Equitable Development: The Path to an All-In Pittsburgh
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Equitable Development: The Path to an All-In Pittsburgh

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Pittsburgh is a city on the rise. After decades of decline following the collapse of the steel industry, the region has successfully transformed its manufacturing economy into one driven by knowledge and technology. Young college graduates are moving in and a thriving start-up and entrepreneurial culture has taken root. A development boom is also underway, with some 8,000 new market-rate homes coming online not only downtown, but also in neighborhoods like East Liberty, Lawrenceville, and Uptown.¹

This resurgence brings great potential to deliver long-awaited jobs, economic opportunities, and neighborhood improvements to the region’s low-income communities and communities of color. Yet locally, the pervasive sense is that there are “two Pittsburghs”: one growing more prosperous, and the other cut off from opportunity by poverty, structural racism, and discrimination. The data show this fear is well-justified: over the past five years, racial gaps in wages, employment, and poverty have widened rather than narrowed, ranking Pittsburgh 78th among the largest 100 regions when it comes to progress on racial economic inclusion according to a Brookings Institution analysis.² Numerous reports—including two released last year by the Urban Institute and the University of Pittsburgh Center on Race and Social Problems—document Pittsburgh’s stark and persistent racial inequities, particularly for its Black residents, in income, employment, education, health, wealth, housing, and opportunity.³ Data in the National Equity Atlas show that racial inequality has a steep cost: Pittsburgh’s economic output would be about $5 billion higher every year absent its racial inequities in income.⁴

Pittsburgh’s comeback is also geographically uneven. Across the city’s 90 neighborhoods, some are gentrifying, with rising rents and home prices threatening longtime residents and businesses with displacement. The horror of mass displacement came true in June 2015, when the owner of Penn Plaza apartments in East Liberty sent notices to vacate to about 200 tenants, many of whom were low-income, elderly, and Black. And a *Washington Post* analysis of home-price increases since 2004 found the zip code containing Lawrenceville and Garfield has some of the highest increases nationwide.⁵ At the same time, many more Pittburghers live in neighborhoods that continue to lose population, are dotted with vacant lots, and suffer from a lack of new investment and private market activity. Other working-class families, priced out of up-and-coming neighborhoods or searching for better schools and safer streets, are moving to older suburbs like Penn Hills—often arriving in communities facing decline that lack adequate public transportation, services, and other key ingredients of economic success.
In the face of these trends, urgent action is needed to steer growth and change in a new direction: toward one, “all-in” Pittsburgh. The evidence is clear that the benefits of new growth and development will not automatically trickle down to poor and working-class residents. Local leaders must implement a targeted, intentional strategy to ensure all can thrive in the new Pittsburgh. That strategy is equitable development. As a part of the process for developing this report, PolicyLink, Neighborhood Allies, and Urban Innovation21 convened dozens of Pittsburgh community leaders to create a shared definition of equitable development, and this is how we defined it:

**Equitable development** is a positive development strategy that ensures everyone participates in and benefits from the region’s economic transformation—especially low-income residents, communities of color, immigrants, and others at risk of being left behind. It requires an intentional focus on eliminating racial inequities and barriers, and making accountable and catalytic investments to assure that lower-wealth residents:

- live in healthy, safe, opportunity-rich neighborhoods that reflect their culture (and are not displaced from them);
- connect to economic and ownership opportunities; and
- have voice and influence in the decisions that shape their neighborhoods.

Realizing this vision of equitable development is no small task. Cities across the globe have struggled to develop in ways that ensure their long-standing residents benefit from change, and Pittsburgh is no exception. The region’s inequities have deep roots, and eliminating them will require healing wounds that are still gaping, including the legacies of urban renewal and redlining. In 1956, to build the Civic Arena for the Pittsburgh Penguins hockey team, the city demolished 1,300 buildings, evicting more than 400 businesses and 8,000 people (including more than 1,000 Black families) in the Lower Hill District. In 2011, the domed arena came down, and a mixed-use, mixed-income development is now proposed for the 28-acre site, which is currently a parking lot. But, for many, it remains a painful reminder of government actions that harmed the Black community.

Yet, Pittsburgh is in an ideal position to make equitable development its new reality. The region’s rebound from the brink of economic collapse is a testament to its ability to take on the toughest challenges and not just imagine but actually build a different future. Just as community, government, philanthropic, and business leaders laid the groundwork for today’s resurgence, they now need to take on the challenge of equitable growth with the same gusto, unlocking opportunities and tapping the ingenuity and creativity of its residents to build a stronger, more resilient, more inclusive region for all. Many are already taking up the challenge, and emerging models of equitable development can be found across the region.

- On the Northside, a group of tenants came together as the Northside Coalition for Fair Housing to first prevent the eviction of more than 300 families, and then secured funding from the city to buy a majority share of the development, creating a unique tenant ownership model that has guaranteed affordability and improved the living conditions and livelihoods of hundreds of tenants.

- In Homewood, the 100,000-square-foot former Westinghouse factory, redeveloped by Bridgeway Capital, has been transformed into a business incubator, with 85 percent of the construction contracts going to minority-owned businesses. The main contractor, Ma’at Construction Group, hired and trained young apprentices who face barriers to employment, such as criminal records, on the project.

- In Larimer, a community-driven planning process is now guiding the redevelopment of the long-distressed neighborhood and two public housing complexes into a mixed-income community.

### Building on Local Knowledge

The definition of equitable development shared here builds on local ideas and advocacy. A report on equitable development released in January 2016, *Black Homes Matter: Alternate Approaches to Neighborhood Revitalization in the City of Pittsburgh*, produced by the Pittsburgh Fair Development Action Group, shared the following principles for equitable development:

- Do no harm to residents and small business owners
- Increase access to opportunity
- Increase resident incomes
- Support resident ownership of housing
- Support resident ownership of businesses
- Ensure long-term housing security

Our definition and recommendations endorse and seek to advance these principles.
This report—based on interviews and conversations with dozens of Pittsburgh leaders and drawing from national best practices and approaches to equitable development—under-scores the urgency of equitable development for Pittsburgh and outlines a five-point agenda to achieve it, with 16 specific recommendations.

I. **Raise the bar for new development.** As the region undergoes a development boom, new development and growth must happen in a way that benefits and does not displace longtime lower-income residents and neighbor hood entrepreneurs.

II. **Make all neighborhoods healthy communities of opportunity.** Beyond new development, the region needs a comprehensive strategy to increase housing affordability and stability and to unlock opportunity in its highest-poverty neighborhoods.

III. **Expand employment and ownership opportunities.** Connecting lower-wealth residents to good, family-sustaining jobs and asset-building opportunities is critical to ensuring they participate in and contribute to the region’s resurgence.

IV. **Embed racial equity throughout Pittsburgh’s institutions and businesses.** To eliminate wide racial inequities and uproot bias, the region’s institutions, organizations, and businesses need to adopt racial equity-focused approaches.

V. **Build community power, voice, and capacity.** High-capacity community-rooted organizations and multiracial, multisector coalitions are essential to advancing equitable development policies and practices over the long term.

This agenda represents a core set of strategies that we view as catalytic and meaningful starting points for making real progress toward equitable development in Pittsburgh at this moment. While it is wide-reaching, this agenda is not comprehensive. To truly maximize equitable development, its principles must be expressed in every policy arena, including transportation, criminal justice, public education, health, workforce development, food systems, immigrant integration, and more. And given that the majority of the region’s poor population lives outside of the city of Pittsburgh, a regional approach is needed.

Implementing this agenda and setting Pittsburgh on the path toward truly shared prosperity will take courage, hard work, and investment. A group of core equity leaders have been meeting regularly for the past year to develop strategies and inform this report. For equitable development to happen, this informal strategizing needs greater structure to advance collective goals. At the same time, leaders working throughout the region’s public, private, and nonprofit sectors need to assume the mantle of inclusion and commit to moving beyond talk to deliver results for those who are being left behind. Most importantly, Pittsburgh must do the difficult and uncomfortable work of confronting structural racism and bias with dialogue and action, unleashing the potential of all Pittsburghers and the region as a whole.

Up the street from this mural, a vacant linen warehouse is being renovated into the Bloomfield neighborhood’s first condo development. *(William Real/Flickr)*
Why Pittsburgh Needs Equitable Development Now
One of the key themes from interviews with local leaders and decision makers interviewed for this project was that racial bias—at the individual and institutional levels—is a key challenge to progress in the region. They expressed how bridging racial gaps is an economic imperative in addition to a moral one. Recent research also underscores how greater equity and inclusion are critical to solving the region’s biggest challenges and building a robust, resilient economy.

Cultivating homegrown talent is central to solving the region’s workforce challenge. The Allegheny Conference on Community Development’s recent Inflection Point study on the region’s workforce needs revealed that Pittsburgh could face a shortfall of 80,000 workers over the next decade as baby boomers retire and employers demand ever higher levels of skills. Every year, 29,000 baby boomers will leave the workforce and another 5,000 new jobs will be created, yet there are not enough new workers with the skills to fill these jobs. The report cited the need to attract new young workers and retain university students to meet the region’s workforce needs. It also noted the importance of preparing Pittsburgh’s young people who are entering the workforce as well as its unemployed and underemployed residents for these job openings. In the region, 32,000 long-term residents are unemployed, many of whom could be trained to fill middle-skill jobs that require some training but not a four-year college degree.

Greater inclusion will help the region attract and retain diverse workers. While Pittsburgh needs to attract and retain new workers, its lack of diversity and racial inequities hinder it from doing so. Pittsburgh is becoming more diverse over time, but it is much more homogeneous than its peers and is the least diverse of all 40 regions with populations over one million; people of color represent just 13 percent of residents in the region (although 35 percent of city residents are of color). Many people of color and immigrants do not feel welcome to the area. The 2016 Pittsburgh Regional Diversity Survey found that while 79 percent of White Pittsburghers think the region is welcoming to people of color, only 36 percent of residents of color and 46 percent of foreign-born residents report feeling welcomed in the region. Millennials—specifically, workers ages 25 to 34—are coming (or staying) to work in Pittsburgh’s technology and innovation industries, but the lack of diversity could hinder the region’s ability to retain them.

Ensuring Pittsburgh’s low-income residents can stay in or move to opportunity-rich neighborhoods is an antidote to intergenerational poverty. Equitable development would result in more low-income children of color living in neighborhoods that are improving or already thriving, which research shows would provide them with a much better chance of escaping poverty, attaining good health, and moving up the economic ladder. Economist Raj Chetty’s research on economic mobility finds that place plays a key role in increasing the odds that children born poor will move up the economic ladder: neighborhoods with less racial and economic segregation, less income inequality, better primary schools, greater social capital, shorter commutes, and more family stability provide greater upward mobility. While the effects of displacement are notoriously difficult to study, a recent study by the Federal Reserve Bank of Philadelphia found that when lower-income residents move out of gentrifying neighborhoods they move to areas with lower-performing schools and a lower quality of life. On the other hand, when they stay in neighborhoods that are improving, they improve their financial conditions.

Racial diversity, local art and culture, and thriving resident-owned businesses are key assets of Pittsburgh’s up-and-coming neighborhoods. Rising rents and home prices in gentrifying neighborhoods threaten to push out lower-income residents of color along with their culture and small businesses, yet it is the very presence of diverse neighbors, cultural expressions, and businesses that makes these neighborhoods attractive to newcomers. As developer Tony Dolan, who has built many of the new luxury apartments in East Liberty and elsewhere put it: “The millennials moving into my apartment buildings don’t want to live in sanitized neighborhoods.” Negotiating neighborhood change and fostering authentic relationships and connections between new and longtime residents from very different backgrounds is always challenging. But in a city like Pittsburgh that has suffered from long-term depopulation and has plenty of developable land, there is space for everyone. Ensuring that longtime residents and business owners have the resources and opportunities to stay, thrive, and connect is a winning proposition for residents, developers, newcomers, and the city as a whole.
An Equitable Development Agenda for Pittsburgh

To address these challenges and put the region on the path to equitable development, Pittsburgh's leaders in the public, private, philanthropic, and nonprofit sectors need to ensure new development projects deliver on the vision of equitable development while advancing the broader, transformational change needed to link low-wealth residents to economic and neighborhood opportunities. We propose the following five-point agenda and specific recommendations for equitable development.

I. Raise the bar for new development.
   1. Set equitable development goals, performance metrics, and a reporting framework.
   2. Require publicly supported projects to advance equitable development.
   3. Ensure accountability through monitoring and enforcement.

II. Make all neighborhoods healthy communities of opportunity.
   4. Implement the city’s Affordable Housing Task Force recommendations.
   5. Track and monitor neighborhood opportunity and change to continuously inform policy strategies.
   6. Develop a community land trust strategy.
   7. Use publicly owned land for equitable development.
   8. Invest in resident-driven art, culture, and enterprise.

III. Expand employment and ownership opportunities.
   10. Implement targeted racial equity strategies as part of the Inclusive Innovation Roadmap.
   11. Leverage anchor institution spending to support inclusive business development.

IV. Embed racial equity throughout Pittsburgh’s institutions and businesses.
   12. Adopt a racial equity focus within government.
   13. Advance equity, diversity, and inclusion in the business community.

V. Build community power, voice, and capacity.
   15. Ensure sustainable funding for neighborhood-based organizations and development strategies.
   16. Fund tenant organizing and resident leadership development.
I. Raise the Bar for New Development

It is time to raise the standards for all new development projects in Pittsburgh, especially those that are supported by government actions and investments. After decades of efforts by Pittsburgh's government, community development sector, and residents to shore up distressed neighborhoods and attract private investment, the real estate market has changed. Pittsburgh needs to modernize its land-use development policy framework and tools to keep up with these changes and leverage market forces in order to address racial inequities and build a stronger and more inclusive region.

Across the country, communities are demanding greater accountability and tangible benefits from projects built by private developers with public subsidies in the form of "community benefits agreements" or CBAs. Broad community, labor, and environmental coalitions have negotiated binding CBAs that ensure large development projects provide living-wage jobs, affordable homes, business opportunities, neighborhood amenities, and other benefits. In Pittsburgh, the One Hill CBA Coalition secured a CBA for the redevelopment of the Civic Arena into the Consol Energy Center in 2008; this CBA included funding for a community master plan, support for the much-needed Shop n’ Save grocery store, living wages, local hiring, and more. A second agreement focusing on the remaining 28-acre site of the former arena was signed in 2014.

As the CBA movement has matured, communities have sought to make community benefits more of a standard practice. Many cities have passed policies that require specific community benefits (such as living wages or local hiring) from publicly supported development projects. While individually negotiated CBAs can meet specific community needs and help to build the power of community coalitions, negotiating project-by-project agreements is a time-consuming endeavor. Citywide policies can have a broader impact by providing developers with clear expectations and predictable costs while not requiring individual negotiations.
To raise the floor on new development, Pittsburgh leaders should pursue a threefold strategy: 1) support inclusive community-driven efforts to negotiate CBAs on very large projects; 2) adopt a set of baseline community benefits expectations for development projects, with requirements for those receiving public support (see text box below); and 3) establish a “race-to-the-top” system of performance metrics that incentivizes developers to provide additional community benefits beyond baseline requirements. To the extent possible, these community benefits expectations and the performance metrics should apply to private employers seeking economic development subsidies in addition to developers. They should apply to public works projects and infrastructure investments as well, such as the $2 billion sewer upgrade currently in the works.

### Community Benefits Expectations

Baseline community benefits expectations should include the following goals.

- Local and targeted hiring of residents and disadvantaged workers, in both construction and ongoing operations at a project
- Job training, including access to apprenticeships
- Creation of high-quality construction and permanent jobs that provide living wages, career pathways, and fair schedules and work environments
- Contracting opportunities for small local-, minority-, and women-owned businesses
- Affordable homes for low-income households, including family-sized units, with long-term affordability covenants to preserve affordability over time
- Affordable rents for small local-, minority-, and women-owned businesses, with long-term rent stability
- Labor peace agreements providing workers the right to organize
- One-for-one replacement of affordable homes
- “Build first” before demolishing so tenants can move into new units with minimum disruption
- Relocation assistance for displaced tenants
- Right to return for displaced tenants
- Energy-efficient building techniques
- Resident and small business-owner engagement in the development and planning process

1. Set equitable development goals, performance metrics, and a reporting framework.

Pittsburgh’s economic development leaders need to use their power and influence to set high expectations from all development projects and employers, including those that do not use public subsidies. The city should lead the way by officially adopting equitable development goals and performance metrics, and by producing guidelines that define expectations, explain current requirements and aspirational targets, and provide examples of successful implementation from Pittsburgh and elsewhere. Ideally, these goals and performance metrics would be a part of a broader strategic plan and vision for equitable economic growth that includes citywide goals and performance measures, such as Portland’s economic development agency has done.¹⁸

Developers and employers should be asked to submit Community Impact Reports that outline how they will meet these expectations, provide data for the performance metrics, and assess the impacts of the project and potential displacement or other risks for low-income and marginalized communities. These reports should be made publicly available. Equitable development goals and standards should also be integrated into planning and land-use policies, including the city’s comprehensive plan if it moves forward.

Community Impact Reports submitted by developers and businesses—indicating how proposed projects will impede or advance the community’s equitable development goals—should be taken into account in awarding subsidies and in discretionary land-use decisions (including height or density bonuses). A system of performance metrics is currently being developed by the p4 (People, Planet, Place, and Performance) initiative spearheaded by The Heinz Endowments and the city of Pittsburgh. The community benefits described above should be incorporated into that performance metrics system, and data should be collected on race/ethnicity as well as income to evaluate how development is fostering racial and economic inclusion.
Equitable Development in Action: Austin

The city of Austin, Texas, uses a performance-based approach to its economic development incentives for business recruitment and expansion. Companies requesting subsidies must meet a set of minimum thresholds (living wages and the provision of health benefits, for example), and are then scored according to how well they meet additional criteria, such as hiring economically disadvantaged workers, contracting with disadvantaged businesses, and recruiting and training of ex-offenders, as well as fiscal impact.19

2. Require publicly supported projects to advance equitable development.

Like most cities, Pittsburgh’s local authorities provide economic development incentives to private developers in the form of tax abatements, tax-increment financing, public land, and grant funds, as well as support projects through infrastructure improvements and in numerous other ways. While the city of Pittsburgh, like all jurisdictions, faces legal limitations on the mechanisms it can use to regulate private businesses, it has greater leeway in negotiations related to public subsidies, tax incentives, land sales, density bonuses, and so forth. When offering up public funds and proactive support to developers, cities can negotiate from a position of strength, setting high standards to ensure that their spending delivers on critical community goals. Specific actions that can advance equitable development include the following.

- Implement and fund local and targeted hiring.
  Development projects create opportunities to address the employment challenges of un- and underemployed residents by providing equitable access to the construction and permanent jobs created by the development. In cities across the country, local and targeted hiring policies have helped residents and families escape poverty and reach economic security.

Since 1999, Pittsburgh has had a “Pittsburgh Works!” policy on the books that directs at least 35 percent of work hours on city-funded construction projects to city residents, but this policy has not yet been implemented.20 An updated policy was proposed in 2014 with additional requirements that 15 percent of work hours be performed by disadvantaged workers (those with incomes less than half the area median or those facing other barriers to employment such as involvement in the criminal justice system), that 50 percent of apprenticeship hours go to city residents and 25 percent to disadvantaged workers, and that First Source Hiring Centers be established to connect residents to training and employment opportunities.

The city of Pittsburgh should identify a funding source for the First Source Hiring Centers and pass this updated legislation, and Allegheny County should establish a similar policy for the infrastructure and economic development projects it supports, requiring local hiring in both construction and operation of city- and county-supported development projects. The city and county should also extend these hiring practices to state-funded and federally funded projects whenever permissible.21

- Strengthen and enforce job quality standards. Projects that are supported by public funds should create good jobs and pathways to economic security for lower-income residents. Quality jobs provide living wages; benefits including paid leave, health care, and retirement savings; training and advancement opportunities; wealth-building opportunities to help employees build assets and manage financial emergencies; and fair work environments that treat workers with respect, support working parents, and provide fair and predictable schedules.22 Research shows that providing these elements of quality jobs is not only good for workers, but also can strengthen employers' bottom lines by reducing turnover and increasing productivity.23

Pittsburgh has already exhibited policy leadership on raising job quality, passing a landmark Service Worker Prevailing Wage Ordinance in 2010, which requires that contractors and projects supported by city funds pay the area’s prevailing wage to their building service, food service, grocery, and hotel employees. This policy was also extended to Allegheny County in 2010. In 2015, Mayor Peduto raised the minimum wage for city employees to $15 per hour, and the city council passed paid sick days legislation (though that policy has been held up in the courts). The city also has a living-wage ordinance on the books, but this policy has not yet been implemented because a subsequent ordinance
required that the county first pass a living-wage ordinance before the city ordinance could take effect.\textsuperscript{24} Implementing the living-wage law would cover some additional workers who are not covered by the prevailing wage ordinance and also set a higher floor for some workers.\textsuperscript{25}

Pittsburgh should maintain and build upon its job quality requirements. The city should implement its living-wage ordinance by passing legislation eliminating the county policy requirement and continue to defend its paid sick leave ordinance.

- **Increase minority- and women-owned business participation.** Development projects and other government spending on goods and services provide significant opportunities to address racial barriers to business ownership and growth, but historically government agencies have under-utilized minority- and women-owned businesses. To counter this inequity, many cities and counties across the country have established inclusive contracting and procurement programs.\textsuperscript{26} Successful programs set clear goals and benchmarks (optimally with specific, race-conscious targets), regularly collect and share data on progress and outcomes, have stiff penalties for fraud, break up large contracts to create opportunities for smaller businesses, and help companies become competitive for contracts by assisting with certification and bonding.\textsuperscript{27}

City and county agencies need to develop a strategy to achieve greater participation of minority- and women-owned businesses on the projects they support, beginning by evaluating the effectiveness of their current programs. Currently the city seeks 18 percent minority-owned business participation and 7 percent women-owned business participation and the county’s goals are 13 percent and 2 percent, respectively. These are aspirational goals rather than specific targets, and the general procedure is for the agency to accept the lowest responsible bid (required by the city’s charter), and for that bidder to subsequently submit a plan for minority- and women-owned business participation to the Equal Opportunity Review Commission. A study of the city’s programs from 2000 found that these businesses were not getting a fair share of contracts and faced discriminatory conditions, contracts were going to fraudulent “front” companies, and systems for compliance and monitoring were inadequate.\textsuperscript{28} There has never been a follow-up to this disparity study, even though the U.S. Commission on Civil Rights recommends updates every five years, nor has there been any reporting on how well the city’s contracting goals are being met.\textsuperscript{29}

The Urban Redevelopment Authority has taken a step forward, by hiring a firm to analyze its minority- and women-owned business policies. Other city and county agencies need to undertake similar assessments, ensure the validity of certified minority- and women-owned businesses, and develop a focused and ambitious strategy to advance inclusive contracting that incorporates best practices from the field.

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**Equitable Development in Action: New Orleans**

In New Orleans, Louisiana, the Regional Transit Authority commissioners, after determining they were underutilizing companies owned by people of color in their contracts, revamped their bidding and provided increased support for businesses to navigate the process to be certified as disadvantaged business enterprises (DBEs) and build up their capacity to pursue contracting opportunities. Because of these changes, DBE participation in contracts increased from an average of 11 percent to 31 percent within a year.\textsuperscript{30}

- **Include affordable homes in new private developments.**

The increased demand for new apartments presents Pittsburgh with an opportunity to create economically integrated neighborhoods by ensuring that affordable units are built within those developments. Inclusionary zoning policies were first adopted by Montgomery County, Maryland, in 1974. Since then, more than 500 cities and counties have adopted policies that require developers to set aside a portion of the homes they build at below-market rates in exchange for zoning and land-use approval or other public benefits.\textsuperscript{31}

Consensus around the need for inclusionary zoning is growing in Pittsburgh. In May 2016, the city’s Affordable Housing Task Force recommended implementing inclusionary zoning in private developments of 25 or more units that receive public benefits, and by creating Affordable Housing Overlay zones in strong market neighborhoods that require the inclusion of affordable units in all new market-rate developments. The recommended affordable levels are at or below 50 percent of the area median income for rentals and 80 percent of the area median income for homeownership.
Every day the city waits to implement an inclusionary zoning policy, it loses a chance to leverage the current market dynamism to build more inclusive neighborhoods and solve its affordability crisis. Pittsburgh should move quickly to implement a strong inclusionary zoning policy—one that keeps the task force’s recommended affordability levels, preserves affordability over the long term, and is calculated according to the city’s median income (which is lower than the regional median)—so affordability is baked into the city’s robust development pipeline. Additionally, it is important that inclusionary housing implementation aligns with the performance metrics system described earlier to provide clear expectations and processes for developers.

**Equitable Development in Action:**

**Montgomery County**

In Maryland, Montgomery County’s inclusionary zoning policy has generated approximately 13,000 affordable housing units and has resulted in thousands of low-income children attending low-poverty schools in their neighborhoods. Evaluations show these children have significantly better educational outcomes compared to their counterparts in moderate- to high-poverty schools.32

Leveling the playing field for minority-owned businesses can build a more diverse real estate sector and create jobs for residents. *(Urban Innovation21)*

**San Francisco**

San Francisco’s experience with local hiring illustrates the importance of mandatory compliance, monitoring, and enforcement to meet policy goals. A review of the city’s decades-old local hire policy requiring contractors to make a “good faith effort” to hire 50 percent of their construction workers locally found that only about 20 percent of public works jobs went to local workers in 2009. A broad community coalition came together to successfully pass a much stronger ordinance in 2010, with mandatory requirements for each trade, financial penalties for noncompliance, and regular reporting on progress. The policy required 20 percent of work hours to go to local residents, and 10 percent to economically disadvantaged workers, with targets increasing annually to reach 50 percent for local hires and 25 percent for disadvantaged workers by 2017. The policy is now delivering on its promise to increase job access, and, in 2014, 38 percent of job hours and 59 percent of apprenticeship hours went to local residents.33

**3. Ensure accountability through monitoring and enforcement.**

Just because a policy is passed or a CBA is signed does not mean those benefits will be delivered. Communities need formal vehicles for holding developers and companies accountable for fulfilling their commitments and meeting community standards. Many Pittsburgh community leaders pointed to the lack of accountability, transparency, and follow-through as major challenges to advancing equitable development policies locally. Strong monitoring and enforcement mechanisms, including penalties for nonperformance, are critical. The impacts of CBAs and policies must be continuously monitored and evaluated, with an eye toward setting more aggressive targets (for enduring policies), through the collection and dissemination of consistently reported data.
II. Make All Neighborhoods Healthy Communities of Opportunity

Thriving neighborhoods are critical building blocks of strong urban economies and central to expanding opportunity for low-wealth residents. Neighborhoods that provide quality schools, safe streets and sidewalks, fresh-food markets, parks, transit, service, and public spaces support residents' health, well-being, and economic success. In addition to ensuring that new developments benefit and do not displace existing residents, Pittsburgh needs a comprehensive strategy to expand opportunities for its low-income residents and communities of color to live in healthy, opportunity-rich neighborhoods. This includes addressing affordability and accessibility challenges, preventing the displacement of low-wealth residents and small businesses, and making targeted investments to increase opportunity and quality of life in distressed neighborhoods.

While Pittsburgh's housing is relatively affordable compared with other regions, it is not affordable for all. The city has a large affordability gap, with a need for nearly 20,000 more homes affordable to those earning less than half the area's median income. Region-wide, 45 percent of renters are “housing burdened,” paying more than 30 percent of their income on rent, and about half of the city's renters are housing burdened. This affordability crisis has hit Pittsburgh's communities of color particularly hard because they earn lower incomes, face higher housing burdens than their White counterparts, and are more likely to rent (63 percent of Black households in the region rent, while 74 percent of White households own).

Opportunity varies tremendously across Pittsburgh's neighborhoods. Data on neighborhood-level opportunity measures, such as school quality, jobs proximity, and environmental health, reveal that the region's Black households live in lower-opportunity neighborhoods than their White counterparts. Public transit access is also a critical issue, especially given the extremely low levels of Black car ownership: 37 percent of Black households in the region and 47 percent in the city do not own vehicles. The data also show that race matters more than income when it comes to neighborhood opportunity in the region: poor White households live in neighborhoods with much higher levels of opportunity than poor Black households.

While we highlight several key approaches below, building opportunity in distressed neighborhoods needs to be a focus across every arena of policy and planning, including food systems, public health, parks and recreation, open space, child care, financial services, transportation, energy, digital connection, and sustainability and resiliency. Targeted place-
based efforts—such as the HELP initiative focused on the East End neighborhoods, and the One Northside initiative—are also necessary to deeply engage residents in rebuilding their communities and to implement strategies specific to neighborhood conditions and needs.

4. **Implement the city’s Affordable Housing Task Force recommendations.**

Recognizing the challenges of affordability and displacement risk given the changing housing market, the city established an Affordable Housing Task Force in January 2015 to develop recommendations for increasing and preserving affordability, stabilizing existing residents, funding new affordable housing construction, and developing vibrant mixed-income neighborhoods. The task force recommendations released in May 2016 included the following important strategies.

- Establish a Pittsburgh housing trust fund focused on addressing those with the greatest housing needs by targeting half the funds to residents earning less than 30 percent of the area median income.
- Implement inclusionary zoning as described earlier under action #2 (see “Include affordable homes in new private developments”).
- Preserve the affordability of the city’s 15,000 homes that have deed or income restrictions by creating a housing preservation program and database, by passing an ordinance requiring notice of the owner’s intent to sell or increase the rent, by instituting a one-for-one replacement policy for the Housing Authority of the City of Pittsburgh, and by including lasting affordability requirements on projects developed with public funding.
- Preserve the affordability of existing market-rate units that are affordable to lower-income households by implementing the rental registration program established in 2014 but which currently faces a legal challenge, and by exploring programmatic opportunities to preserve and upgrade these units, including an acquisition strategy.
- Protect tenants by instituting just-cause eviction provisions, tenant protections, and relocation assistance for housing developments receiving public assistance and by exploring the potential to amend the state’s landlord-tenant act to expand tenant protections.
- Help low-income tenants become homeowners by implementing the mayor’s proposed program to allow the use of Section 8 vouchers for purchasing and renovating blighted homes.
- Defend the city’s ordinance preventing landlords from discriminating against tenants using Section 8 vouchers as payment, which is facing legal challenges.
- Protect longtime, low- and moderate-income homeowners from unaffordable increases in property taxes by implementing the county’s Longtime Owner Occupant Protection tax exemption.
- Leverage the city’s new land bank to create and preserve affordable homes.

**Equitable Development in Action: Washington, DC**

In Washington, DC, the Tenant Opportunity to Purchase Act provides renters with the opportunity to purchase their homes if the owners decide to sell. Tenant groups can access low-interest loans and technical assistance to purchase their buildings through the First Right Purchase program operated by the city’s housing and community development department. The policy helped to preserve nearly 1,400 units between 2000 and 2010.

The full implementation of these strategies, with a focus on the households with the greatest needs (those at or below 50 percent of the city’s median income), would go a long way toward improving housing affordability and securing residents as their neighborhoods improve. The city should implement these policy strategies as swiftly as possible and continue to investigate programmatic approaches to preserving rental housing and fostering homeownership described in its report. Regional housing advocates and policymakers should also consider four additional strategies.

- Pass a just-cause eviction ordinance and additional tenant protections that apply to all renters, not only those living in publicly subsidized homes.
- Understand eviction trends, and provide legal and financial assistance to prevent it. Harvard sociologist Matthew Desmond’s recent research revealed how eviction is a widespread phenomenon, particularly among Black women and families, that creates housing instability and drives families into poverty and debt. Very little is known about the scale of evictions in Pittsburgh, because paper records are held in 13 magisterial courts. Advocates should explore ways of accessing this data to better understand its extent and to develop effective solutions, including potentially establishing a housing court. In the meantime, local governments and philanthropy should act now to increase legal
assistance to low-income renters facing eviction, and ensure the availability of rental assistance programs.

- Analyze the potential for a commercial linkage fee to fund affordable housing. Recognizing that new commercial development creates a need for additional workforce housing, many cities collect “linkage fees” to fund nearby affordable housing development. Pittsburgh policymakers should assess the viability of a linkage fee.
- Coordinate housing and transportation policy and investments to increase mobility and access, and reduce transportation costs. Housing investments should be made in a way that increases the ability of low-income residents and people with disabilities to live in walkable, bikable, transit-accessible communities. Concentrating affordable housing development and preservation near frequent transit service is a key approach. Also, the Port Authority’s transit-oriented development (TOD) guidelines should be used along Pittsburgh’s frequent bus and light-rail network and create the basis for new TOD zoning throughout the city. New development should also adhere to Pittsburgh’s emerging Complete Streets policy to ensure that communities are walkable and bikable from the beginning and not overburdened with auto reliance, which is expensive for low-income residents and developers.

### 5. Track and monitor neighborhood opportunity and change to continuously inform policy strategies.

Understanding and regularly monitoring the level of opportunity in the region’s neighborhoods, how neighborhood housing markets are changing, where development and gentrification is occurring, displacement risks, and access to wealth-building opportunities would provide critical data for developing coordinated policy responses. For this data to support equitable development strategies, trends must be analyzed by race and ethnicity in addition to income, with particular attention to what is happening in the region’s Black neighborhoods and neighborhoods that are seeing a great deal of investment, such as in the East End. Pittsburgh already has the basic infrastructure in place for such monitoring, with a strong data intermediary, the University of Pittsburgh’s University Center for Social and Urban Research, which manages the Western Pennsylvania Regional Data Center and the Southwestern Pennsylvania Community Profiles. The area also has a number of university- and community-based research institutions that could, with consistent funding, conduct regular analyses of the data to report on the state of equity and opportunity in Pittsburgh.

### 6. Develop a community land trust strategy.

Long-standing community land trusts, such as Boston’s Dudley Street Neighborhood Initiative, Burlington’s citywide land trust, and Albuquerque’s Sawmill Community Land Trust, demonstrate their power to foster community-driven development without displacement. The Dudley Street initiative created 225 permanently affordable homes as well as a greenhouse, community garden, and charter school in a single neighborhood while Burlington’s land trust includes more than 2,500 homes citywide. Community land trusts are nonprofit organizations governed by community members that hold land for long-term public benefit. Through their permanently affordable homeownership model, they help lower-income households who are priced out of the regular housing market access stable housing and build assets while preserving affordability by limiting the resale price to what is affordable to the next low-income buyer. Coalitions in Baltimore, Buffalo, Philadelphia, and elsewhere are embracing community land trusts as cornerstones of their approach to equitable development. Baltimore’s fair development coalition, for example, is seeking to build a large-scale model, requesting $20 million annually from public bonds to support a land trust with another $20 million in city funds toward community jobs deconstructing abandoned structures, greening vacant lots, and providing opportunities for urban agriculture.

Given Pittsburgh’s significant amount of vacant land and rising market pressures, its city and community development leaders should develop a community land trust strategy. The idea is already taking root locally: a Community Land Trust Exploratory Committee convened in 2015 to study the model for Allegheny County, and Lawrenceville United has begun developing a land trust in the Upper Lawrenceville neighbor-
hood where home prices have skyrocketed. A larger-scale strategy should focus on addressing racial gaps in home ownership and ensuring affordable homes (rentals or owned) are available in neighborhoods that are gentrifying or slated for new public or private investments.

7. Use publicly owned land for equitable development.

Depopulation has left Pittsburgh with tens of thousands of vacant and abandoned lots, and many of them are owned by government authorities. In the city of Pittsburgh alone, there are some 27,000 vacant lots and more than a quarter of them are owned by the city. In 2014 the city established a land bank with the goal of returning vacant land to productive uses aligned with neighborhood priorities. The land bank includes oversight by a board that includes community members, policies to ensure community engagement and review, protections and hardship payment plans for homeowners facing tax foreclosure, and contracting preferences for minority- and women-owned businesses. The land bank should adopt disposition policies that prioritize the use of the land for equitable development, including ownership and wealth-building opportunities for low-income residents, parks and open spaces in distressed neighborhoods, community gardens and urban farming opportunities, and development projects that meet community needs such as grocery stores in food-desert neighborhoods and affordable and mixed-income housing. One specific priority of the land bank should be to support the community land trust strategy described above. In assessing the viability of vacant land for affordable housing, it is important to consider the site's accessibility to transit and other elements of neighborhood opportunity.

8. Invest in resident-driven art, culture, and enterprise.

When neighborhoods begin to gentrify, the influx of wealthier residents and businesses catering to their needs often changes the cultural environment and identity of the neighborhood. Longtime low-income and working-class residents can feel a sense of “psychological displacement” and disconnection from neighborhoods where they’ve lived for years or even decades. Over time, the changing resident mix can decrease demand for businesses and services oriented toward working-class residents, such as laundromats, and these businesses can disappear. Investing in the artistic, cultural, and entrepreneurial expressions of existing neighborhood residents and groups that are vulnerable to displacement is an important strategy to protect against this effect and stabilize changing communities.


The quality of neighborhood schools and the safety of neighborhood streets and sidewalks are core features of neighborhoods that impact the opportunity, health, and well-being of residents. One effective approach to improve the quality of public education in low-income neighborhoods—embodied by the Promise Neighborhoods Initiative—is to provide wrap-around services (tutoring, after-school programs, health services, etc.) to students to support their academic success. “Community schools” is a similar approach that integrates such services into public schools through partnerships with local organizations. Pittsburgh is already experimenting with these approaches, with the Homewood Children’s Village and a recent school board vote to adopt a community schools policy, and the city should continue to implement these approaches to improve its most-challenged schools. City leaders should also test strategies to increase the rates of low-income young Black men entering the Pittsburgh Promise program, which provides $40,000 college scholarships to Pittsburgh public school students, but whose eligibility criteria (a 2.5 GPA and 90 percent attendance rate) have created barriers for this group.

With respect to safety and justice, the city should continue its efforts to improve community-police relationships. Pittsburgh Police Chief Cameron McLay has committed to working on issues brought to the department by the Pennsylvania Interfaith Impact Network (PIIN) community coalition, including diversity in hiring (between 2001 and 2012, only 4 percent of hires were Black), training in implicit bias and procedural justice, data collection, and community-accountability meetings. Pittsburgh is also one of six cities participating in the National Initiative for Building Community Trust and Justice. The city (and surrounding municipalities) should commit to monitoring policing data and providing this data to the public to ensure accountability. They should also assess their systems of fines and fees to ensure low-income residents of color are not being unfairly targeted and fined into poverty or jail.
III. Expand Employment and Ownership Opportunities

For Pittsburgh to achieve equitable development, its lower-income residents and entrepreneurs of color need more opportunities to contribute to building Pittsburgh’s next economy—across all of its industry sectors. Black Pittsburghers and other marginalized workers such as undocumented immigrants and the members of the transgender community face barriers to accessing the good jobs that are essential to earning enough income to support their families and invest in their future. In addition to facing disproportionately high unemployment levels, working families of color struggle economically. One-fourth of the region’s Black workers who are working full-time live in families with incomes below 200 percent of the federal poverty level ($46,100 for a family of four in 2012) as do 14 percent of Latino workers, compared with just 9 percent of their White counterparts.51 Continuing to improve job quality via policy, business practices, and worker organizing is critical to increasing family economic security.

Increasing opportunities for entrepreneurs of color to start and grow businesses is a win-win strategy for inclusive growth, because they are more likely to hire people of color and to locate their businesses in communities of color.52 A survey of Black business owners, for example, found that two-thirds of their employees were Black.53 While Black entrepreneurs are contributing to growth locally, they are still underrepresented and their businesses tend to be very small. The number of Black-owned businesses in Allegheny County increased by nearly 40 percent since 2007—one of the fastest growth rates in the country. But even with this recent growth, roughly 7 percent of businesses in the county are Black owned, and less than 1.5 percent of all businesses with employees are Black owned, despite the fact that Black residents make up more than 13 percent of the county’s population.54

To expand employment and business opportunities and address the racial wealth gap, Pittsburgh leaders should focus on the following actions.

Equitable economic development strategies build residents’ incomes and assets, ensuring they can stay in revitalizing neighborhoods.
10. Implement targeted racial equity strategies as part of the Inclusive Innovation Roadmap.

The city of Pittsburgh and partners launched an “Inclusive Innovation Roadmap” in 2015 that aims to leverage innovation to improve the quality of life for all residents through strategies to bridge the digital divide, provide open data, streamline procurement, advance clean technology, and more. This road-map should be updated to incorporate a racial equity analysis that explicitly considers racial barriers to participation in innovation sectors and proposes targeted solutions.

Pittsburgh can learn from efforts underway in Portland, Oregon, where the city’s economic development agency has embarked on a three-year Inclusive Entrepreneurship Action Plan to create a more inclusive start-up ecosystem. Recognizing the low diversity of its technology and innovation sectors, the city has successfully increased the diversity of participants in its Startup PDX Challenge, an annual competition designed to connect technology and manufacturing entrepreneurs with early-stage growth support and funding. In the 2014 and 2015 classes, 61 percent of the founders were Black and/or Latino. And in 2016, the agency launched an inclusive start-up fund specifically devoted to providing initial investment capital and mentoring to local high-growth companies founded by women and members of disadvantaged communities of color.

11. Leverage anchor institution spending to support inclusive business development.

Pittsburgh has a wealth of “anchor institutions”: large educational, health, and cultural institutions, like the University of Pittsburgh, UPMC Health System, and Phipps Conservatory, that are both significant regional economic engines and deeply rooted in the community. Many communities have recognized the unique potential of anchor institutions to connect their overlooked residents and neighborhoods to their regional economies. One of the key levers for doing this is by leveraging the spending power of anchor institutions to support local- and minority-owned businesses.

Communities have developed several models for anchor procurement, including:
- shifting a portion of an institution’s purchasing to local vendors, for example the University of Pennsylvania directing 10 percent of its purchasing to West Philadelphia;
- directing the procurement of multiple anchor institutions to support a network of worker-owned cooperatives in a specific community, such as Cleveland’s Evergreen Cooperatives model; and
- creating an intermediary to help multiple anchors connect with local companies that also provides technical assistance to help small businesses become competitive for anchor contracts (such as the Chicago Anchors for a Strong Economy effort that includes 15 anchor partners).

Pittsburgh community leaders have explored this strategy in the past and they have identified the need for strong anchor institution leadership and interest to move it forward. Given the evolution and momentum of these strategies nationally, as well as the pressure for the city’s largest nonprofit anchors (who are exempt from paying taxes) to make tangible contributions to improving local conditions, it is time for Pittsburgh’s anchor institutions to step up and develop an intentional procurement strategy. A critical first step is to analyze local anchor purchasing and supply chains. Pittsburgh’s anchor institutions should support such an assessment and hold an anchor convening to discuss the assessment, explore different models, and identify next steps toward developing a strategy locally.

Equitable Development in Action: Cincinnati

Cincinnati, Ohio’s Minority Business Accelerator, run by its Chamber of Commerce, supports the growth of local, minority-owned companies through annual spending goals. In 2014, 40 local corporations and nonprofit organizations committed to spend $1.1 billion with 30 local minority-owned businesses.
IV. Embed Racial Equity Throughout Pittsburgh’s Institutions and Businesses

Racial inequities are not inevitable; they were created by the actions, investments, policies, and decisions of society’s most powerful institutions, including government, foundations, businesses, and banks. Institutional practices of redlining, urban renewal, and segregation from decades ago all played a tremendous role in producing today’s uneven geography of opportunity. While these overt forms of racial discrimination no longer persist, more subtle forms of racial bias and structural challenges—such as mass incarceration, the concentration of poor children of color in poor schools, and the racial wealth gap—contribute to the reproduction of racial inequities.

To eliminate Pittsburgh’s racial inequities, its institutions need to transform from within, analyzing their decisions and practices with a racial equity lens, using their powers and influence to remove barriers and expand opportunities for people of color and other marginalized groups.

In the 1930s, the federal government redlined Pittsburgh’s Black and immigrant neighborhoods, rating them as high risk for investment. (LaDale Winling/Urban Oasis)
12. **Adopt a racial equity focus within government.**

In 2005, Seattle became the first city in the nation to launch a citywide initiative to eliminate racial inequities and structural racism, followed by surrounding King County in 2008. Since then, many government agencies have integrated an explicit focus on racial equity throughout their operations, demonstrating leadership at the top and seeking to integrate the approach agency-wide. They are acknowledging structural and institutional racism, analyzing the state of equity in their communities, training staff, building stronger relationships with marginalized communities, adopting racial equity analysis tools to inform decision making, and creating action strategies and plans to eliminate inequities and unlock opportunity for all community members.

Pittsburgh’s government agencies should adopt a racial equity focus and become members of the Government Alliance on Race and Equity national network, which provides technical assistance to help its member governments develop successful approaches. All departments should use a racial equity analysis tool to understand the potential equity impacts of decision making on marginalized populations and neighborhood opportunity, and should make choices that advance equity and inclusion. Annual reporting to the public on how the tool informed decision making will increase transparency and ensure accountability. To support the building of healthy neighborhoods of opportunity, agencies also need to collaborate and share information with each other about how decisions can best contribute to neighborhood goals. Pittsburgh’s government agencies should also continue to advance the goals of increasing language and cultural access to city government and public agencies for immigrants as outlined in the Welcoming Pittsburgh plan, and the city should proceed with launching a municipal ID program.

13. **Advance equity, diversity, and inclusion in the business community.**

While government is an important force for change, improving economic opportunities and outcomes at scale and over the long term requires the full engagement and participation of the private sector. Companies themselves need to understand the bottom-line benefits of hiring and promoting diverse employees, supporting locally owned businesses, and ensuring all of the jobs they support are quality jobs with family-sustaining wages. And they need to take action to improve racial and economic inclusion outcomes across their operations.

Several efforts in the region are working to advance diversity and inclusion within the business community. The Corporate Equity and Inclusion Roundtable has been building momentum toward the adoption of best practices, including versions of the National Football League’s “Rooney Rule” policy that requires teams to interview people of color as candidates for senior positions. Companies including the Rivers Casino, UPMC, and Highmark have adopted this practice for hiring or contracting, and the Allegheny Conference on Community Development has promoted this policy among its members.

These efforts should be amplified and accelerated through a campaign that encourages companies to track and report annually on a series of equity and inclusion performance metrics that include supply-chain spend, job quality, hiring and promotions, turnover of employees of color, and other indicators. Such equity metrics should also be incorporated into sustainability metrics aimed at private businesses, as Sustainable Pittsburgh has recently done with its Green Workplace Challenge. Economic development leaders should also develop tailored campaigns to reach industry sectors that have particularly low levels of diversity. In Portland, Oregon, over a dozen companies in the city have signed on to a “Tech Diversity Pledge” to improve training and hiring practices to create a more diverse workforce.

While this recommendation focuses on the private sector, the same campaign should extend to the region’s philanthropic and nonprofit community development sector as well. These organizations should demonstrate equity, inclusion, and leadership development, and their staff and boards should reflect the diversity of the communities they seek to serve.

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**Equitable Development in Action:**

**Grand Rapids**

Cascade Engineering, a manufacturing company in Grand Rapids, Michigan, exemplifies how private companies can put equity into action. It adopted an anti-racism mission statement, and puts that intention into action through dedicated hiring strategies to employ people with criminal records, publicizing the business advantages of doing so, and spearheading a campaign to get 30 other area companies to also hire people with records.
V. Build Community Power, Voice, and Capacity

Residents and community-based organizations living and working in Pittsburgh’s distressed communities are central to making equitable development a reality. None of the equitable development examples shared in this report came about exclusively through top-down policy action and ideas: most began as ideas from residents and neighborhood organizations about how to address challenges, remove barriers, and build more inclusive communities. Pittsburgh’s residents are the eyes and ears of its neighborhoods, and possess valuable information, insight, and wisdom critical to designing solutions that work. Residents are also uniquely positioned to be the agents and owners of neighborhood change, transforming problems like vacant lots into community assets. Experience from communities that have gentrified also reveals the importance of community ownership and control of land as well as authentic community engagement in the development process to ensure that community residents and small businesses can stay in their neighborhoods as they improve.

Pittsburgh should take the following steps to build community power, voice, and capacity to advance equitable development.


For the region to make meaningful progress toward equitable development, the core champions of equity and inclusion must have a way of working together across neighborhoods and issue areas to advance citywide and regional strategies. Pittsburgh has many strong organizations and institutional leaders that are already implementing many of the strategies described in this report and are interested in collaboratively advancing a coherent action plan. This activity needs direction, leadership, and coordination.

Pittsburgh also has a strong labor movement and a labor/community coalition, Pittsburgh United, that has successfully organized for living-wage and green infrastructure policies, and is now leading a campaign to establish the housing trust fund recommended by the Affordable Housing Task Force.

Building structures for information-sharing and collective action within and across these groups and developing policy leadership from within Pittsburgh’s communities of color are critical to carrying this agenda forward and growing a larger multiethnic and multiracial constituency for equitable development. Local and/or national foundations should
invest in the institutional structures and networks that can take collective action for equitable development through organizing and policy development.

15. Ensure sustainable funding for neighborhood-based organizations and equitable development strategies.

Neighborhood-based organizations that engage residents and implement strategies that build residents’ incomes and assets while revitalizing places and welcoming newcomers are essential to implementing equitable development in Pittsburgh. These organizations play a vital role in building community cohesion, articulating a vision for the community’s future, negotiating with developers, and partnering to implement investment without displacement strategies. Community leaders interviewed for this project highlighted local challenges including the tendency of local philanthropy to fund outside organizations with new ideas (and largely White staff and leadership) rather than investing in building the capacity of neighborhood-based organizations led and staffed by people of color. Additionally, there is a need for additional sources of low-cost financing for community-based equitable development strategies.

Pittsburgh’s government agencies, financial institutions, employers, and philanthropies should support funding programs for community-based organizations rooted in the region’s low-income communities of color. Additionally, the region should seek to increase funding available for equitable development strategies. Community development financial institutions are important sources of funding for inclusive development strategies and they need more capital to finance them. One approach Pittsburgh should pursue is the securing of community benefits agreements with banks when they propose mergers, such as the agreement negotiated with Huntington Bancshares that will increase small business, mortgage, and community development lending as well as bank branches locally. Local governments and anchor institutions doing business with banks should also choose banks that are supporting equitable development, with strong lending for small, local, minority-, and women-owned businesses. Also, local banks should step up to develop targeted strategies to fill identified funding gaps.

Equitable Development in Action: Detroit

The Detroit Microloan Collaborative was founded in 2014 to address the need for new affordable financing sources for small businesses in the region. Huntington Bank provided a $5 million line of credit to seed the collaborative, which provides $5,000 to $100,000 loans to small businesses that do not qualify for traditional lending, as well as business technical assistance to help business owners become loan ready. The majority of the first 60 loans—totaling $2.2 million—went to minority-owned businesses and have created or retained hundreds of jobs. In fall 2015, the Detroit Development Fund started a new Entrepreneurs of Color loan fund, which in its first 10 months, closed 25 loans totaling over $2 million.

16. Fund tenant organizing and resident leadership development.

Tenant and resident leadership and organizing is foundational to ensuring those most at risk of being displaced know their rights and have a voice in how their neighborhoods change. The city and developers should provide clear, widespread information about the development process and specific proposals in neighborhoods, so residents are informed and empowered to weigh in on proposals in their neighborhood. In addition, local foundations should create a tenant protection fund to support tenant advocacy and organizing to prevent displacement, engage in neighborhood planning, and ensure healthy habitable housing. Community development groups should also implement strategies to empower residents to engage in the development process.
Equitable Development: The Path to an All-In Pittsburgh
Conclusion

Now is Pittsburgh's moment for equitable development, and its leaders must commit to implementing the recommendations in this report and ensuring everyone is a part of the new Pittsburgh. As this report illustrates, there are viable strategies that leaders in government, business, community development, and philanthropy can undertake to address racial inequities and put all residents on track to reaching their potential, starting with baking equity in to its new development projects and reaching across its institutional landscape and entrepreneurial ecosystem. Just as Pittsburgh has embraced its identity as a tech-forward region, it should—and can—be a frontrunner on equitable development.

Pittsburgh has the opportunity to build a brighter future for all through equitable development. (Brian Donovan/Flickr)
Notes


2 For comparison, Pittsburgh ranked 48th on Growth, 6th on Equitable Development: The Path to an All-In Pittsburgh 26


27 Ibid.


Equitable Development: The Path to an All-In Pittsburgh


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