



Workshop: Inclusive Wealth-building

Hill District Master Plan Update

WORKSHOP AGENDA | Inclusive Wealth-building

- I. INTRODUCTION**
- II. BACKGROUND**
- III. FRAMEWORK**
- IV. DISCUSSION**
- V. BRAINSTORM**



INTRODUCTION | Integrated Project Team

ECONorthwest
ECONOMICS • FINANCE • PLANNING

Ideas and Action

MITHŪN

studio
zewde



INTRODUCTION | Ideas and Action Team

Ideas and Action



Marc Norman



Merik Mulcahy

II. BACKGROUND

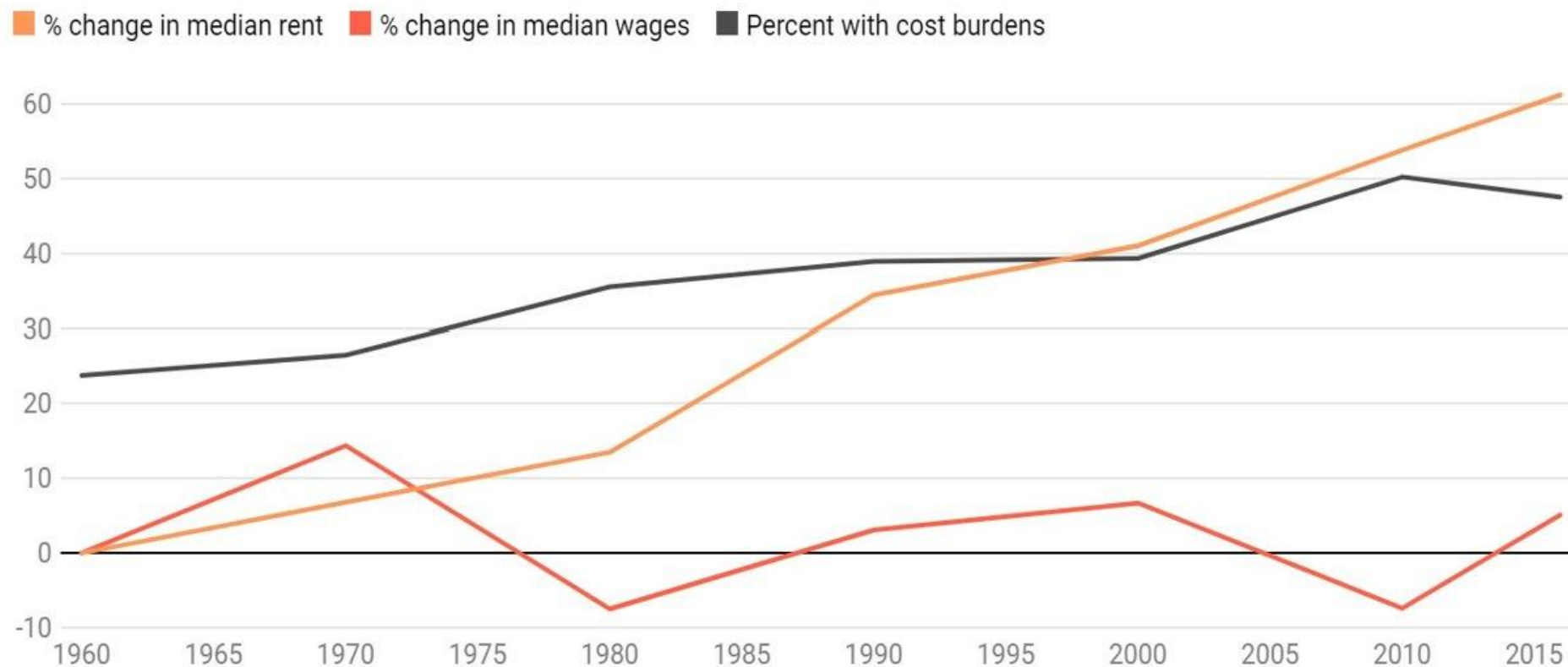
BACKGROUND | Affordability vs. Wealth-building

Limitations of “affordability” and the move towards “wealth-building”

- A disconnect between Area Median Income and Local Wages (~\$85K vs ~\$25K)
- Stagnating wages at lower income levels and a lack of savings
- Inability to target the black community in affordable housing opportunities
- A skewed financing system that provides most resources for rental housing
- A lack of entry points for small dollar investments and early stage entrepreneurial ventures

BACKGROUND | Affordability vs. Wealth-building

Change in Median Rent and Wages Since 1960:



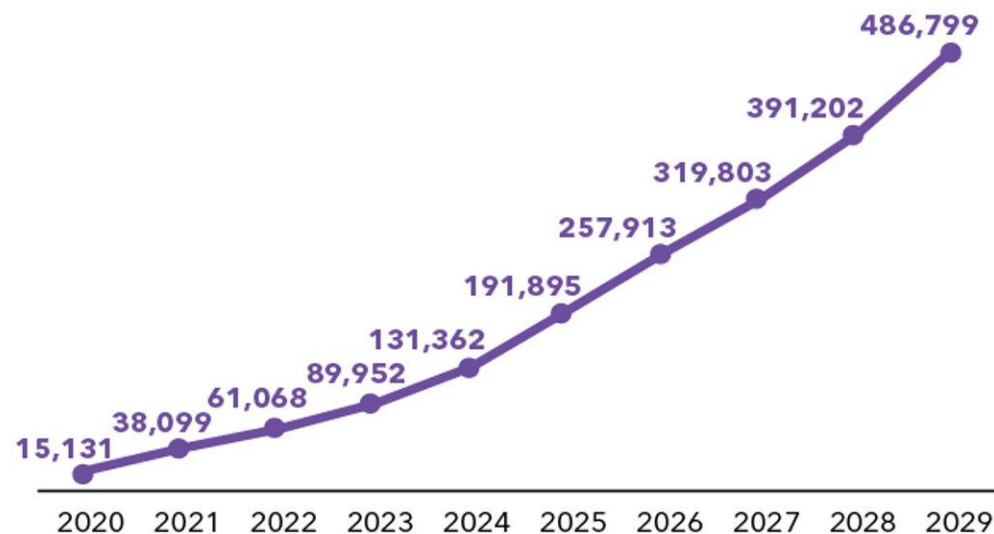
Percentage changes are relative to 1960. Adjusted for inflation.

Chart: Jeff Andrews • Source: [Harvard Joint Center for Housing Studies](#) • [Get the data](#) • Created with [Datawrapper](#)

BACKGROUND | Affordability vs. Wealth-building

LIHTC affordability restrictions are expiring:

Projected cumulative loss of LIHTC units (2020-2029)

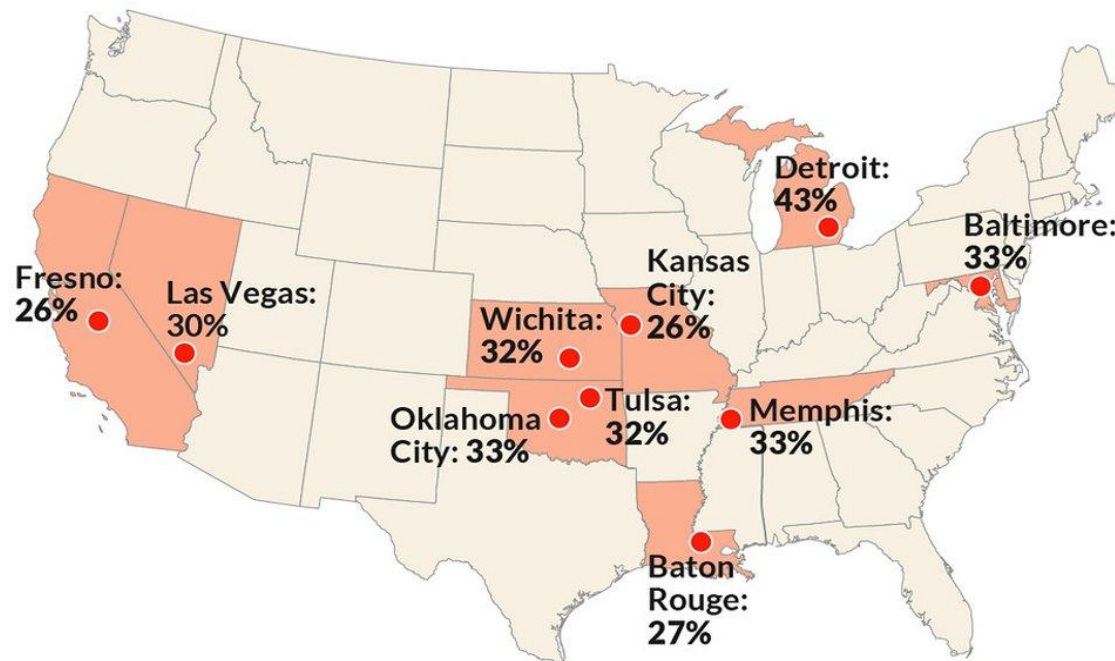


Source: NLIHC and PAHRC, 2018
© 2018 National Low Income Housing Coalition and PAHRC



America's Houses Are For Rent:

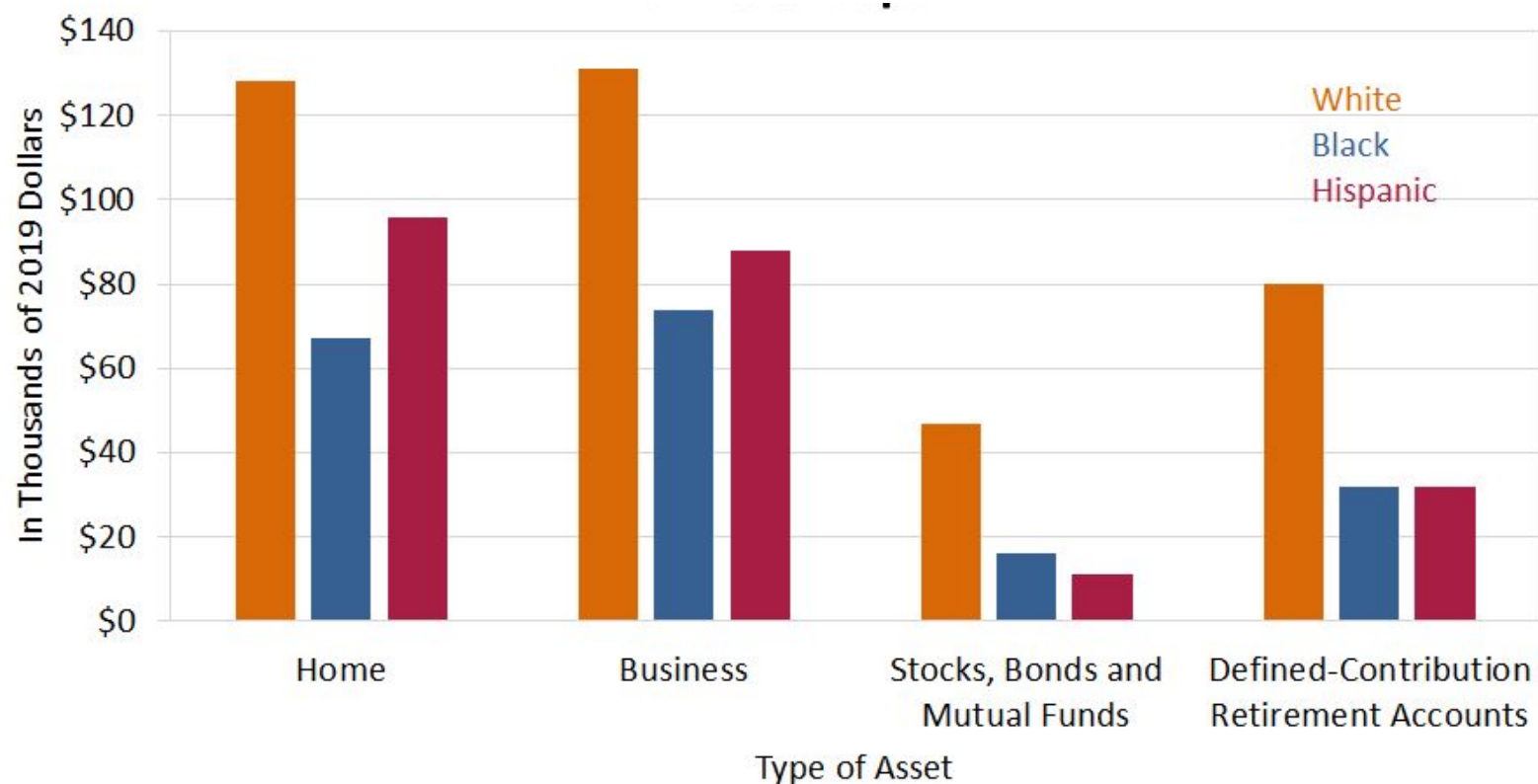
Percent of single-family homes that are non-owner occupied



Source: Attom Data

BACKGROUND | Affordability vs. Wealth-building

Median value of assets held by different racial & ethnic groups:



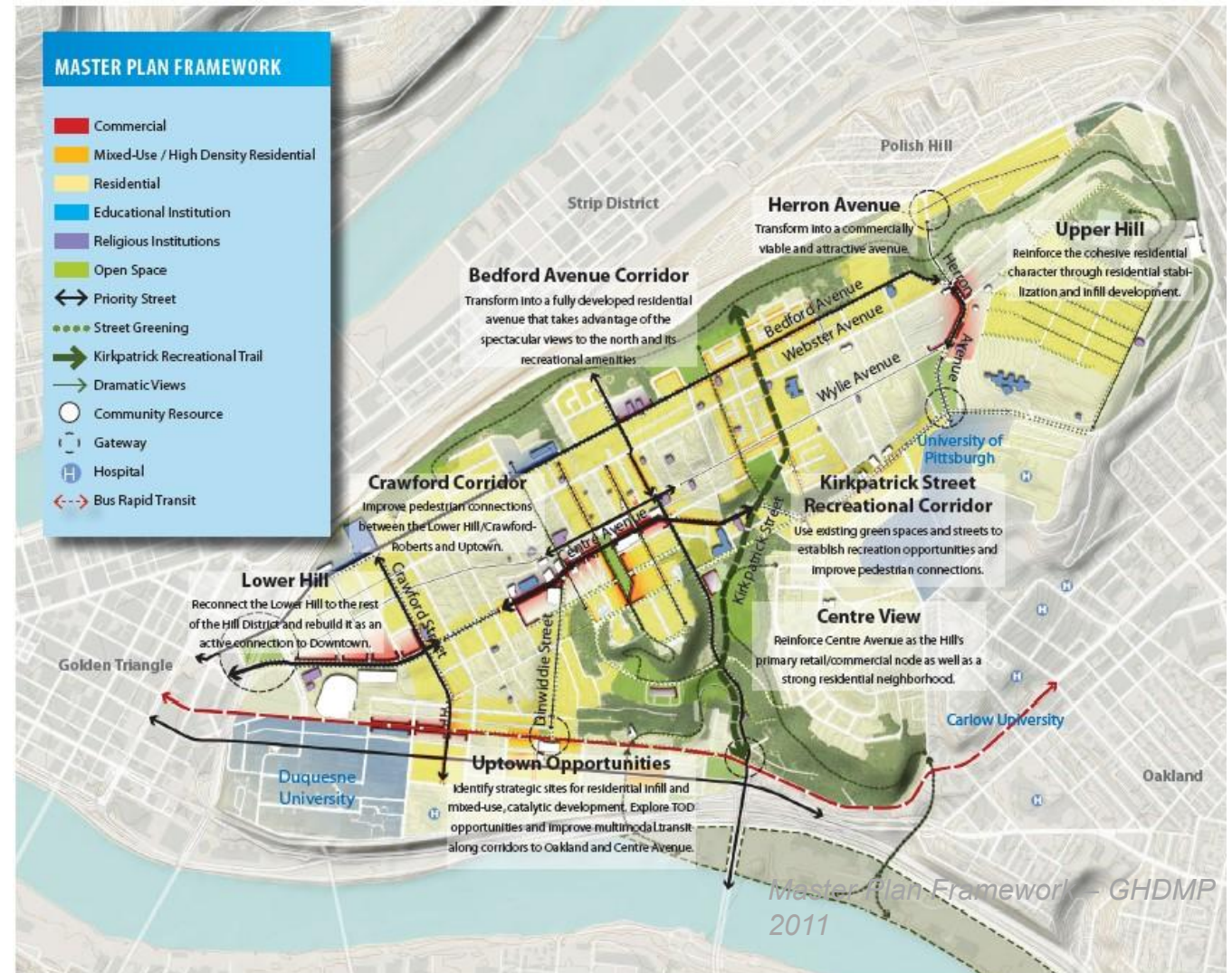
NOTES: Stocks, bonds and mutual funds are those held directly (in nonretirement accounts). Defined-contribution retirement accounts include 401(k)s and individual retirement accounts. Median values are among those families who hold the asset; values are rounded to the nearest \$1,000.

SOURCES: Federal Reserve Board's Survey of Consumer Finances and authors' calculations.

BACKGROUND | Hill District Master Plan (2011)

Five Community Goals:

- 1) Build Upon the African American Cultural Legacy
- 2) Family-Friendly Housing Development w/out Displacement
- 3) Economic Empowerment & Commercial Development
- 4) Green & Well-designed Community
- 5) Mobility, Transportation & Parking



BACKGROUND | Hill District Master Plan (2011)

Family-friendly Housing Development w/out Displacement

Program Initiatives *(Greater Hill District Master Plan 2011)*

- Hill District Homeowner / Tenant Support
 - **Local Programs & Resources:** Home Emergency Loan Program (URA); Freedom Unlimited Home Repair Services Program; NeighborWorks Western Pennsylvania; Womenspace, Inc.; FamilyLinks; Operation Safety Net *(GHDMP 2011)*
 - **Potential Programs:** Homeowner Cooperative, Homeowner Education Articles, Tenant Resource Center *(GHDMP 2011)*
- Housing Innovation Zone
- Comprehensive Vacant Property Strategy
 - **Local Programs & Resources:** City of Pittsburgh Land Recycling Task Force; PGH SNAP inventory; SPARC; Adopt-a-Lot and Side Lot Transfer programs (URA and City of Pittsburgh); Pittsburgh Community Reinvestment Group (PCRG) Vacant Property Working Group *(GHDMP 2011)*
 - **Potential Programs:** Hill District Land Bank, Demolition Moratorium, Vacant Property Maintenance Standards, Temporary Uses, Adopt-a-Lot, Side-lot Transfer, Neighborhood Clean-ups *(GHDMP 2011)*

BACKGROUND | Hill District Master Plan (2011)

Economic Empowerment & Commercial Development

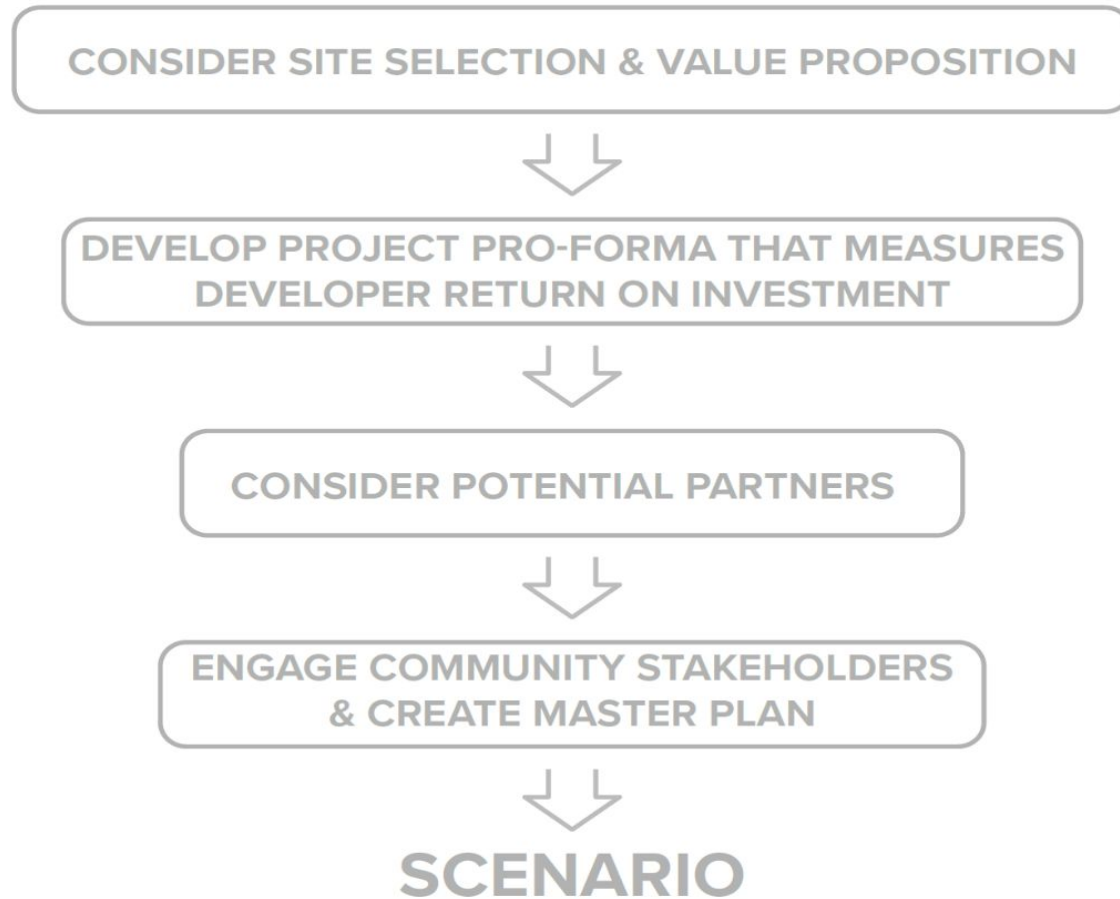
Program Initiatives *(Greater Hill District Master Plan 2011)*

- Hill District Workforce Development
 - **Local Programs & Resources:** Penguins Workforce Training Center (CBA); CORO Next Generation Program; Bidwell Program (Manchester); Job Corner at Jubilee Kitchen; Hill District First Source Center; Bedform HOPE Center; Job Links and School 2 Career (Oakland Planning & Development Corp.); Project Employ (Bethlehem Haven); Life's Work of Western PA *(GHDMP 2011)*
 - **Potential Programs:** Green Building, Clean Manufacturing and "Green-Collar" Jobs, Construction/ Renovation/ Historic Preservation, Nursing/Health Related Professions, Restaurant/Food Service, Youth Opportunities, Job Placement Resources *(GHDMP 2011)*
- Hill District Business Incubator
 - **Local Programs & Resources:** Program to Aid Citizen Enterprise (PACE) *(GHDMP 2011)*
 - **Potential Programs:** Non-profit Incubator Space; Arts Incubator Space; Small Business Incubator Space; Cooperative Market; Small Business Support; Innovation Competition *(GHDMP 2011)*
- Center Avenue Business District
 - **Local Programs & Resources:** Hill House EDC; Hill CDC; Pittsburgh Central Keystone Innovation Zone (PCIZ) *(GHDMP 2011)*

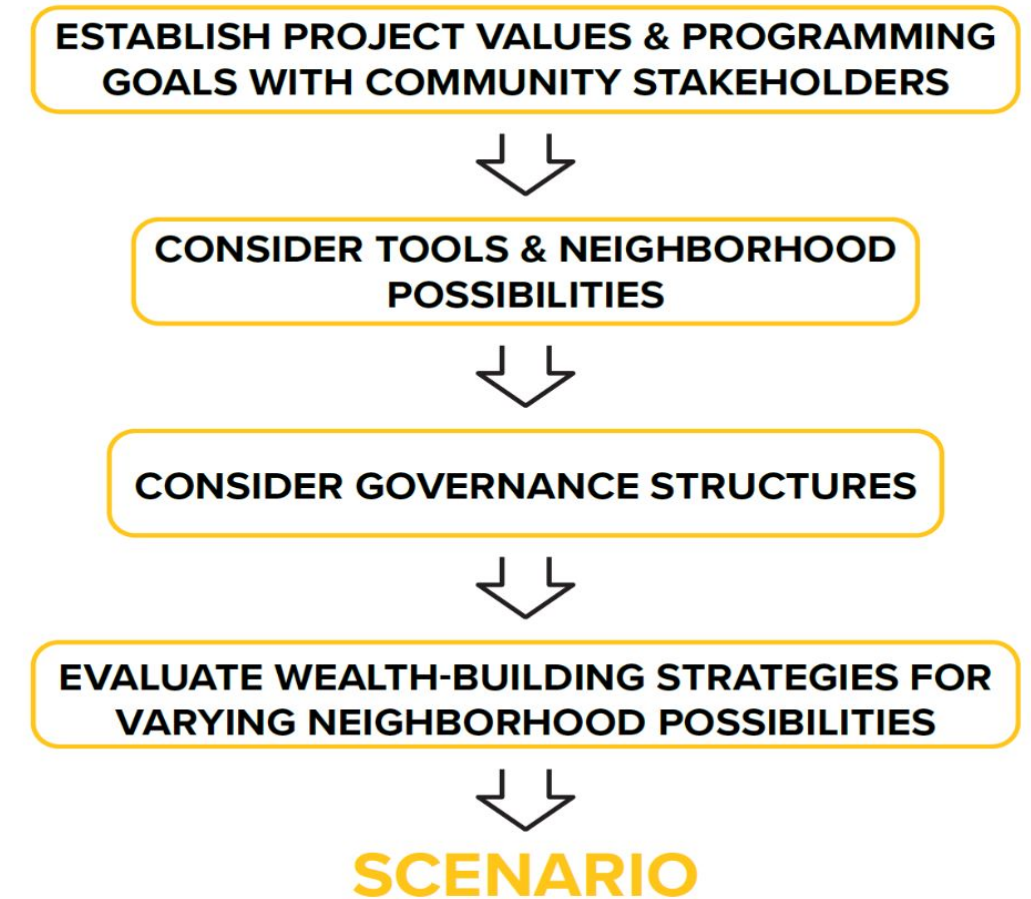
III. FRAMEWORK

FRAMEWORK | Planning Process

Traditional process:



Wealth-building approach:



FRAMEWORK | Objectives, Pathways & Tools

WEALTHBUILDING OBJECTIVES			
Business Development	Home Ownership	Income Generation	
Community Resources	Entrepreneurship	Ownership Interest	Employment

PATHWAYS			
Financing	Training & Education	Governance Role	Real Estate / Development

TOOLS			
Affordable Commercial Space	Affordable Housing Development	Mutual Support Networks	Hiring Requirements
Public Financing	Community Benefit Agreements	Share Ownership	Crowdfunding
Venture Capital	Online Platforms	Institutional Initiatives	Community Land Trust
Incubator / Accelerator	Community Facility Space	Philanthropy / Grant Funding	Small Business Advocacy
Social Impact Investment	Employee Ownership	Financial Literacy	Cooperative Ownership
Technical Skills Training	Profit Sharing	Services and Information	

FRAMEWORK | Objectives, Pathways & Tools

Seven Wealth-building Objectives

<i>Business Development</i>	Growth of existing Black-owned businesses
<i>Community Resources</i>	Resources and shared assets available to members of the community including health, social, political, cultural, and organizational assets
<i>Employment</i>	Accessible, good-paying jobs and increases in earning potential
<i>Entrepreneurship</i>	Self-employment and starting new businesses
<i>Home Ownership</i>	Wealthbuilding through homeownership, downpayment assistance, mortgage financing
<i>Income Generation</i>	Accumulation of <i>passive income</i> and equity generated from ownership or partial ownership of assets
<i>Ownership Interest</i>	Accumulation of income and equity generated from ownership interests in businesses, cooperatives, partnerships and other <i>assets that require active management</i>

Four Pathways to get there...

<i>Financing</i>	Financial resources including a variety of loans, investments and grants
<i>Governance Role</i>	Control of public and private resources through institutional and political organizations and processes
<i>Real Estate / Development</i>	Pathways to wealthbuilding objectives that utilize real estate assets and development
<i>Training & Education</i>	Technical skills, capacity building and information that empowers individuals and communities to access and create wealth

FRAMEWORK | Objectives, Pathways & Tools

Many **Tools** to use along the way...

<i>Affordable Commercial Space</i>	Affordable space for businesses
<i>Affordable Housing Dev.</i>	Affordable housing options and investment opportunities for community members
<i>Community Benefit Agreement</i>	Contracts between communities and governments or private developers/companies that require specific investments in the community
<i>Community Facility Space</i>	Affordable space for community uses
<i>Community Land Trust</i>	Land that is owned and controlled by community members
<i>Cooperative Ownership</i>	Partial ownership of an asset that comes with decision-making power
<i>Crowdfunding</i>	Financial resources pooled together from many individuals or parties
<i>Employee Ownership</i>	Businesses and companies that are owned by the employees that work there and where employees have a say in company decisions
<i>Financial Literacy</i>	Knowledge of financial concepts and resources, including types of assets, types and sources of debt, equity, savings, taxes, goal-setting etc.
<i>Hiring Requirement</i>	Requirements to hire from within the local community and to hire individuals from diverse and/or disadvantaged backgrounds
<i>Incubator / Accelerator</i>	Organizations that provide a mix of resources to entrepreneurs and businesses, including but not limited to training, financing, mentorship, networking, affordable space etc.
<i>Institutional Initiatives</i>	Programs and resources from large anchor institutions
<i>Mutual Support Network</i>	Network of individuals or businesses that share information and resources for mutual benefit
<i>Online Platform</i>	Online resource that provides access to information, resources, individuals, businesses and/or organizations
<i>Philanthropy / Grant Funding</i>	Financial and other resources that are granted for free and don't need to be paid back or generate return on investment
<i>Profit Sharing</i>	A practice where businesses or companies share a portion of profits with employees, with or without a vote or role in company management
<i>Public Financing</i>	Financial resources provided by Federal, State and City government through a variety of programs and public agencies
<i>Services and Information</i>	Services and information that support individuals and businesses in wealthbuilding
<i>Share Ownership</i>	Ownership of a share of an asset with no management responsibilities, including ownership of shares in a REIT (real estate investment trust)
<i>Small Business Advocacy</i>	Organization or governance role that results in new resources for businesses and entrepreneurs
<i>Social Impact Investment</i>	For-profit investments that also seek to have a positive social impact, sometimes with lower financial returns than a typical for-profit investment
<i>Technical Skills Training</i>	Programs that give individuals new knowledge and skills that can be used for wealthbuilding
<i>Venture Capital</i>	Financial investments in entrepreneurs or businesses in their early stages, typically looking to capitalize on growth and development

INTERACTIVE WEALTH-BUILDING DATABASE

IV. DISCUSSION

DISCUSSION | Hill District Wealth-building Capacity

Are the elements in place to create an ecosystem of wealth building in the Hill District?

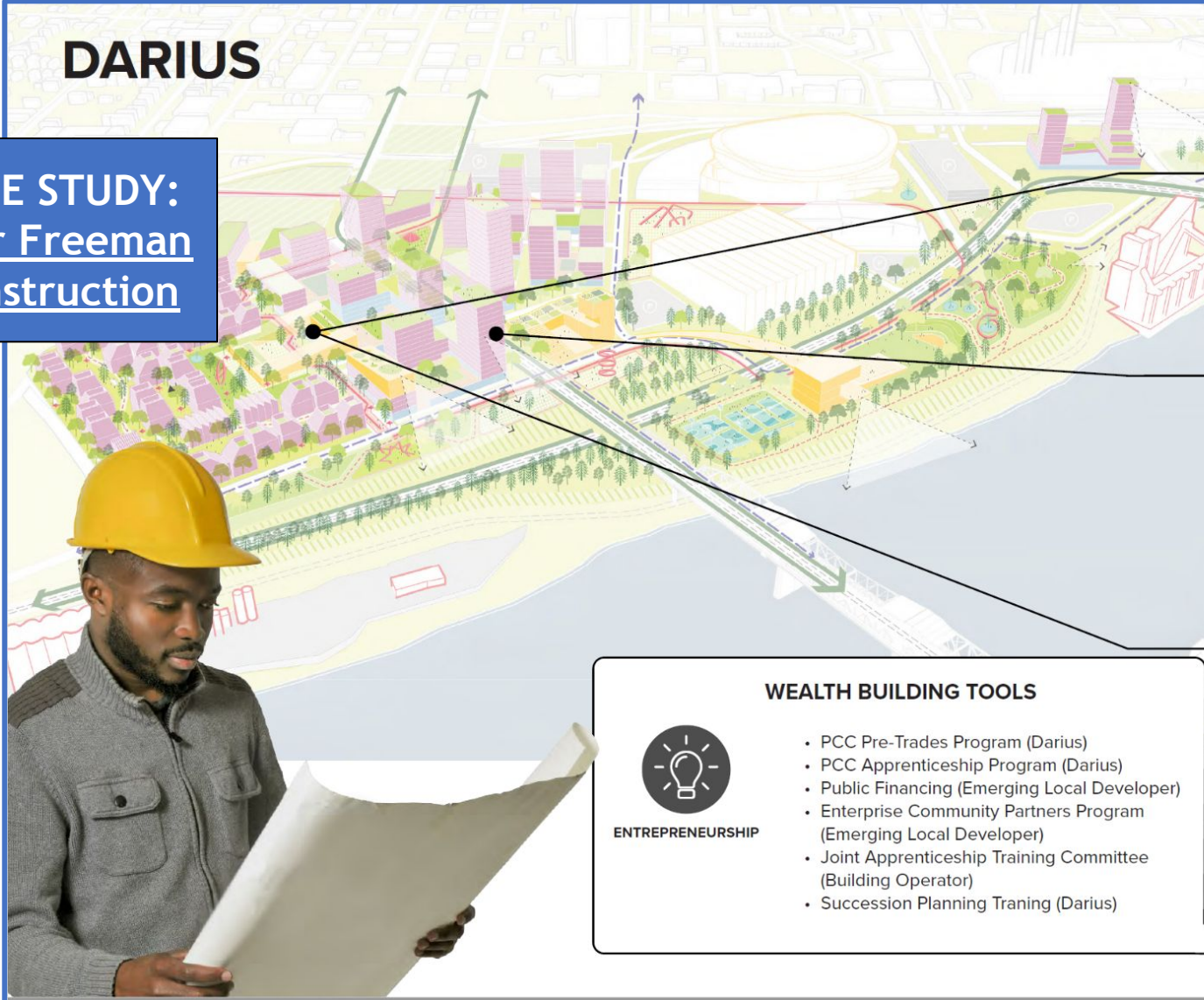
- Capacity for operations and management
- Socially motivated capital and other financial resources
- Supply chains & ready markets for new products and businesses
- Zoning and codes for multiple housing entry points
- Educational linkages

Where are the gaps? What are the challenges?

DISCUSSION | Wealth-building Stories

DARIUS

CASE STUDY: Blair Freeman Construction



ASPIRING CONTRACTOR

- **Planning Phase (2020-2024)**
Darius enrolled in PCC pre-trades program
- **Catalyst Phase (2022-2030)**
Completes apprenticeship program at PCC and Associates Degree in Construction Trades.

Works in minority owned construction firm which has received \$250,000 contract for first catalyst phase development
- **Transformation Phase (2031-2040)**
Rises to construction supervisor with responsibility for hiring more staff

Helps firm land \$700,000 contract for transformation phase of work

Promoted to construction manager working on projects through the region and helping manage and grow the business
- **Full Vision (2041-2050)**
Becomes general contractor and maintains staff to self-perform various trades.

Increases bonding capacity to \$30 million

Lands a bid to build a \$25 million project

Receives training at Entrepreneur Hub on succession planning and begins the process to sell the firm to staff

WEALTH BUILDING TOOLS



ENTREPRENEURSHIP

- PCC Pre-Trades Program (Darius)
- PCC Apprenticeship Program (Darius)
- Public Financing (Emerging Local Developer)
- Enterprise Community Partners Program (Emerging Local Developer)
- Joint Apprenticeship Training Committee (Building Operator)
- Succession Planning Training (Darius)

*Source: Albina Vision Trust
Community Investment Plan*

DISCUSSION | Hill District Wealth-building Stories



DARIUS



MR. WILLIAMS



NICHELE



ROCKY



TONY



ZAWADI



THE JOHNSONS



KYETA



THE TURNERS

- What are the wealth-building stories in the Hill? What kind of stories could you imagine?
- How does governance factor into ways Hill residents build wealth or could build wealth?
- How does a person's current situation and time of life influence future trajectories?

V. BRAINSTORM

BRAINSTORM | Hill District Wealth-building Stories



DARIUS



MR. WILLIAMS



ROCKY



ZAWADI



THE JOHNSONS



KYETA



TONY