirement for perfect credit,
- And at a below-market interest rate.

NACA qualifies buyers by multiplying their housing ratio, 31%, by 80% of the median income for the locale.

The median annual income for Baltimore is **\$101,000**. 80% of the median income is **\$80,800**, converted into monthly income is **\$6,733**. Multiplied by NACA's 31% Housing Ratio, **\$2,087** would be the monthly income requirement. The estimated maximum home price for Baltimore in the NACA program is **\$324,948**, @3.125%, their mortgage interest rate today.

NACA further mitigates financing for the buyer by using city, state and federal subsidies and grants to buy down principal, and to buy down the mortgage interest rate to as low as 0.125%.

NACA also provides property renovation assistance and Membership Assistance for NACA homeowners. NACA's Home and Neighborhood Development ("HAND") Department addresses repair issues, and where appropriate provides rehab assistance throughout the renovation process. NACA's Membership Assistance Program (MAP) provides comprehensive counseling for Members who are delinquent on their home payments, including establishing payment agreements and providing financial assistance to help Members avoid foreclosure.

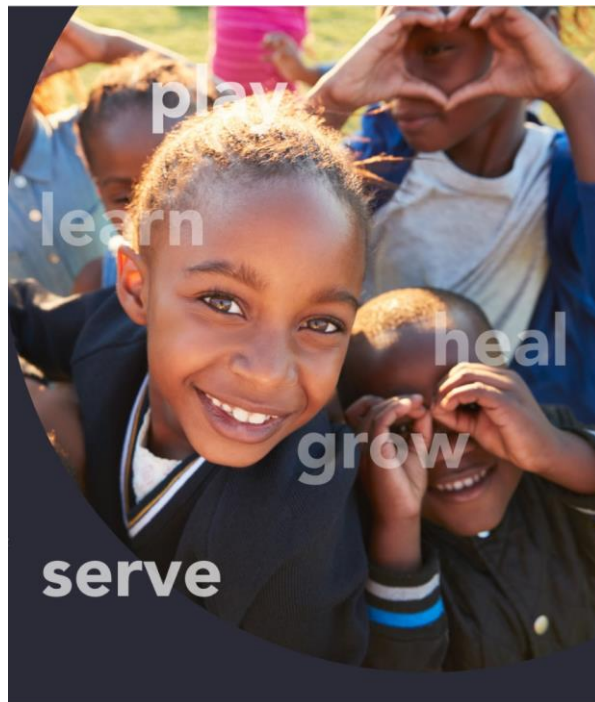


Baltimore Athletic Live & Learn Center

The Baltimore Athletic Live and Learn Center will grant the youth of Broadway East a space to play, learn, heal and grow. The facility will enable students to travel safely from home to school, to their after-school program and back home. At the ALL Center, iBall, iLive, iLearn.

The facility is driven economically by youth sports tourism. CNI and coordination with its partners will develop operational systems, staff recruitment and training, marketing and sales, equipment procurement, program development and event planning to host sporting events for Broadway East athletic programs.

In a shared revenue model, The New Broadway East/CNI can take full responsibility for hosting events or provide systems and processes for recreation and athletic departments to host events.



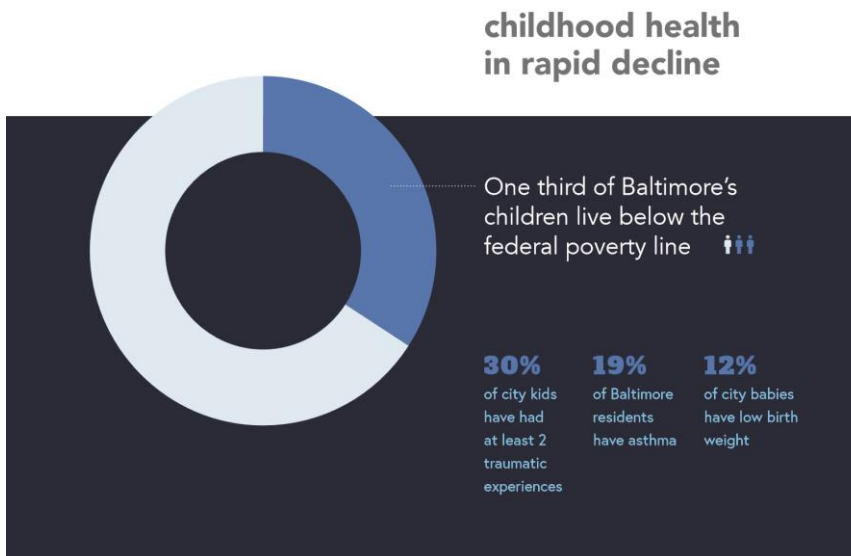
If I ball, I can live, if I live, I can learn, if I learn, I can heal, if I heal, I can grow, if I grow, I can serve.”

iBall, iLive, iLearn

The New Broadway East Wellness Center

The New Broadway East Wellness Center will provide the highest quality primary, dental and mental health services. The facility will have a daycare for children and Seniors, classroom space, office space, a commercial kitchen with commercially rentable party space, and a media center. The *federally qualified health center* will also provide rehabilitative services, an exercise gymnasium, an aquatic center, a commercial kitchen, an athletic field and sports gymnasium that will be open to patients and to the public as well.

The health disparities are well documented. The New Broadway East Wellness Center will custom build wellness solutions for the community.



health disparities continue to rise for African American residents

With a predominately African American population (64%), Baltimore is struggling with issues related to poor health, beyond the national average.



V. CONCLUSION

Barack Obama summarized the state of the country and the reason for the Equality Equation best in his eulogy of former U.S. Representative John Lewis, Civil Rights pioneer.

“Black Americans who were (are) asking for nothing more than to be treated like other Americans. Who were not asking for special treatment, just the equal treatment promised to them a century before, and almost another century before that...It vindicated the faith in our founding, redeemed that faith; that most American of ideas; that idea that any of us ordinary people without rank or wealth or title or fame can somehow point out the imperfections of this nation, and come together, and challenge the status quo, and decide that it is in our power to remake this country that we love until it more closely aligns with our highest ideals. What a radical ideal. What a revolutionary notion. This idea that any of us, ordinary people, ... can stand up to the powers and principalities and say no this isn't right, this isn't true, this isn't just. We can do better...”

Do protest upset you more than the death of other human beings? Have you grown numb? Have you accepted stereotypes? Do you benefit from stereotypes? Are you ready for equality?

The Equality Equation is a formula for development that can help create a more perfect, just, and free Union for All. After understanding the model, if one is not in support of this manner of socio-economic development, you must reflect on the beliefs and values that guide you.