

Equitable Recovery Playbook

The American Rescue Plan – and other federal spending programs – are unleashing vast sums of money on the Pittsburgh region and giving much of the control over decision making to state and local leaders. Funding has the potential to be transformative in jumpstarting the projects and scaling the solutions that have, for too long, lived on the back burner due to resource constraints. Moreover, given the pandemic’s outsized effects on Black and Brown communities and an ongoing racial reckoning, we have a once-in-a-generation opportunity to make sure long-neglected communities are invested in.

To maximize the impact of fiscal stimulus, the region needs a coordinated response that aligns the public and private sectors, community and business leaders, and policymakers and practitioners. Neighborhood Allies has spent much of 2021 working with its partners to understand the needs, opportunities, and potential for low-income communities in our region to absorb capital and realize positive change. We have compiled this Equitable Recovery Playbook with the following observations in mind:

- Communities that have been hardest hit by the pandemic – Black and Brown neighborhoods and low-income areas – need the greatest level of attention, creative problem-solving, and investment.
- Policymakers will be best positioned to invest in those communities when presented with viable and discrete opportunities.
- The size and scope of fiscal stimulus means that we can make strategic and catalytic investments, in addition to tactical ones.

This document is organized into three sections, each with multiple subsections. Each subsection features one-page descriptions of clear, investable opportunities that would contribute to an equitable economic recovery. The list is not exhaustive, and Neighborhood Allies and its partners fully expect that additional opportunities will emerge.

Neighborhood Development: Real-estate projects that respond to communities' needs by making housing more stable and affordable; increasing local property ownership and development capacity; reducing blight and increasing market confidence; and serving vulnerable populations.

- 1. Last Dollar In:** Projects with tight budgets and nearly-complete capital stacks that require grant funding to close a final gap and bring the development into fruition
- 2. Catalytic Capital:** Viable, well-conceptualized projects that need early stage equity to attract additional debt and equity and move past pre-development
- 3. Asset Positioning:** Critical sites and corridors that require stabilization, conceptual design, and active marketing to attract project sponsors capable of executing transformative development

Economic Opportunity: Projects and initiatives that support low-income and other vulnerable people through financial empowerment, digital skills building, employment training, entrepreneurship, and other opportunity-oriented interventions

- 1. Scalable Solutions:** Programs and organizations with a track-record of producing measurable, replicable outcomes that can absorb capital and are poised to grow
- 2. Emergent Models:** Creative and novel initiatives that have become more salient and vital during the COVID-19 pandemic and the economic downturn it produced – providing trauma-informed support to vulnerable people and places

Community Development Infrastructure: Investments that grow capacity and build muscle memory in the community development system so that we can more effectively respond to challenges and opportunities beyond this moment of crisis

- 1. Aligning Capital with Strategy:** Seed funding and more substantial capitalization for flexible loan funds, credit enhancement vehicles, and grant and equity programs that focus on closing the racial wealth gap and moving people up the socio-economic ladder
- 2. Asset Acquisition and Stabilization:** Investments in the programs and organizations that are securing and repositioning distressed assets in underserved communities
- 3. Talent and Capacity Building:** Support for organizations seeking to attract and retain the next generation of talent for the region's community development system

Advice for Policymakers

Neighborhood Allies and its partners recognize that state and local government officials will need to rely on the existing administrative infrastructure to surface, collect information on, provide financial support to, and ensure accountability of the projects identified in this document. ARP funding has and will continue to flow to the authorities, agencies, and programs that commonly deliver community and economic development assistance to neighborhoods. We encourage policymakers to think carefully not only about the size of the investments it makes in these programs, but the structure of the delivery system as well.

Take advantage of existing programs that work. In the interest of deploying funds quickly and effectively, policymakers should look to increase budgets of existing programs that have a track record of impact. To make those programs as responsive as possible, leadership should also instruct agencies to consider increasing the number of funding rounds, awarding grants past requests that went unfunded or underfunded, and reducing administrative requirements.

Make speed and flexibility explicit goals. While existing programs can and should be used, leaders need to ensure that they are workable and responsive to community need. Complexity is a form of subsidy for those with the resources and experience to navigate it. Common restrictions that could be waived or eased include matching funds requirements, prevailing wage, and historic and environmental review (none of which are explicitly required by ARP). Additionally, agencies must be willing to be the first money in, and not require evidence of funding commitments from all or most other sources. To create transformative and equitable change, government must enable smart risk-taking and serve as a substitute for the project equity that Black and Brown developers and communities inherently lack.

Rely on the knowledge and talent of private-sector partners. ARP has presented agencies and authorities with a large infusion of new resources and comparatively few project earmarks. Local leaders and agency staff should leverage the capacity of private-sector partners who have on-the-ground relationships to fairly and candidly assess project readiness, sponsor commitment and organizational capacity, and other issues of capital absorption. Nonprofit intermediaries, financial institutions, and community development corporations and other community-based organizations should be consulted and trusted.

Acknowledgements

Neighborhood Allies produced this document on behalf of itself and its partners. Projects and programs are included with the permission of the sponsoring organization. Contact Matt Madia (matt@neighborhoodallies.org) for more information.

Neighborhood Allies thanks the Hillman Foundation for its support. The findings and conclusions contained within are those of the authors and do not necessarily reflect positions or policies of the Hillman Foundation or any related foundation, any officer, director or employee thereof or any donor thereto.

Summary of Projects

Neighborhood Development: Last Dollar In	
Project	Funding Gap
1. Hill Dance Academy Theater	\$1,200,000
2. Low-Income Home Ownership Preservation - Hill District	\$400,000
Subtotal – Last Dollar In	\$1,600,000

Neighborhood Development: Catalytic Capital	
Project	Funding Gap
1. Hill District Federal Credit Union Expansion	\$1,000,000
2. 7600-7800 Susquehanna Street	\$9,000,000
3. CEA Community Plaza	\$160,000
4. LA Grocery Expansion	\$230,000
5. Low-Income Home Ownership Preservation - Homewood	\$1,078,000
Subtotal – Catalytic Capital	\$11,468,000

Economic Opportunity: Scalable Solutions	
Project	Funding Gap
1. Pittsburgh Financial Empowerment Center	\$1,000,000
Subtotal – Scalable Solutions	\$1,000,000

Economic Opportunity: Emergent Models	
Project	Funding Gap
1. Get Online Grow Online (GOGO)	\$1,100,000
Subtotal – Emergent Models	\$1,100,000

Community Development Infrastructure: Aligning Capital with Strategy	
Project	Funding Gap
1. Affordable Housing Revolving Loan Fund	\$8,000,000
2. Equitable Growth Guarantee Fund	\$10,450,000
Subtotal – Aligning Capital with Strategy	\$18,450,000

Grand Total	\$33,618,000
--------------------	---------------------



Hill Dance Academy Theater (HDAT)

Project Sponsor: Hill Dance Academy Theater
 Property: 2900 Bedford Ave., Pittsburgh, PA 15219
 Total Project Cost: \$2.7 million
 Development Team: Palo Alto Partners LLC (Consultant)
 Milton Ogot (Architect)
 Neighborhood Allies (Technical Assistance)

\$1.2 million for the rehab of a historic school to create a permanent home for a growing Black arts and culture organization

Hill Dance Academy Theatre (HDAT) recently purchased the former St. Benedict the Moor School located at 2900 Bedford Avenue, which it had previously leased. HDAT will renovate the space to accommodate its growth and serve more students. The purchase included three additional buildings that will allow HDAT to create revenue-generating opportunities through rent to other nonprofit and artistic organizations as well as provide residences to visiting artists and community residents.

HDAT was founded in 2005 to give young people an opportunity to express themselves through dance regardless of race, body size or type, or life’s economic circumstances. Through this vision HDAT delivers its mission to develop and train dancers in Black Dance traditions and knowledge and create emerging artists who will sustain Black Dance in the Black Community and beyond. The curriculum consists of dance techniques in many genres of dance including Ballet, West African, Afro-Caribbean, Jazz, Horton, Hip Hop, Liturgical, and Tap. The curriculum is developed to create within students a passion to become engaged in the artistry of Black Dance.



HDAT serves a predominantly Black student population and students reside in the Hill District, Homewood, East End, Penn Hills, Wilksburg, Northside, Southside, Sheridan, McKees Rocks and East Liberty. Students attend Pittsburgh public schools, charter schools private and parochial schools.

HDAT has already received more than \$1 million in grant funding for Phase 1 of the project in addition to a mortgage used to finance the purchase of the property. An additional \$1.2 million will allow the organization to commence its growth plans and secure its future as a key cultural asset in the Hill District community.

SOURCES		USES	
Purchase mortgage (committed)	\$180,000	Acquisition	\$425,000
Allegheny County Regional Asset District (committed)	\$300,000	Rehab Costs	\$1,916,500
Heinz Endowments (committed)	\$800,000	Soft Costs	\$162,900
Private Donation (committed)	\$150,000	Contingency	\$192,600
Owner’s Equity (committed)	\$67,000		
GAP	\$1,200,000		
Total	\$2,697,000	Total	\$2,697,000



Low-Income Home Ownership Preservation in the Hill District

Project Sponsor: Rebuilding Together Pittsburgh
 Property: Scattered sites
 Total Project Cost: \$1,050,000

\$400,000 to stabilize homes and improve quality of life for homeowners in a portion of the Hill District experiencing market pressure

Rebuilding Together Pittsburgh (RTP) has been working in the Hill District for the last seven years performing upwards of ten home repair projects each year at no cost to low-income homeowners. In that time, RTP has built strong partnerships with diverse Hill District-based organizations to meet community goals around the protection and creation of stable and affordable housing, as well as the reduction of blight to increase market confidence while simultaneously advocating that the most vulnerable residents can benefit from these market changes.

RTP works closely with Schenley Heights Collaborative, Hill CDC, Neighborhood Resilience Project, and Amani Christian Community Development Corp through the Schenley Heights Organized Revitalization Effort (SHORE) to identify low-income homeowners in need of RTP services and specific households that are in proximity to SHORE organizations' development projects. This unique consortium allows for the community to benefit from several groups working in unison to increase the impact of our respective work. We deeply understand the need for free home repairs for long-time residents and the finite pool of resources. Currently, thirty low-income Hill District homeowners have applied and qualify for RTP services; twelve applications are in the Upper Hill, specifically.



RTP is requesting funds to replace federal funding that the Upper Hill no longer qualifies for. As of 2021, the Upper Hill is no longer considered a low-income census tract since the median AMI (area median income) of residents has exceeded 60% AMI. This loss of funding is troubling and alarming, as RTP will have significantly less funding to assist long-time low-income homeowners of the Upper Hill age in place. Therefore, RTP is requesting new funding to continue to allow for large budget projects in the Upper Hill, addressing critical health and safety repairs that often exceed \$25,000 per project.

SOURCES		USES	
Federal Home Loan Bank of Pittsburgh	\$430,000	Home Repairs	\$790,000
Foundation Support (committed)	\$150,000	Individual Case Management	\$105,000
RTP Unrestricted Capital (in-hand)	\$70,000	Community Engagement	\$50,000
GAP	\$400,000	Soft Costs/Other	\$105,000
Total	\$1,050,000	Total	\$1,050,000



Hill District Federal Credit Union Expansion

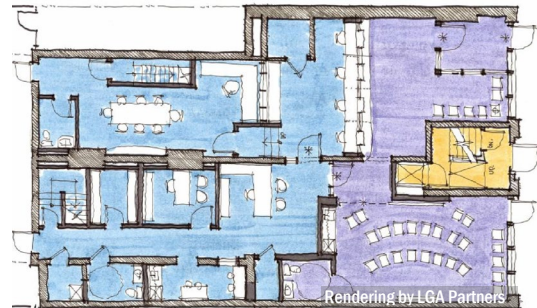
Project Sponsors: Hill District Federal Credit Union
 Property: 2019 Centre Ave., Pittsburgh (Hill District)
 Total Project Cost: \$2.7 Million
 Development Team: LGA Partners (Architect)
 WBCM and WNA Engineering
 A. Martini & Co. (General Contractor)

\$1 million to fund the expansion of a long-time Hill District financial institution that provides banking and credit to neighborhood residents

The Hill District Federal Credit its (HDFCU) is undertaking a \$2.7 million renovation to its headquarters that will also allow the nonprofit to improve and expand its lending and the financial and credit counseling services it offers to unbanked and underbanked Hill District residents, as well as create four affordable apartments on upper floors.

HDFCU was chartered in 1970 with a mission to serve as a nonprofit financial organization owned and operated by its membership. It has over 3,400 members and \$8.8 million in assets. Services help low-income members help themselves with inexpensive, accessible checking and savings accounts and loans, and by promoting wealth-building through savings plans and financial education. HDFCU’s membership is 85% Black and 90% low/moderate income.

Currently, HDFCU’s retail space must expand and improve; the two teller windows handle a total of 2,000 transactions per month; and the waiting area consists of four chairs in a very small entryway space. The planned construction will expand existing operations into a currently empty retail space on the first floor. The project will add two teller windows, an office, and counseling rooms that will provide the confidential and professional space needed for credit union services. A new conference and training room will house small group sessions offered by HDFCU and its financial counseling partners. Upper floors will be reactivated as quality apartments and rented to neighbors in need of improved, affordable housing.



HDFCU is well positioned to help secure an equitable future for the community. As redevelopment of the former Civic Arena site increases market pressures in the neighborhood, now is the time to ensure the long-term viability of resident-focused services and housing affordability for the Hill District. \$1 million in support will be combined with \$1.5 million in foundation funding as well as \$200,000 in funds from the Urban Redevelopment Authority and the credit union itself that have already been committed for predevelopment.

SOURCES (projected)		USES	
Foundation grants	\$1,500,000	Construction Costs	\$2,218,649
Urban Redevelopment Authority	\$100,000	Hard cost contingency	\$155,305
HDFCU Equity	\$96,386	Developer Fee	\$110,932
GAP	\$1,000,000	Design Fees	\$144,000
		Permits	\$30,000
		Reserves	\$12,500
		Misc./Other	\$25,000
Total	\$2,696,386		\$2,696,386

7800

SUSQUEHANNA STREET

7600-7800 Susquehanna St.

Project Sponsor: Bridgeway Capital, Inc.
 Property: 7600-7800 Susquehanna St., Pittsburgh (Homewood)
 Total Project Cost: \$19,000,000
 Development Team: LGA Partners; 4080 Architecture, architects; PVE, LLC, civil engineering; Urban Design Associates, master planning; and Grandview Development, owner’s representative

\$9 million for a 7-acre maker-manufacturing campus that creates accessible, living-wage jobs and furthers the revitalization of Homewood

Between 2013 and 2018, Bridgeway Capital, together with its partners, renovated the vacant Westinghouse Electric warehouse building on Susquehanna Street in Pittsburgh’s Homewood neighborhood. Today, the 150,000 square foot building, which has been renamed 7800 Susquehanna Street (7800), is a flourishing economic hub. It provides stable affordable rental space for urban manufacturing, craft businesses, and workforce training. 7800 is fully occupied by 23 tenants who collectively employ 85 individuals.



By attracting new commercial activity and supporting local businesses, 7800 has become a vital investment to combat decades of disinvestment. To date, Bridgeway has invested over \$17 million in the Homewood community, between the revitalization of 7800, contractors engaged in the building’s renovations and maintenance, and loans to neighborhood small businesses and nonprofit organizations.

Now, Bridgeway is embarking on the construction of similar light industrial buildings to activate the adjacent 7600-7700 blocks of Susquehanna Street up to Brushton Avenue. These spaces will feature production studios for maker-manufacturer businesses as well as community amenities. The site will include welcoming outdoor spaces, green infrastructure for storm water management, and safe pedestrian access to the Martin Luther King Jr. East Busway. The site will support the creation/retention of 60 permanent jobs, 40 indirect jobs, and 45 non-permanent construction jobs.

SOURCES (projected)		USES	
Allegheny County	\$500,000	Construction	\$12,000,000
Economic Development Agency	\$2,000,000	Site Work	\$5,000,000
PA RACP	\$500,000	FF&E	\$2,000,000
Philanthropic Support	\$3,000,000		
Bridgeway Capital	\$4,000,000		
GAP	\$9,000,000		
Total	\$19,000,000		\$19,000,000



COMMUNITY EMPOWERMENT ASSOCIATION

CEA Community Plaza

Project Sponsor: Community Empowerment Association
 Property: 7120 Kelly St., Pittsburgh (Homewood)
 Total Project Cost: \$195,000
 Development Team: Indovina Associates, architect
 Neighborhood Allies

\$160,000 to transform a parking lot into a vibrant plaza that better connects Homewood to its history, culture, and vision for the future

CEA Community Plaza will be a 10,000 s.f. publicly accessible space that celebrates African American history and culture, further beautifies the physical core of the neighborhood, and serves as a literal and figurative connection point for Homewood. The project will highlight an existing mural on the side of the CEA building that is a monument to and celebration of African American perseverance in the face of inequity. The Plaza will be a public space oriented to the mural that provides a flexible area for events and inspiring educational displays including ground-level pillars mirroring the figures on the murals with QR codes which, when scanned, provide additional history and information.

Homewood's community vision strives to make itself an anchor of African American Culture in Pittsburgh. The location of the plaza, in addition to being adjacent to CEA, will foster connections between leading Homewood institutions including the Afro American Music Institute, the Homewood-Brushton YMCA, Miss Mary's Community Garden, Oasis Community Kitchen, CCAC, Pitt Community Engagement Center, and the newly proposed Verizon quad. Each of these organizations lie one or two blocks away from CEA. In addition, rising real estate prices and gentrification in East Liberty is beginning to encroach on nearby East End neighborhoods. Establishing Homewood as a celebration of Black culture will ensure community ownership as the neighborhood potentially changes.



Rendering by Indovina Associates

Pittsburgh's history is riddled with racist policies that have disenfranchised Black residents, including the Civic Arena construction which displaced thousands of residents to areas such as the Homewood neighborhoods. Historical injustices continued throughout the 20th and 21st century stripping Homewood of resources and created a rise in gang wars, murder rates, drug use, chronic unemployment, and poverty. Rashad Byrdsong, founder of CEA, has tirelessly strived to provide counseling and community resources in Homewood to redirect negative and potentially violent energy into hope and empowerment. This plaza will represent a tangible extension of those efforts and ideals.

SOURCES (projected)		USES	
Neighborhood Allies	\$5,000	Site Work	\$110,000
URA Neighborhood Initiatives Fund	\$30,000	Furnishings, Fabrications, Landscaping	\$54,000
GAP	\$160,000	Signage	\$20,000
		Other	\$11,000
Total	\$195,000	Total	\$195,000



LA Grocery Expansion

Project Sponsors: LA Grocery; Larimer Consensus Group
 Property: 511 Larimer Ave., Pittsburgh (Larimer)
 Total Project Cost: \$375,000
 Development Team: Ae7 Pittsburgh, architect
 Neighborhood Allies

\$230,000 to strengthen and grow a long-time community business, reduce blight along Larimer Ave., and increase healthy food options in the neighborhood

Expansion of LA Grocery is a small but transformational project in Larimer that will better position the community to absorb and benefit from ongoing redevelopment. The project will create new business opportunities for an enterprise that has been a pillar of the neighborhood for 30 years, expand the availability of fresh and healthy food in a food desert, and dramatically improve the streetscape along Larimer Avenue. The project will consist of interior renovations to the existing store, a one-story addition that will house a restaurant that prepares and sells Jamaican-influenced cuisine, an outdoor dining space, and a new sidewalk, façade improvements, and tree plantings along Larimer Avenue. The addition and outdoor dining space will replace a blighted vacant lot to the right of the existing store. The Project will be highly visible from both Larimer Ave. and Meadow St. and will also increase the walkability and vibrancy of the neighborhood.



The proposed Project also fully embraces the URA’s Avenues of Hope concept. LA Grocery is owned and operated by James Duke. His store has been a consistent presence in the community for 30 years and remained a resource for Larimer residents throughout some of its most challenging years. Now, Mr. Duke has the opportunity to grow his business and benefit from the changing conditions in the neighborhood brought about by HUD Choice Neighborhood investments and other development projects slated for the community. Larimer Consensus Group (LCG) and Mr. Duke have been working together for several years to develop the proposed project vision and scope.

SOURCES (projected)		USES	
The Food Trust	\$17,000	Existing Building	\$86,020
Neighborhood Allies	\$15,000	Addition	\$119,000
URA Neighborhood Initiatives Fund	\$63,000	Outdoor Seating/Landscaping	\$36,850
Mortgage financing	\$50,000	FF&E	\$58,700
GAP	\$230,000	Soft Costs/Other	\$74,430
Total	\$375,000		\$375,000



Low-Income Home Ownership Preservation in Homewood

Project Sponsor: Rebuilding Together Pittsburgh
 Property: Scattered sites
 Total Project Cost: \$2,025,000

**\$1.1 million to help
 45 Homewood home-
 owners age in place
 and stabilize home
 values for future
 generations**

Rebuilding Together Pittsburgh (RTP) is uniquely positioned to support the preservation of market rate owner-occupied affordable housing on a community scale while also individually supporting low-income households avoid displacement and increase health and safety. RTP offers holistic case management to all clients through its Building Connections Program which is centered around alleviating the cost of homeownership, preservation and protection of the home as a central engine of generational wealth building. Unfortunately, we are facing the end of funding for these programs in Homewood in 2022 as we complete our final active Homewood grant. RTP would like to continue to offer these services to Homewood North, Homewood South, and Homewood West in 2023.



RTP works closely with Operation Better Block (OBB) to identify Homewood homeowners that qualify for RTP services. RTP’s work directly aligns with Homewood’s Cluster Plans of ensuring long-time residents are supported to age in place. Through this partnership, RTP currently has a list of 45 low-income homeowners that have applied and qualify for RTP services. All these applicants fall below 60% AMI (Area Median Income) and most fall below 50% AMI, representing decades of Homewood homeownership and residency.

The proposed project requests funding for 45 owner-occupied rehabs to take place, offering critical health and safety repairs to Homewood’s low-income homeowners. This allows for a significant infusion of investment to occur in low-income households in tandem with monumental investment occurring in Homewood through economic development. RTP understands the significant need of Homewood’s housing stock and are seeking funding to allow for project budgets that exceed \$30,000 per household, a service that no other local entity offers, providing repairs at no cost (including no liens or deferred loans) for projects exceeding \$30,000 budgets.

SOURCES (projected)		USES	
Federal Home Loan Bank of Pittsburgh	\$678,000	Home Repairs	\$1,520,000
URA Home Affordability Program	\$300,000	Individual Case Management	\$202,500
RTP Unrestricted Capital	\$100,000	Community Engagement	\$100,000
GAP	\$1,078,000	Soft Costs/Other	\$202,500
Total	\$2,025,000	Total	\$2,025,000



Pittsburgh Financial Empowerment Center

Project Sponsor: Neighborhood Allies
 Project Partners: Advantage Credit Counseling Services
 City of Pittsburgh
 Cities for Financial Empowerment Fund
 Annual Budget: \$515,000
 Population Served: Residents of Allegheny County with an emphasis on low- and moderate-income individuals, women, and people of color

\$1 million to help grow a program that has helped more than 1,000 Pittsburghers build wealth and increase personal credit

Over the past six years, Neighborhood Allies and its partners have developed expertise in advancing economic opportunity for people of color and vulnerable populations. Now, our initiatives have become more essential than ever. We continue to expand, providing more services to greater segments of the population, building long-term financial stability. The four certified financial counselors of the Pittsburgh Financial Empowerment Center (FEC) provide no-cost, one-on-one sessions, helping their clients with banking, saving, debt, and credit issues. Over the past year, they have assessed each client regarding Covid-related financial challenges and responded accordingly – with referrals to public assistance such as SNAP or unemployment benefits; by revising budgets to reflect work realities and stimulus payments; by prioritizing payments for utilities, credit cards, and loans; and by negotiating with lenders and landlords. In addition to providing a needed service, these trained and trusted professionals build confidence and hope as they help their clients navigate changing realities by accessing needed resources and guiding long-range planning.



Since opening in March of 2019, the FEC has served 1,092 clients over 3,588 sessions, for an average of three sessions per client. Of the 1,816 measurable outcomes achieved to-date, a few stand out – \$1,399,322 of total savings built and \$1,959,059 of total debt reduced. 264 people have also increased their credit scores by at least 35 points.

Additional resources for the next three years will enable us to hire two to three additional counselors and integrate the free service into the following public initiatives: small business development support to entrepreneurs with the Urban Redevelopment Authority; emergency rental assistance with Allegheny County Department of Human Services and ACTION-Housing; and the Assured Cash Experiment (ACE PGH) offered to 100-200 Black women as a guaranteed income initiative with the City of Pittsburgh.

SOURCES		USES (3 years)	
BNY Mellon Foundation (committed)	\$100,000	Financial counselors	\$1,365,000
KeyBank (committed)	\$400,000	FEC Manager	\$242,000
Cities for Financial Empowerment (requested)	\$160,000	Counselor Training	\$21,000
PNC Bank (committed)	\$60,000	Credit services	\$24,000
City of Pittsburgh (committed)	\$90,000	Events, travel, and marketing	\$18,000
Wells Fargo (committed)	\$25,000	Equipment and supplies	\$15,000
GAP	\$1,000,000	Neighborhood Allies mgmt	\$150,000
Total	\$1,835,000	Total	\$1,835,000



Get Online Grow Online (GOGO)

Project Sponsor: Neighborhood Allies
 Annual Budget: \$400,000
 Population Served: Small business owners with an emphasis on women and Black and Brown owners

\$1.1 million to ensure stability for a program that will help an additional 300 underserved entrepreneurs access new online customers

The COVID-19 pandemic deeply challenged the future of our communities and economy. That’s why we launched the Get Online Grow Online (GOGO) program, to aid businesses in implementing new, creative ways to reach their customers through online interaction. The goal of the program is to supply small businesses with up to ten hours of pro bono technical assistance, focused on personalized e-commerce solutions, that will help them enter the digital marketplace.

What began as an impromptu partnership between Neighborhood Allies and the Urban Redevelopment Authority of Pittsburgh (URA) in response to the economic hardships of the COVID-19 pandemic has evolved into a full-fledged, sustainable program for our organization. We began by serving entrepreneurs in only a few neighborhoods but quickly scaled to be able to serve all CDBG-eligible areas within Allegheny County and, now, all of western Pennsylvania. Thanks to our partnerships with the URA, Allegheny County, and Bridgeway Capital, we are able to service nearly every business that applies to our program.

GOGO served 86 businesses through its first two program rounds, 77 of which were minority- or woman-owned businesses. Participants are matched with a business consultant and receive up to ten hours of free technical assistance for tasks such as improving search engine optimization, developing a website or outfitting an existing site with an ordering system.



Curtis Drane, owner of Flavors Famous Street Food, invested in social media advertising with the help of GOGO and increased sales by 40%

To sustain the GOGO program’s growth and maintain our service offerings, Neighborhood Allies is seeking \$1.1. million in grant funds to operate the program through 2024. Funding will allow GOGO to serve an additional 300 Pittsburgh-area small business owners

SOURCES		USES (3 years)	
Neighborhood Allies	\$100,000	Program manager salary and benefits	\$375,000
GAP	\$1,100,000	Program associate salary and benefits	\$225,000
		Web and marketing consultants	\$300,000
		Overhead and misc.	\$300,000
Total	\$1,200,000	Total	\$1,200,000



BRIDGEWAY CAPITAL

Connect Opportunity with Capital

Affordable Housing Revolving Loan Fund

Project Sponsor: Bridgeway Capital, Inc.
 Project Type: Revolving Loan Fund
 Fund Size: \$20,000,000
 Committed: \$6,502,000
 Pipeline: \$3,485,000

\$8 million to create or preserve 850 affordable housing units and to unlock investment capital from UPMC

Bridgeway Capital (Bridgeway) seeks \$8 million to complete the capitalization of a \$20 million Affordable Housing Revolving Loan Fund (The Fund) by 2023. The \$20 million Fund will support the creation or preservation of 850 deed-restricted affordable units 70% of which will be affordable to households earning 50% or less of Area Median Income (AMI) and 30% to households earning between 50% and 80% AMI. Bridgeway’s investment of \$20 million last gap financing is projected to participate in \$250 million worth of equitable residential real estate development.

The Fund has been seeded with \$7.5 million of debt capital. UPMC for You and The Kresge Foundation made program related investments (PRIs) of \$3million and \$1.5 million, respectively, and Bridgeway matched these contributions with \$3 million. UPMC for You is prepared to make a second PRI of \$3 million into Bridgeway’s Affordable Housing Fund. However, UPMC will only do so when the Fund reaches \$17 million. Therefore, to access this financing from UPMC, Bridgeway must raise \$9.5 million for the Fund plus \$2 million to cover credit enhancements and administrative costs associated with the Fund. Through the Fund, Bridgeway offers interest-only predevelopment and bridge loans as well as patient financing for the preservation, acquisition, renovation, and/or construction of affordable housing.



Rendering by Bohlin Cywinski Jackson. Courtesy of ACTION-Housing.

SOURCES		USES	
UPMC for You PRI (in-hand)	\$3,000,000	Revolving Loan Fund	\$20,000,000
Kresge Foundation PRI (in-hand)	\$1,500,000	Operating Costs (5 years)	\$1,250,000
Bridgeway Capital (in-hand)	\$3,000,000	Loan Loss Reserve	\$750,000
UPMC for You PRI (projected)	\$3,000,000		
CDFI Fund Capital Magnet Fund (requested)	\$2,500,000		
Foundations (projected)	\$1,000,000		
GAP	\$8,000,000		
Total	\$22,000,000	Total	\$22,000,000



Equitable Growth Guarantee Fund

Project Sponsor: Neighborhood Allies
 Project Type: Revolving Guarantee Pool
 Total Size: \$12,000,000
 Current Pipeline: \$2,500,000

Up to \$10.5 million for an innovative loan guarantee product that breaks down barriers to capital access for Black developers

Neighborhood Allies is seeking \$12 million to complete capitalization of the Equitable Growth Guarantee (EGG) Fund – a loan guarantee fund that helps real estate developers of color, and community-based developers working in low-income neighborhoods of color, raise private capital for their projects. The fund will support an estimated 74 projects over 10 years. \$1.55 million has been raised to date.

Lack of capital continues to be a persistent problem that contributes to a self-reinforcing cycle of wealth disparities in Black communities. Lack of predevelopment funds for design, engineering, and environmental fees can be a major impediment to breaking into real estate development. Even well-conceived and planned projects can fall prey to appraisal gaps – common in low-income neighborhoods and communities of color – or developer guarantees that are deemed too weak to attract bank financing.



For its 5th & Dinwiddie project, Black-owned Bridging the Gap Development received a predevelopment loan from First National Bank that is guaranteed by Neighborhood Allies

The EGG Fund helps close project gaps in one of two ways. The first substitutes much needed early-stage equity that is typically used for predevelopment expenses such as design fees and carrying costs. Lack of predevelopment funds can be a major impediment to breaking into real estate development or to growing development portfolios. The second helps developers fill equity gaps by attracting affordable loan capital that supplements first mortgage financing and fills appraisal gaps, or is used to strengthen developer guarantees to investors. Both guarantees work as follows:

1. Neighborhood Allies surfaces and supports developers through its Accelerator and partners with banks, CDFIs, and other lenders to underwrite and right-size loans.
2. Neighborhood Allies holds cash in the amount of the necessary loan and pledges it to a private lender as collateral.
3. The lender releases the collateral as/when the loan is paid off, and Neighborhood Allies recycles it into additional projects.

Neighborhood Allies is currently piloting the EGG Fund with \$1.55 million in foundation grants. \$700,000 has already been deployed and interest from developers exceeds the remaining amount. An additional \$10 million would allow the fund to operate at full capacity for the next three years.

SOURCES		USES	
Initial Capitalization		Predevelopment Guarantees (47 total)	\$7,050,000
Foundation grants (in-hand)	\$1,550,000	Appraisal Gap Guarantees (27 total)	\$12,150,000
GAP	\$10,450,000		
Initial Capitalization subtotal	\$12,000,000		
Funds Released and Revolved	\$7,200,000		
Total	\$19,200,000	Total	\$19,200,000