

KEEPING SMALL BUSINESSES IN PLACE

Voices From the Field

Case Studies of Communities Combating Commercial Gentrification



SMALL
BUSINESS

Anti-Displacement Network

Miami

Washington, D.C.

Kolkata

Seattle

Chicago

Montréal

Los Angeles

San Francisco

London



ABOUT SBAN

The Small Business Anti-Displacement Network (SBAN) is a network of organizations across the United States and internationally that work to prevent the displacement of BIPOC- and immigrant-owned small businesses in gentrifying neighborhoods. Housed at the University of Maryland's National Center for Smart Growth Research and Education, SBAN includes policymakers, nonprofit advocates, technical assistance providers, developers, financial institutions, scholars, and small business owners, who share knowledge and collaborate to advance innovative policies and practices that keep small businesses in place. Visit antidisplacement.org.

CONTRIBUTING ORGANIZATIONS

San Francisco Heritage, San Francisco

Institut de Recherche et d'Informations Socioéconomiques, Montréal

Puerto Rican Cultural Center, Chicago

Purple Line Corridor Coalition, Washington, D.C., Metro Area

Latin Elephant, London

Chinatown Community Development Center, San Francisco

The Allapattah Collaborative CDC, Miami

Inclusive Action for the City, Los Angeles

Binita Mahato, Auburn University | Kolkata

District Bridges, Washington, D.C.

Ventures Nonprofit, Seattle

EDITORS

Reemberto Rodriguez, Willow Lung-Amam, Gerrit-Jan Knaap, Dejuan Johnson

MANAGING EDITOR

Katy June-Friesen

COPYEDITOR

Aurora Chang

DESIGNER

Suchy Design

NOVEMBER 2023



NATIONAL CENTER FOR
SMART GROWTH RESEARCH
AND EDUCATION

About the Authors	4
Acknowledgements	8
Introduction	9
<i>Willow Lung-Amam & Gerrit-Jan Knaap</i>	
Part 1: PRESERVING CULTURAL HERITAGE	16
Chapter 1: Cultural Heritage as a Small Business Anti-Displacement Strategy for Legacy Businesses in San Francisco	17
<i>James Buckley & Christine Madrid French</i>	
Chapter 2: Fighting Back Against Real Estate Speculation in Montréal's Chinatown	30
<i>Colin Pratte & Joëlle Gélinas</i>	
Chapter 3: Creating State-Designated Cultural Districts to Preserve Puerto Rican Heritage in Chicago's Humboldt Park	46
<i>Ivis García</i>	
Part 1: RESPONDING TO DISRUPTION	57
Chapter 4: Preventing Small Business Displacement in Six Neighborhoods Along Maryland's Purple Line Light Rail Corridor	58
<i>Sheila Hosagrahara Somashekhar & Nicole Weissman</i>	
Chapter 5: Campaigning for Inclusive Redevelopment in London's "Latin Quarter"	81
<i>Santiago Peluffo Soneyra & Sarah Goldzweig</i>	
Chapter 6: Feed and Fuel: Preventing Small Business Displacement During the COVID-19 Pandemic in San Francisco's Chinatown	103
<i>Amy Zhou, Christie Li, Irene Li & Jason Chommanard</i>	
Chapter 7: Building Resilience During Crisis: Culturally Relevant Small Business Technical Assistance in Miami's Little Santo Domingo	121
<i>Francesca Escoto & Manuel T. Ochoa</i>	
Part 1: STRENGTHENING COMMUNITY ASSETS	136
Chapter 8: Community-Owned Real Estate (CORE): A Mission-Driven Approach to Preventing Small Business Displacement in Los Angeles	137
<i>Chih-Wei Hsu & Prince Osemwengie</i>	
Chapter 9: Formalization of the Informal Sector through Hawkers' Unions in Kolkata, India	161
<i>Binita Mahato & Arindam Roy</i>	
Chapter 10: Meeting the Economic Challenges of a Changing Urban Environment: A Multi-Main Street Model in Washington, D.C.	181
<i>Brianne Dornbush</i>	
Chapter 11: Nonprofits as Capital Partners: Securing Stable Access to Commercial Real Estate in the Seattle Metropolitan Area	197
<i>Miri Plowman & Erin Williamson</i>	
Conclusion	213
<i>Reemberto Rodriguez & Dejuan Johnson</i>	

About the Authors

Amy Zhou

Amy Zhou is a Senior Planner at Chinatown Community Development Center in San Francisco's Chinatown. They are a researcher, organizer, and writer, continuing to build power in LA Chinatown and working at a variety of different locations including Southern California Association of Governments, City of Los Angeles, and as a City Council staffer. They hold a Master's degree in Urban & Regional Planning from UCLA, a Bachelor of Arts degree from the University of Waterloo, and grew up on unceded Algonquin land (Ottawa, Canada).

Arindam Roy

Arindam Roy is a doctoral candidate in Regional Development Planning at the School of Planning, College of DAAP, at the University of Cincinnati. He also teaches as an adjunct faculty in the College of Architecture and Planning at Ball State University. His primary research interests are diversity in public spaces and children play in urban settings, especially in the context of developing countries. He is also interested in spatial analysis, walkability, and place identity.

Binita Mahato

Binita Mahato is an assistant professor in the Community Planning Program at Auburn University. Her research interest is the relationship between space and society using qualitative and interpretive research methods. She teaches Urban Form, Urban Design, Geographic Information Systems, and Sustainable Urbanism.

Brianne Dornbush

Brianne Dornbush has dedicated her professional career to embedding sustainability and equity into community development ecosystems. She is a serial nonprofit entrepreneur, founding several organizations as well as working to support nonprofits both locally and nationally on organizational development, fundraising, and multi-sector relationship-building to spur social innovation. In 2015, Brianne became the founding Executive Director of the Columbia Heights

Initiative in Washington, D.C., today known as District Bridges. Under her leadership, the organization has grown from a small scrappy group of dedicated volunteers to an ecosystem development organization that is revolutionizing how community-based economic development is done in D.C. and beyond.

Chih-Wei Hsu

Chih-Wei Hsu is a Research Associate at Inclusive Action for the City in Los Angeles. His interdisciplinary research experience in transportation, housing, energy systems, and public policy informs his current work at Inclusive Action to advance economic justice for the city and beyond. He holds a Master's degree in Energy, Technology, and Policy from Cal Poly Humboldt.

Christie Li

Christie Li is a Planner at the Chinatown Community Development Center (CCDC) in San Francisco. She joined the Planning and Policy Team in October 2022. Before starting at CCDC, Christie worked in other nonprofits, cultural institutions, and community-based organizations in various capacities. She holds a Bachelor of Arts degree in Sociology from Wellesley College in 2020 and grew up in the Bay Area.

Christine Madrid French

Christine Madrid French is an architectural historian and historic preservation advocate. She is a graduate of the University of Utah and the University of Virginia and worked as an historian for the National Park Service and the National Trust for Historic Preservation. Her book, *The Architecture of Suspense: The Built World in the Films of Alfred Hitchcock*, was released by the University of Virginia Press with an adapted excerpt featured in Vanity Fair. She is the former Director of Advocacy, Programs & Communications at San Francisco Heritage and has raised more than \$2.5 million for non-profit causes during her career.

Colin Pratte

Colin Pratte is a jurist, doctoral candidate in sociology, and researcher at the Institut de recherche et d'informations socioéconomiques in Montréal. His research interests include the ecological crisis, tax avoidance, and social inequalities. He has published several reports on public transit, just ecological transition, and abusive corporate tax practices.

Dejuan Johnson

Dejuan Johnson is the Case Study Liaison for the Small Business Anti-Displacement Network and a second year student at the University of Maryland's Master's of Architecture and Community Planning dual degree program. He holds a Bachelor of Art degree in architecture with a minor in construction project management from UMD. Dejuan has worked closely alongside the 11 case study teams. He plans to build upon his current knowledge, relationships, and skills to contribute to the local community and vast network that is SBAN.

Erin Williamson

Erin Williamson is the Director of Capital and Advocacy at Ventures Nonprofit in Seattle. Erin is a mission-focused and accomplished leader with a passion for micro-business development and equitable access to capital. Prior to her work with Community Development Financial Institutions (CDFIs), Erin founded and grew small businesses. She believes that business ownership is a path to stability and fulfillment, and she works to make entrepreneurship accessible to all.

Francesca Escoto

Francesca Escoto is the quintessential new American entrepreneur: Latina, immigrant, and head of household. She has a dual career in software management and non-profit leadership, while running a boutique coaching practice that helps entrepreneurs launch new products. As COO at TAC, Francesca has built an infrastructure that is helping the organization grow with stability. Ms. Escoto has been on the pages and stages of MIT Media Lab, WPI, Berklee College of Music, SXSW, Cosmo For Latinas, Black & Brown Founders, and Society of Hispanic Professional Engineers, among others. In her spare time, she paints and enjoys her family life.

Gerrit-Jan Knaap, PhD

Gerrit-Jan Knaap is an SBAN Senior Leader and Professor of Urban Studies and Planning in the National Center for Smart Growth at the University of Maryland. Knaap holds a Bachelor of Science degree from Willamette University, a Master's of Science degree and a doctoral degree from the University of Oregon, and post-doctoral training at the University of Wisconsin-Madison, all in economics. In 1991, he received the Chester Rapkin award for the best paper in the Journal of Planning Education and Research. In 1998, he received with Greg Lindsey the best of ACSP award, and in 2006, he received the Outstanding Planner Award from the Maryland Chapter of the American Planning Association.

Ivis García, PhD

Ivis García, PhD is a Research Associate for the Puerto Rican Cultural Center in Chicago and Associate Professor of Landscape Architecture and Urban Planning at Texas A&M University. As Co-Chair of the Puerto Rican Agenda of Chicago, she conducted her dissertation research to explore how the Puerto Rican community utilized the Agenda to assert their ownership rights to space via various community development initiatives.

James Buckley, PhD

James Buckley was the founding director of the University of Oregon's Historic Preservation program. With over 25 years of experience as an urban historian and city planner, he has led numerous housing and community development initiatives, completing 4,000+ housing units in award-winning developments. His academic focus lies in vernacular architecture and cultural landscapes. Buckley's writings explore urban development and heritage conservation. A Fulbright Senior Fellow, he is also the recipient of significant research awards for interpretive projects such as studying Portland's historically black Albina neighborhood. He holds degrees from Yale and UC Berkeley.

Joëlle Gélinas, PhD

Joëlle Gélinas holds a doctorate in communications from the Université du Québec à Montréal. Her work focuses on the integration of culture and technological innovation in urban development strategies. She is also a member of the Research Group

on Information and Surveillance in Everyday Life and the Interuniversity Research Center: Communication, Information, Society, for which she has conducted research on the massive data industry.

Katy June-Friesen

Katy June-Friesen is Communications Associate for the Small Business Anti-Displacement Network and a doctoral candidate in the Philip Merrill College of Journalism at the University of Maryland. She researches representations of race, class, and place in news. Her dissertation examines the journalism and public discourse about (re)development, neighborhood change, and spatial inequality in the Washington, D.C., suburbs. She has worked in media for more than 15 years, and her journalism has appeared in national magazines and newspapers. She is an editor for nonprofit and scholarly publications and a writer and researcher for documentary media and public history projects.

Manuel T. Ochoa

Manuel T. Ochoa is the SBAN Senior Practitioner and Principal and Founder of the Ochoa Urban Collaborative, a planning, community, and economic development firm with an equity lens that provides strategy, policy, and implementation services to help people, neighborhoods, and communities revitalize and thrive. He has worked around the country especially on issues of gentrification and displacement, disaster recovery, and housing policy. With almost 30 years of experience, Manuel brings a unique mix of experience in both the non-profit (NGO) and government sectors. Manuel served as a government official in the US Department of Housing and Community Development for seven years.

Miri Plowman

Miri Plowman is the Business Scaling Specialist at Ventures Nonprofit in Seattle. Miri's expertise comes from her personal experience as an entrepreneur—she successfully founded and ran a restaurant in Seattle for many years, witnessing firsthand the impact of the entrepreneurial drive on her own life. As a coach, Miri's focus lies in supporting small business owners with an emphasis on collaboration, problem-solving, and work-life sustainability so that her clients may thrive on their entrepreneurial journey.

Nicole Weissman

Nicole Weissman is a Washington, D.C. area native with a passion for advancing impactful work and supporting local businesses and nonprofits. As director of strategic communications for the National Association of Counties, Nicole manages brand, messaging, media relations, digital communications, graphic design, multimedia, and the County News for a national organization strengthening local government. Previously, Nicole worked with D.C.-based nonprofit Halcyon to accelerate the impact-driven future of business. She holds a Bachelor of Arts degree with honors from Washington University in St. Louis and a Master's degree in Business Administration with honors from Johns Hopkins University.

Prince Osemwengie

Prince Osemwengie is Senior Policy Associate at Inclusive Action for the City in Los Angeles. He is an experienced economic development policy researcher and advocate, specializing in small business development, financial services and institutions, and community development policy. Prince is a collaborative team player with expertise in cross-sector coalition management, mixed-methods research, and policy analysis. He holds a Master's degree in City & Regional Planning from UCLA.

Reemberto Rodriguez

Reemberto Rodriguez is Case Study Coordinator for the Small Business Anti-Displacement Network and an Affiliate Instructor with the University of Maryland's National Center for Smart Growth, where he works with the Purple Line Corridor Coalition and the Partnership for Learning in Sustainability programs. He retired from Montgomery County government in August 2021, where he served for 12 years as the Silver Spring Region Director. Most recently, he was charged with helping lead the County's Covid recovery efforts for restaurants and retail. Prior to coming to the County, Reemberto spent two decades with NeighborWorks America in various roles.

Santiago Peluffo Soneyra

Santiago Peluffo Soneyra is Co-Director of Latin Elephant in London and a bilingual writer and community organizer. He has been conducting research on, supporting, and advocating for

the rights of racialized communities in South London for the past six years. He is passionate about equality, migration, and identities. A journalist and published author, Santiago holds a Bachelor of Arts degree in Journalism and a Master's degree in Political Communication.

Sarah Goldzweig

Sarah Goldzweig is Research and Policy Officer at Latin Elephant in London. She is originally from Los Angeles where she was involved in community activism and organizing projects on issues of climate justice, housing justice and reimagining community safety. She moved to London in 2020 to complete an MRes Interdisciplinary Urban Design; her dissertation discusses how the post-WWII development of Downtown Los Angeles can be understood as racialized and settler-colonial 'spatio-legal violence.' She also works for a London-based charity that brings together tenants' groups around strategic social housing issues.

Sheila Hosagrahara Somashekhar

Sheila Somashekhar, a Maryland native, is Director of the Purple Line Corridor Coalition (PLCC). Sheila leads strategic relationship building to drive collective action to prevent displacement and promote equitable growth along the future transit route in the Washington, D.C. suburbs. Before joining PLCC in 2020, Sheila served as Director of Community Impact and Engagement for United Way of the National Capital Area. Prior to that she worked on neighborhood planning and economic opportunity initiatives in New York City. She holds a Master's degree in Urban Planning and a Master's degree in Public Health from the University of Michigan.

Willow Lung-Amam, PhD

Willow Lung-Amam, PhD is Director of the Small Business Anti-Displacement Network at the University of Maryland (UMD), College Park. At UMD, she also serves as Associate Professor of Urban Studies and Planning, Director of Community Development at the National Center for Smart Growth Research and Education, and Director of the Urban Equity Collaborative. She has written extensively on suburban poverty, racial segregation, immigration, gentrification, redevelopment politics, and neighborhood opportunity. She is the author of *Trespassers? Asian American and the Battle for Suburbia*, and a forthcoming book on redevelopment politics and equitable development organizing in the Washington, D.C. suburbs. ●

Acknowledgements

The Small Business Anti-Displacement Network (SBAN) would like to thank many people who made this report possible. From its inception to completion, this process has been guided by the steady wisdom, talent, and time of Case Study Coordinator Reemberto Rodriguez and Case Study Liaison DeJuan Johnson. Reemberto and DeJuan worked closely with each of the authors in developing their case studies, providing critical feedback, insights, and resources along the way.

Our senior leadership team, including Dr. Willow Lung-Amam, Dr. Gerrit-Jan Knaap, Bobby Bonne, Manuel Ochoa, and Dr. Stacey Sutton participated in the case study selection and contributed valuable insights to each author on their final reports. SBAN Communications Associate Katy June-Friesen not only served as managing editor for this report, but with her indelible red pen, provided thoughtful commentary on all the case studies and guidance through the editorial process. This included a lot of back-and-forth with copyeditor Aurora Chang, PhD and Lisa Suchy of Suchy Design.

At SBAN, we are gifted with a stellar support staff, including our Project Manager Tatiana Nelson-Joseph who worked tirelessly behind the scenes to provide logistical support for case study authors. The work of SBAN Researchers Nohely Alvarez and Bi'Anncha Andrews contributed to the introduction and broader insights of the work. Thank you also to the rest of our SBAN Family who supported this report in various ways, including our staff and advisors. Our network of organizations participated in SBAN's working groups, conferences, and site visits where case study authors presented their work, offering valuable feedback and reflections on both the case studies and anti-displacement strategies highlighted in their reports.

This work would also not be possible without the generous financial support of JPMorgan Chase.

Finally, thank you to the case study authors for your patience and persistence through the process, especially those who showed us around their neighborhoods during site visits. It was an honor to learn from and with you. Your concern and care for the businesses and communities you serve shone through at every stage. You left us inspired and committed to continuing this important work. ●

Introduction

Willow Lung-Amam | Director, SBAN
Gerrit-Jan Knaap | Senior Leader, SBAN

Small businesses are vital to the social, cultural, and economic health of neighborhoods, particularly low-income communities of color. They foster community connectedness, provide local employment opportunities, connect residents to local goods and services, and allow a community's dollars to remain in and improve their neighborhoods. Small businesses are also highly vulnerable to displacement when neighborhoods gentrify.

The **Small Business Anti-Displacement Network** (SBAN) addresses the critical concerns of communities that are vulnerable to gentrification. Housed at the University of Maryland's National Center for Smart Growth Research and Education, SBAN is a national network of organizations that work to prevent the displacement of small businesses owned by Black, Indigenous, and people of color (BIPOC) and immigrants. Our network of small business leaders includes policymakers, nonprofit advocates, technical assistance providers, developers, financial institutions, scholars, and small business owners, who share knowledge and collaborate to advance innovative policies and practices that keep small businesses in place.

To fill critical policy and research gaps about what works in the field and support our members' anti-displacement efforts, SBAN launched a call for case studies in summer 2022. The call invited member and non-member organizations to propose and write case studies of efforts to preserve small businesses in gentrifying neighborhoods in the United States and abroad. We sought case studies that would demonstrate how public, private, and nonprofit organizations are employing effective strategies. Our aim was to provide lessons for other organizations about how to advance anti-displacement policies and practices within and beyond their metropolitan areas, including examples of how a range of strategies and tools were being put into action.

The case studies contained in this report are the result of a year-long process, during which the SBAN team worked with organizations from diverse neighborhoods and metropolitan regions to tell stories about effective small business anti-displacement strategies. These cases come from four countries, including many

regions of the United States, and offer varied perspectives for scholars, policy makers, small business support organizations, and others who support BIPOC- and immigrant-owned businesses. While the authors provide lessons that individual organizations can employ, they also make clear the collective policy response needed at all levels to support small businesses so they can remain vital anchors of stable, equitable, and thriving neighborhoods.

Commercial Gentrification and Small Business Displacement

Policy debates and research about gentrification have focused mostly on residential gentrification. Far less attention has been paid to commercial gentrification, the process by which long-term businesses in historically disinvested neighborhoods are forced to move or close and are replaced by establishments that cater to more affluent consumers (Alvarez et al., 2021). However, residential and commercial gentrification are intimately connected. When established neighborhood small businesses are displaced, residents who have relied on them for goods, services, employment, gathering spaces, cultural amenities, and social capital are also impacted. When longtime residents leave the community, established small businesses lose regular customers.

Urban neighborhoods that are home to BIPOC and immigrant communities are most likely to gentrify, given their long history of segregation and disinvestment. New development projects bring upscale, chain, and "boutique" businesses that cater to middle- and upper-class residents (Gonzalez & Waley, 2013). This neighborhood transformation results in increased competition for longtime small businesses, as well as rising commercial rents and taxes, predatory leasing practices, and construction disruption. These changes may also decrease local employment opportunities, particularly for low-income workers who can no longer afford to live in the neighborhood or lose their jobs as the local economy changes (Meltzer, 2016).

The consequences of gentrification for BIPOC- and immigrant-owned small businesses, especially those that rent their space, can be

devastating. These businesses do not have the same resources and networks as incoming businesses, which are often better capitalized, larger, and White-owned (Meltzer, 2016). BIPOC- and immigrant-owned businesses also face greater lending discrimination and landlord exploitation and have less bargaining power than White-owned businesses. They have fewer capital resources and are highly affected by economic downturns because of credit constraints and narrow operating margins. With less access to training and technical resources, they are often unaware of local, state, or federal resources, and face various barriers to accessing these resources, including language barriers and a lack of professional networks. Due to historic and ongoing discrimination, they also tend to have less personal or generational wealth that they can leverage to maintain or grow their businesses.

The COVID-19 crisis exacerbated existing vulnerabilities and disproportionately impacted communities and businesses of color. BIPOC- and immigrant-owned businesses are concentrated in neighborhoods and economic sectors hit hardest by the crisis (Fairlie, 2020). Many BIPOC- and immigrant-owned businesses already faced financial constraints, limited access to resources, and difficulties adapting to changing market dynamics. In addition to widespread closures, restrictions on operations, and a decline in consumer demand, the pandemic brought soaring property values and rents and reduced revenue streams, making it difficult for small businesses to cover operating costs and retain employees. Many businesses were forced to quickly adapt to online sales, requiring costly investments in technology, e-commerce platforms, and digital marketing. A lack of access to capital made it challenging for BIPOC- and immigrant-owned businesses to make the necessary investments (Szász et al., 2022). This contributed to a decrease in customers and lower sales, further exacerbating the financial impact on vulnerable businesses.

BIPOC- and immigrant-owned businesses also struggled to access government support programs to aid in their recovery, including the Paycheck Protection Program (PPP). The majority of PPP loans and grants went to larger White-owned businesses and businesses in less impacted neighborhoods (Liu & Parilla, 2020). A long-term effect of the pandemic may be accelerated gentrification for communities and businesses of color (Hyra & Lees, 2021).

The Small Business Anti-Displacement Network

SBAN is the first national project focused on small business displacement in gentrifying neighborhoods. Our mission is to establish and sustain a network of organizations that work to prevent the displacement of BIPOC- and immigrant-owned small businesses. We seek to build the capacity of network members to engage in effective anti-displacement advocacy and assistance; to identify, assess, and disseminate promising small business anti-displacement practices and policies; and to encourage adoption of impactful small business anti-displacement strategies.

SBAN operates as a community of practice, a model used in many fields to translate learning and knowledge into action among communities that share similar interests. Our staff and members produce research, data, and resources about what works to keep small businesses in place. We share this information with the network and other stakeholders who are working on the ground to prevent small business displacement. We also convene members virtually and in-person to foster knowledge-sharing and problem-solving, recognizing that they are the experts and have critical information and experiences to relay.

We encourage member collaboration and offer opportunities for network members to reflect on what they are doing and how they can increase their impact. Through regular working groups, webinars, SBAN-supported projects, conferences, and case studies, we aim to foster more effective and robust anti-displacement policies and seed innovative and impactful practices within and beyond the network.

The Value of Anti-Displacement Case Studies

Our *Small Business Anti-Displacement Toolkit* lays out various tools and strategies that organizations, governments, and financial institutions are employing to keep small businesses in place. SBAN initiated the case study process to complement the toolkit with more detailed examples that demonstrate what works, where, and how. We wanted to share stories from the field about successes and challenges, from diverse organizational and geographical perspectives. We chose case studies that provided insights into tools and

strategies where there were notable research and policy gaps. Additionally, we sought cases that would showcase the inventive and impactful efforts against displacement taking place within communities both in the United States and internationally. Our selection process prioritized organizations led by immigrants and people of color working in diverse communities.

After a competitive process, SBAN awarded grants to 11 organizations. In a year-long process, case study authors met with and learned from each other, received support from SBAN experts, and presented their research to the network and other stakeholders at SBAN events. Through meetings with SBAN staff and each other, awardees shared and honed their anti-displacement strategies, exchanged resources, and discussed policy implications.

SBAN also chose three awardees to host site visits that highlighted their case study. In the summer of 2023, our leadership, staff, and select members visited The Allapattah Collaborative in Miami, The Puerto Rican Cultural Center in Chicago, and Inclusive Action for the City in Los Angeles to learn about small business anti-displacement efforts and get to know neighborhoods that are home to diverse BIPOC and immigrant communities. The site visits showcased a range of strategies and tools, including commercial property ownership, technical assistance programs, and historic and cultural districts. These visits helped to inform the allied work that many SBAN members are doing, as well as support awardees' final case study reports.

The Case Studies

The case studies that follow offer insightful and inspiring stories about tools and strategies that support BIPOC- and immigrant-owned businesses in London, Kolkata, Montreal, and six metropolitan areas in the United States: San Francisco, Chicago, Washington, D.C., Miami, Los Angeles, and Seattle. Written by scholars, practitioners, and community advocates, the case studies are set in differing geographic, institutional, economic, and social contexts, yet contain common threads. Each study provides examples of tools and strategies designed to help small businesses survive—and thrive—in gentrifying places. Each study also offers valuable lessons that, with some imagination, creativity, and perseverance, can be applied in many neighborhoods around the world.

The case studies are organized into three parts. Part 1 includes three case studies that focus on preserving cultural heritage. Part 2 presents four case studies that illustrate responses to specific disruptive events or projects, such as new transportation investments. Part 3 includes four case studies of efforts to strengthen community assets. While useful in underscoring the different approaches taken by communities to combat displacement, these three organizing categories are not mutually exclusive. Indeed, several case studies could fall in more than one part of the report, highlighting the dynamic and complex approaches taken by many organizations.

PART 1: PRESERVING CULTURAL HERITAGE

Preserving BIPOC- and immigrant-owned businesses is key to sustaining the cultural heritage of communities. The three case studies in Part 1 are set in neighborhoods that have acted as commercial, community, and cultural hubs for diverse ethnic groups. Many have experienced intense gentrification forces for decades. Often known by names such as “Chinatown,” “Little Manila,” or “Latin Quarter,” many are ethnic enclaves that have acted as immigrant gateways and cultural meeting places, whether by choice or because of exclusion from other communities. As second-generation immigrants have moved out of these neighborhoods, often to suburbs in search of new employment and housing opportunities, these neighborhoods have become more desirable to higher-income residents and new development. Longtime small businesses have faced rising rents, a loss of clientele, and an increased cost of doing business. These pressures can—and have—displaced small businesses that act as vital community institutions by fostering and promoting cultural heritage and identity. In the face of extreme displacement pressures, the three case studies offer examples of how these pressures can be mitigated by legacy business programs, cultural heritage districts, and zoning.

San Francisco Heritage, a local non-profit advocacy organization, led a multi-party campaign that prompted the city to adopt legacy business and cultural district programs. Under the legacy businesses program, businesses that have been in San Francisco for over 30 years are eligible for grants, low interest loans, technical assistance, and rent stabilization. The cultural district program allows neighborhoods to prepare cultural

history reports and plans for preserving cultural assets, which make them eligible for city cultural heritage and neighborhood stabilization funds. San Francisco's 10 cultural districts represent historically-marginalized cultural communities or ethnic groups. With San Francisco Heritage's support, these districts have sought to stabilize their cultural assets, strengthen the neighborhood's cultural identity, and coordinate city and community partnerships.

Community-based groups in Montréal's Chinatown pursued a strategy similar to San Francisco Heritage to combat rising land values, escalating rents, and real estate speculation. Because of efforts by the Progressive Chinese of Quebec and Chinatown Working Group, the city approved a major zoning amendment limiting the height of new buildings in this historic center of the city's Chinese community. The neighborhood was granted heritage status in 2022. Both the zoning amendment and the heritage status designation, which place restrictions on redevelopment, are designed to mitigate real estate speculation and preserve affordable spaces for residents and small businesses.

In Chicago's Humboldt Park neighborhood, an important meeting ground for the Puerto Rican community throughout the city and diaspora, the 50-year-old Puerto Rican Cultural Center worked with over 30 local organizations to pass legislation establishing a state-level Cultural Special Designation Districts program. This pioneering legislation requires consideration of the impacts of gentrification in the criteria for designation. The Illinois Department of Commerce and Economic Opportunity must provide technical assistance and collaborate with other state agencies to preserve cultural heritage in certified neighborhoods. Humboldt Park is hoping to be the first neighborhood in the state to receive the designation.

Combined, the anti-displacement strategies and tools detailed in these cases illustrate how to design and apply policies that can preserve a community's cultural heritage and the small businesses that make neighborhoods distinct while helping residents build a sense of place and belonging.

PART 2: RESPONDING TO DISRUPTION

In some cases, gentrification and displacement are the consequence of specific events or projects, such as investments in transportation infrastructure, urban revitalization projects,

or the COVID-19 pandemic. The impacts of such disruptions can vary in magnitude and geographic scope, affecting some businesses more than others. BIPOC- and immigrant-owned small businesses are particularly vulnerable to displacement during disruption because they tend to have fewer resources and less access to capital than larger, White-owned businesses, and they face barriers to accessing available assistance.

The four cases presented in Part 2 exemplify the challenges faced by communities and small businesses when the landscape around them is abruptly altered. However, these cases also highlight their resilience and determination in advocating for fresh tools, strategies, and resources to navigate these changes and ensure their survival. The Purple Line Corridor Coalition (PLCC) represents a group of public, private, and nonprofit organizations that have supported small businesses through the construction of a new light rail line in the Washington, D.C. suburbs. Because transit projects are known to disrupt day-to-day operations and drive up rents, PLCC mobilized to provide direct technical assistance to vulnerable small businesses along the line, which will run through several predominantly immigrant, Latinx, and Black neighborhoods. The coalition also campaigned to secure construction disruption grants from the state to help businesses survive during the construction period.

Latin Elephant, a small business advocacy organization in London, has worked to mitigate the effects of government-led disruption from "regeneration," or redevelopment, on BIPOC communities. Many BIPOC- and immigrant-owned shops were abruptly displaced when the city designated a site in the Elephant and Castle neighborhood near a metro stop as a "regeneration" node and subsidized the redevelopment of a shopping mall. In this historically Latinx neighborhood that is one of the fastest gentrifying areas of London, Latin Elephant has campaigned for inclusive development and mobilized to help relocate businesses disparately impacted by the city's plans.

In San Francisco, the Chinatown Community Development Center (CCDC) responded to the COVID-19 crisis by helping small food businesses survive the shutdown. Drawing on its longstanding relationships in this historic neighborhood, CCDC helped establish a "circular economy" in which CCDC secured grants and paid Chinatown restaurants to provide meals for nearby low-income elderly and families. In the midst of an unprecedented disruption, CCDC

found a way to feed residents in need and keep open local businesses that had already faced intense pre-pandemic gentrification pressures.

In Miami, the community development organization Allapattah Collaborative works to preserve small and mostly Dominican-owned businesses in what the National Trust for Historic Preservation has called one of the country's most endangered historic places. Located on high ground in a city vulnerable to climate change, small, immigrant-owned businesses in the Allapattah neighborhood have been experiencing gentrification effects for years and were hit particularly hard by the pandemic. In response, the collaborative adopted a strategy to provide culturally relevant, tailored technical assistance, and facilitate community ownership of commercial spaces. Their approach has helped many small businesses survive and grow.

As these cases demonstrate, there is much that community-based organizations can do to help BIPOC- and immigrant-owned businesses survive and adapt to major neighborhood disruptions. By creating tailored, culturally relevant solutions, and with strong community support, they can quickly catalyze the energy and talents of residents and small businesses and generate political will to address pressing concerns.

PART 3: STRENGTHENING COMMUNITY ASSETS

Community-based organizations often work to strengthen community assets as a way to protect BIPOC and immigrant neighborhoods from gentrification. The challenge, however, is to strengthen community assets in ways that benefit existing residents and businesses instead of spurring redevelopment that displaces them. Social, cultural, and financial assets can be strengthened through direct technical and financial assistance to neighborhood small businesses, placemaking and commercial revitalization, and policies that allow local entrepreneurs to access new opportunities and benefit from investments. The four cases in Part 3 offer examples of how to deploy strategies that strengthen connections among residents and businesses while avoiding the pitfalls of approaches that are not driven by the needs of the community.

Inclusive Action for the City, a community development organization and financial institution, runs a program focused on community ownership of commercial property

in gentrifying and transitioning neighborhoods throughout East Los Angeles. The organization preserves locally-owned small businesses by acquiring and removing commercial properties from the speculative market, stabilizing rents, and offering tenants pathways to property ownership. In some cases, Inclusive Action helps businesses purchase their storefront. In others, it acquires property, rents commercial spaces at below market rates, and provides businesses access to technical assistance and other wrap-around services.

In Kolkata, the Hawker Sangram Committee (HSC), an alliance of unions, has worked for years to support vendors who make a living in the informal economy by hawking in public spaces. While hawkers have historically faced government harassment and evictions, unionization is a tool that has protected them from displacement. By working closely with a national alliance of organizations and leading peaceful protests, HSC lobbied to pass legislation that legalized hawking and vending in India. The alliance continues to advocate for the informal sector amidst challenges that threaten their livelihood and stability, such as the privatization of public land and city development projects.

In Washington, D.C., the economic development organization District Bridges established the first multi-site Main Street organization in the United States. The Main Street model, developed by the National Main Street Center, is nationally known for strengthening and revitalizing commercial corridors. District Bridges has employed the model as a small business anti-displacement tool in historically Black and Brown neighborhoods. Their scaled approach increases the organization's capacity to provide direct technical assistance to small businesses throughout one of the nation's most rapidly gentrifying cities and advocate for these businesses as redevelopment occurs.

In Seattle Ventures, a community development financial institution, is working to make commercial leases more accessible to BIPOC and immigrant entrepreneurs. In neighborhoods that have experienced intense growth and rising rents in recent years, Ventures serves as a primary leaseholder on commercial spaces, subleasing to small businesses and provides extensive training for business owners. They offer entrepreneurs a commercial lease loan with no interest, helping to create and strengthen small businesses through affordable leasing strategies.

As these four case studies illustrate, creative and committed community-based organizations are positioned to recognize, strengthen, and protect community assets, including local entrepreneurs. The cases in Parts 1, 2, and 3 reveal inspiring grassroots efforts to respond to the needs of small business owners and strengthen neighborhoods in

the face of gentrification. The authors of the following case studies introduce us to diverse communities and share valuable, on-the-ground perspectives about what has worked, what hasn't, and why. They detail how advocates have created and adapted a range of anti-displacement tools and strategies to keep small businesses strong and in place. ◆

Chinatown in Montréal.



REFERENCES

- Alvarez, N., Andrews, B., & Lung-Amam, W. (2021). Small business anti-displacement toolkit: A guide for small business leaders. College Park, MD: Small Business Anti-Displacement Network. <https://antidisplacement.org/research/brown-papers/>.
- Fairlie, R. W. (2020). COVID-19, small business owners, and racial inequality. *NBER Reporter*, (4), 12-15.
- González, S., & Waley, P. (2013). Traditional retail markets: The new gentrification frontier?. *Antipode*, 45(4), 965-983.
- Hyra, D., & Lees, L. (2021). De-gentrification or disaster gentrification? Debating the impact of COVID-19 on Anglo-American urban gentrification. In *Volume 2: Housing and Home* (pp. 31-40). Bristol University Press.
- Liu, S., & Parilla, J. (2020). New data shows small businesses in communities of color had unequal access to federal COVID-19 relief. Washington, DC: The Brookings Institution.
- Meltzer, R. (2016). Gentrification and small business: Threat or opportunity? *Cityscape*, 18(3), 57-86.
- Szász, L., Bálint, C., Csíki, O., Nagy, B. Z., Rácz, B. G., Csala, D., & Harris, L. C. (2022). The impact of COVID-19 on the evolution of online retail: The pandemic as a window of opportunity. *Journal of Retailing and Consumer Services*, 69(22), 103089.



Mural in Puerto Rico Town, Chicago.

PART 1

PRESERVING CULTURAL HERITAGE

Small businesses are an essential part of the cultural fabric of neighborhoods. Preserving longtime small businesses that offer cultural amenities, goods, and services is often key for preserving neighborhood history and identity. Because small businesses play an economic and social-cultural role in communities, small business anti-displacement efforts are often part of broader cultural heritage strategies that keep BIPOC and immigrant communities in place.

The case studies in Part 1 show how organizations and cities have used legacy business programs, cultural heritage districts and designations, zoning, and other place-based strategies and tools to preserve small businesses and celebrate the histories and contributions of diverse groups in gentrifying neighborhoods. For more information about how these and other tools work, visit the [Small Business Anti-Displacement Toolkit](#).

CHAPTER 1

Cultural Heritage as a Small Business Anti-Displacement Strategy for Legacy Businesses in San Francisco

James Buckley, PhD

Associate Professor and Director of the Historic Preservation Program, University of Oregon

Christine Madrid French

Former Director of Advocacy, Programs & Communications, San Francisco Heritage

San Francisco Heritage
2007 Franklin Street
San Francisco, CA 94109

ACKNOWLEDGEMENTS

This case study is a collaborative cross-disciplinary project. The authors of this case study would like to acknowledge and thank the people and organizations who contributed to the completion of this project: Karalyn Monteil, President & CEO, San Francisco Heritage; John Arroyo, Assistant Professor and Director of the Pacific Northwest Just Future Institute for Racial and Climate Justice; Kerri Young, former Programs & Communications Manager with San Francisco Heritage; Richard Kurylo and Michelle Reynolds of the Legacy Business Program,

Office of Small Business, City and County of San Francisco; Elizabeth Morton, Planning Educator and Consultant, Urban Sustainability, University of the District of Columbia.

For further information about this case study please contact:

Woody LaBounty | President & CEO
San Francisco Heritage
wlabounty@sfheritage.org

Executive Summary

Small businesses and nonprofit organizations play a pivotal role in preserving the rich cultural diversity of American cities. However, these establishments, which cater to specific cultural populations or local communities, are facing a grave threat of displacement due to escalating rents and other development pressures. While preservation planners have focused primarily on restoration of historic buildings as a tool for economic development, it is crucial to also recognize the significance of intangible activities such as business transactions, festivals, and traditional craft-making in preserving the cultural heritage of local communities.

To study what resources are available for preventing the displacement of small businesses in San Francisco, we sought to answer one key question: How can policymakers leverage cultural

heritage to ensure the survival of small businesses and nonprofit organizations that serve culturally unique or regional populations? As a focal point, our case study explores two effective programs operated by the City and County of San Francisco: the [Legacy Business Program](#) and the [Cultural Districts Program](#). Both of these programs serve as models of how to safeguard the cultural identity of the city's distinctive neighborhoods by protecting small businesses and the social activities that sustain them. This issue is not only significant within San Francisco but has national and global applicability as well. The [Los Angeles Legacy Business Program](#) was launched in 2022 to provide grants to “businesses that face an imminent threat of displacement and are located in low-income communities,” similar to the San Francisco model. Also, during our study, a team

representing the National Heritage Board (a Singapore government agency) paid us a visit to experience firsthand the places which make

this city unique, including legacy businesses and cultural districts, and explore how these precedents can be applied in their region.

Introduction

Small businesses and nonprofit organizations serve as vital guardians of diverse cultures in American cities. Yet many urban areas, shops, restaurants, and other businesses that offer goods and services in local neighborhoods are threatened with displacement due to increasing rents and other development pressures. The case study examines San Francisco's Legacy Business and Cultural District programs and demonstrates how they help to protect the cultural character of the city's distinctive neighborhoods by protecting small businesses and the social activities that sustain them. For this case study, we asked one key question: How can policy makers leverage cultural heritage to preserve the small businesses and agencies of culturally unique populations in place?

The challenges for a metropolitan area such as San Francisco are numerous and significant. For many years, development pressures in San Francisco have threatened the ability of small businesses in the city to remain in place as high-tech companies have increased demand for both residential and commercial space. High rents and redevelopment of low-density sites have displaced small shops and service providers that serve the city's diverse population. Often, this very diversity is what has attracted new companies and residents to San Francisco's distinctive neighborhoods, but mom and pop businesses cannot afford the high rents and purchase prices that result from increased demand.

While the city has created some new tools to protect small businesses, such as chain store controls, planners have been limited in their options to retain these businesses as rents continue to rise. While San Francisco maintains a fairly robust historic preservation policy, merely landmarking physical buildings does not provide sufficient protection against the eviction of lower-

paying tenants including the shops and restaurants run by traditional cultural practitioners.

To address this problem, San Francisco Heritage worked with the city government to create two new programs to help prevent displacement of culturally serving small businesses:

- **Legacy Business Program.** This program established a roster of long-term businesses that serve specific cultural communities, including bars, restaurants, shops, and service agencies. Eligible businesses more than thirty years old can apply for inclusion on the register and receive public recognition, marketing and business planning assistance, and even financial subsidies to pay for rent.
- **Cultural District Program.** This program identifies areas of the city in which traditional cultural activities thrive and supports efforts to organize merchants, residents, and community leaders to plan for continued opportunities to carry out traditional cultural practices. This program offers centralized support for cultural festivals and other events; coordination of marketing, business hours, and other activities among district businesses; and identification of both physical sites and intangible qualities of a district that make it unique. District status allows the community to mark both sites and activities that are culturally significant and raise concerns about development activities that might displace or have a negative impact on these locations and practices. The overall effect of the program is to foster conditions in which culturally specific activities like small businesses can thrive despite development pressures.



How can policy makers leverage cultural heritage to preserve the small businesses and agencies of culturally unique populations in place?"

Case Study Approach

From the ten designated Cultural Districts in San Francisco, we selected the [SOMA Pilipinas Filipino Heritage District](#) as a specific case study to highlight the importance of developing an economic development plan for each district, a plan that can serve as a blueprint for anti-displacement actions. Unfortunately, the City of San Francisco keeps little hard data about business openings and closures related to the Legacy Business and Cultural Heritage District

Programs that we feature in this report. We hope that the city will track financial data (such as dollars spent per job saved) as these programs develop in the future. In March 2022, the [Office of Small Business](#) (which oversees the Legacy Business Program) reviewed the status of its current registry for legacy businesses. Identifying existing demographic gaps in the registry provided an opportunity to identify which communities need more outreach and technical support.

Leading Organization

[San Francisco Heritage](#) (SF Heritage) is a non-profit 501(c)(3) organization that aims to preserve and enhance San Francisco's unique architectural and cultural identity. This includes advocacy for historic resources, educational programming, and the preservation and interpretation of two landmark properties. As of July 2022, there are six people on staff led by President & CEO Woody LaBounty and including a Director of Advocacy, Programming & Communications, Vice-President of Advancement, Museum & Tour Manager, Administrative Assistant, and House Manager/Rental Agent. A culturally diverse twenty-person Board of Advisors is composed of architects, engineers, historians, and other professionals engaged in historic preservation and heritage conservation in the city. SF Heritage owns two historic properties in San Francisco: the 1886 [Haas-Lilienthal House](#) in Pacific Heights and the 1903 [Doolan-Larson House](#) at the corner of Haight and Ashbury streets.

SF Heritage was established in 1971, in the wake of the redevelopment frenzy of the 1950s and 1960s when entire neighborhoods were being leveled for urban renewal, including smaller commercial buildings in the downtown area. The city had no comprehensive inventory of historic resources, and the Landmarks Preservation Ordinance was still in its infancy. The possibility of saving Victorian houses slated for demolition in the Western Addition inspired SF Heritage's formation and the upstart organization stepped in to rescue twelve structures as part of the largest building-moving project in the history of San Francisco. SF Heritage had a remarkably swift and dramatic impact, not only staving off threats to individual buildings, but presciently surveying large swaths

of the city to inform future planning efforts. The greatest success in this effort was [SF Heritage's survey of Downtown's "Splendid Survivors."](#) As San Francisco's leading preservation organization, SF Heritage soon was looked to whenever the city's historic buildings, public artwork, or legacy businesses were threatened.

With the city's local businesses, nonprofits, and other cultural institutions increasingly imperiled by skyrocketing rents and property values, encroaching new development, and incompatible adjacent uses, SF Heritage released [Sustaining San Francisco's Living History: Strategies for Conserving Cultural Heritage Assets](#) in 2014. The 52-page report proposed solutions for stabilizing San Francisco's tangible and intangible cultural heritage assets and received the prestigious Governor's Award for Historic Preservation in 2015. SF Heritage frequently partners with the city's Cultural Districts to assist in community-strengthening initiatives and to continue to expand the work of preservation to recognize historically overlooked historic resources. The creation of the Heritage in the Neighborhoods program in 2020 contributed to a new focus by the 50-year-old nonprofit to center its work on equity and extend its mission to all corners of San Francisco.

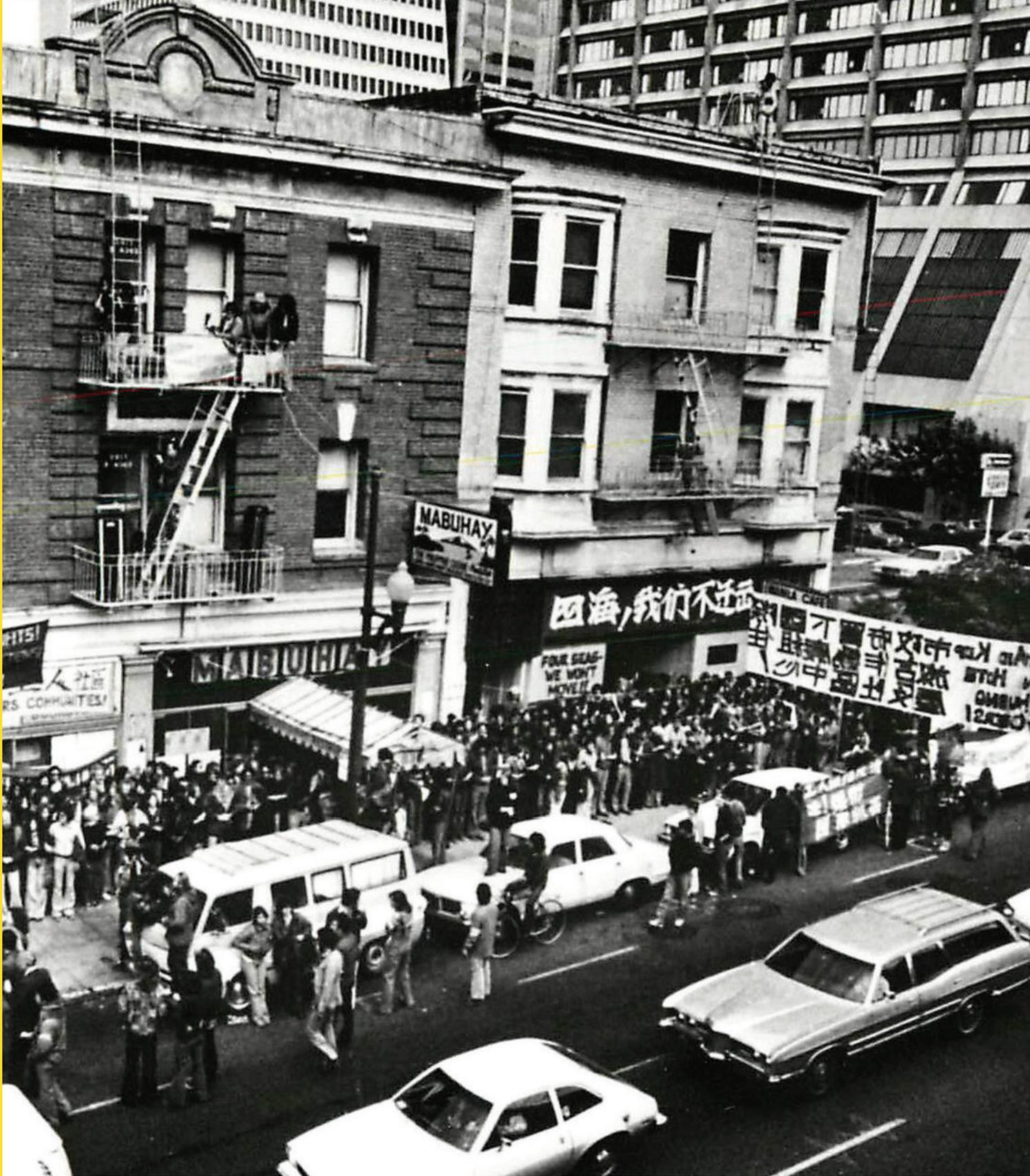


Figure 1

The International Hotel (848 Kearny Street) was listed on the National Register of Historic Places in 1977. One of the last surviving buildings in the city's Manilatown and home to generations of Filipino Americans, it was demolished in 1981 despite fierce community opposition. Photo: Courtesy San Francisco Heritage Archive

Figure 2

“Strategies for Sustaining San Francisco’s Living History,” from the report Sustaining San Francisco’s Living History: Strategies for Conserving Cultural Heritage Assets, San Francisco Heritage, September 2014.

Strategies for Sustaining San Francisco’s Living History

1. Develop a consistent methodology for identifying and documenting cultural heritage assets

- A. Encourage the development of historic context statements that include cultural and social themes
- B. Inventory cultural heritage assets through culturally-specific processes
- C. Include policies in the proposed Preservation Element of the City’s General Plan that advance conservation of cultural heritage assets

2. Support neighborhood cultural heritage conservation initiatives

- A. Issue a Mayoral Directive prioritizing conservation of cultural heritage assets
- B. Ensure that neighborhood conservation initiatives underway in Japantown, Western SoMa, and the Mission District are implemented
- C. Provide financial, design, and technical services to community groups wishing to promote neighborhood identity based on cultural heritage
- D. Advance cultural heritage conservation through Community Benefit Agreements

3. Support mentoring and leadership training programs that transmit cultural knowledge to the next generation

- A. Utilize partnerships to foster apprenticeship, training, and leadership succession programs to ensure the longevity of cultural heritage assets
- B. Fund youth educational programs that expose future generations to cultural heritage assets



JEREMY BLAKESLEE

Although Marcus Books/Jimbo’s Bop City was declared a City Landmark in January 2014, the designation could not prevent the eviction of the business and its owners.

4. Develop financial incentives and property acquisition programs for owners and stewards of cultural heritage assets

- A. Expand City and/or nonprofit property acquisition programs for owners of identified cultural heritage assets
- B. Institute tax benefits for cultural heritage assets and the owners of buildings in which they operate

5. Promote cultural heritage assets through public education and, when desirable, sustainable models of heritage tourism

- A. Encourage the development of heritage and cultural trails
- B. Establish a voluntary citywide heritage tourism program that focuses on neighborhood cultural heritage assets

6. Establish a citywide “Cultural Heritage Asset” designation program with targeted benefits

SF HERITAGE | 2007 FRANKLIN STREET, SAN FRANCISCO, CA 94109 | 415 441 3000 | www.sfheritage.org

ON THE COVER: (Clockwise from top left) Japantown (San Francisco Heritage), Ross Alley (Chinatown Alleyway Tours), “The Great Cloud of Witnesses” (Collage by Roland Gordon. Photo by Dani Vernon), Esta Noche (Twitta2005/Flickr), Fisherman’s Wharf (Nathan Dolson), and Paoi Lantern Festival (Steve Rhodes/Flickr). Center: “Culture Contains the Seed of Resistance that Blossoms into the Flower of Liberation” (Mural by Miranda Bergman and O’Brien Thiele. Photo by Jeremy Blakeslee)

Neighborhood Context

San Francisco is one of the most iconic cities in the United States, known for its scenic beauty, cultural diversity, and historical landmarks. Geographically, San Francisco is relatively compact, covering an area of roughly 47 square miles (122 square kilometers). Despite its relatively small size, the city is renowned for its distinct topography, characterized by steep rolling hills and an intricate coastline. As of September 2021, the city's population is estimated to be around 883,000, making it the fourth largest city in California and the 16th largest in the United States. The city of San Francisco has experienced significant neighborhood change throughout its history, with certain geographic areas bearing the brunt of these transformations.

Gentrification and rising property values have disproportionately affected neighborhoods where BIPOC and immigrant communities have traditionally thrived. Areas such as the Mission District, Bayview-Hunters Point, and the Tenderloin have experienced significant shifts

due to economic development and changing demographics. These neighborhoods have been historically vibrant cultural enclaves, rich in diverse businesses, arts, and community ties. However, rapid urban development, escalating rents, and property speculation have threatened the livelihoods of small businesses and forced many residents and entrepreneurs to relocate.

Addressing the historic and systemic issues that contribute to displacement and the challenges faced by small businesses requires a comprehensive approach. It involves initiatives that prioritize affordable commercial space, equitable access to capital and resources, culturally responsive policies, and community-driven economic development. By recognizing the unique contributions of these communities and implementing strategies that empower and support them, San Francisco is working towards fostering an inclusive small business climate that preserves cultural heritage and ensures economic opportunities for all.

Anti-Displacement Tools and Strategies

This study focuses on two anti-displacement tools currently utilized by the City of San Francisco: the Legacy Business Program and designated Cultural Districts Program.

Legacy Business Program

In 2011, when the Gold Dust Lounge on Powell Street faced eviction from its longtime home near Union Square, an effort to landmark the bar failed. Bars and dining establishments possessing distinctive architecture or interior design, or which simply held importance to specific communities or neighborhood history, were not easily protected by traditional preservation mechanisms such as landmark designation. Meanwhile, in a robust economy, a study found that more than 4,000 locally based businesses were being lost each year in San Francisco. Alternative methods to protect the “intangible” heritage held in places like the Gold Dust Lounge needed to be found.

At the end of 2012, Heritage launched “Legacy Bars and Restaurants,” an online guide to 25 special culinary institutions of forty years of age or older. The program emerged from an idea by Anthony Veerkamp of the National Trust for Historic Preservation to create a unique preservation designation for commercial institutions. Places



Figure 3

The SF Heritage Legacy Bars & Restaurants logo and decal program heightened the visibility of legacy establishments, with a free printed pocket guide to the first 100 businesses released in June 2014.

woven into San Francisco’s cultural identity—fine restaurants, elegant cocktail lounges, watering holes and dive bars—were added to the guide over the ensuing months, fueled by public nominations and enthusiastic support from the media and city officials. SF Heritage issued a logo and sticker program as well as a printed pocket guide and map of its first 100 recognized legacy businesses (designed by Chen Design Associates). The organization also partnered with Heyday Books on “High Spirits: The Legacy Bars of San Francisco,” written by local journalist and author J. K. Dineen and profiling 26 bars from the list. More detail on the origin of [San Francisco’s Legacy Businesses](#) is available as a video on YouTube, produced by SF Heritage and Joey Yee in 2021.

Inspired by Heritage’s program, the “Legacy Business Historic Preservation Fund” (Proposition J) was introduced and accepted in San Francisco on November 3, 2015, through a citywide ballot initiative. The proposition aimed to provide financial assistance and recognition to businesses that have contributed to the city’s heritage for at least 30 years. By offering grants and loans, Proposition J aimed to help these businesses withstand the economic challenges posed by rising rents and changing market dynamics. The Legacy Business Program is now operated by the Office of Small Business by the City and County of San Francisco. The program helps keep small businesses in operation through a number of approaches, including the following:

- **Financial Assistance:** The program provides financial assistance in the form of grants and loans to help small businesses cover expenses such as rent, utilities, and payroll.
- **Technical Assistance:** The program offers technical assistance in business planning and strategy, marketing and branding, financial management, networking and mentorship.
- **Recognition:** The program provides businesses with official recognition as Legacy Businesses on the [city-sponsored registry](#), which helps promote their brand and attract new customers.
- **Preservation:** The program also helps to preserve the physical and cultural heritage of the city by encouraging businesses to maintain their historic architecture, signage, and other cultural artifacts.

Increasing commercial rents pose a significant challenge for commercial tenants in the city. Unlike residential tenants, commercial tenants lack similar protections, and commercial properties are not subject to rent stabilization unless the property owner voluntarily caps rents.

Even if the base rent remains unchanged, tax increases—resulting from property sales, potential future split-roll legislation, or local ballot initiatives like the 2018 Commercial Rent Tax for Childcare and Early Education—can lead to destabilizing costs for businesses. A [Rent-Stabilization Grant](#) for tenants is available to registered legacy businesses through this program. Landlords must offer a new lease of ten-plus years or extend an existing lease to ten-plus years. Following a landlord’s initial application and on the anniversary date of the qualified landlord’s first grant payment thereafter, the Office of Small Business pays the qualified landlord an annual grant equal to \$4.50 per square foot, up to a maximum of 5,000 square feet per location. Also, a registered legacy business can become a city supplier to be eligible for further grants from the city. Another option is available by transitioning to an employee-owned business. A toolkit to aid and guide this transition is provided by the [San Francisco Office of Small Business and Democracy at Work Institute](#), customized for legacy business owners.

Nominations for the Legacy Business Program are made exclusively by elected officials, leading to varying levels of involvement and some districts having more legacy businesses than others. Residents and community groups can collaborate with their District Supervisor to identify legacy businesses for nomination. Applications are available in the city’s four official languages (English, Spanish, Chinese, and Filipino) and can be completed in any language. The Office of Small Business (OSB) assists with translating non-English applications. However, very small businesses, particularly those with non-English-speaking owners, may still struggle to complete the application. Collaborations with community groups like the [Japantown Task Force](#) and the [Ocean Avenue Association](#) have helped address this issue to some extent. Additionally, the Legacy Business Program provided data that demonstrated that only 34% of the registered legacy businesses are located in priority neighborhoods, including marginalized communities and socio-economic challenged residents. There is an acknowledgement that historic inequities have contributed to which businesses were most likely to remain open for the thirty-plus years required to qualify for the benefits of listing in the program. As part of a holistic approach to supporting the wider small business community, the Office of Small Business and Legacy Business Program are invested in the lifespan of a business to ensure greater success over the long term.



Figure 4

Map of registered legacy businesses in San Francisco, courtesy of the Legacy Business Program, Office of Small Business, City and County of San Francisco.

Cultural Districts Program

The Cultural Districts program grew out of community objections to a city-led effort to redevelop the urban renewal era indoor mall in Japantown. City leaders announced plans to demolish this low-rise, concrete structure in order to construct residential towers, but Japanese American residents pointed out that the building served as a cultural center for Japanese-oriented shops, restaurants, and cultural organizations. A local public historian, Donna Graves, subsequently led an effort to identify sites and activities in the area that were important to the community; these characteristics were not limited to Asian-influenced architecture but included Western-style structures like the mall, public spaces, and even social activities like the Cherry Blossom Festival, which could not be “landmarked” under the City’s ordinance. Leaders from the community and city worked for years to develop a report that would guide the cultural, residential, and economic future of this community. Around the same time, SF Heritage began working with cultural groups from around the city to address the growing concern about gentrification and displacement of diverse populations.

The Cultural Districts program in San Francisco was established in 2017 based on these initial efforts. The program was then formally launched with the designation of the first batch of Cultural Districts in May 2018 with funding from [Proposition E](#). The purpose of the Cultural Districts is to “safeguard cultural heritage and living traditions,” through the following three methods:

- **Stabilize:** Preserve and promote diverse communities’ cultural assets, events, and way of life.
- **Strengthen:** Amplify and support the communities’ cultural traditions and improve the quality of life for its members.

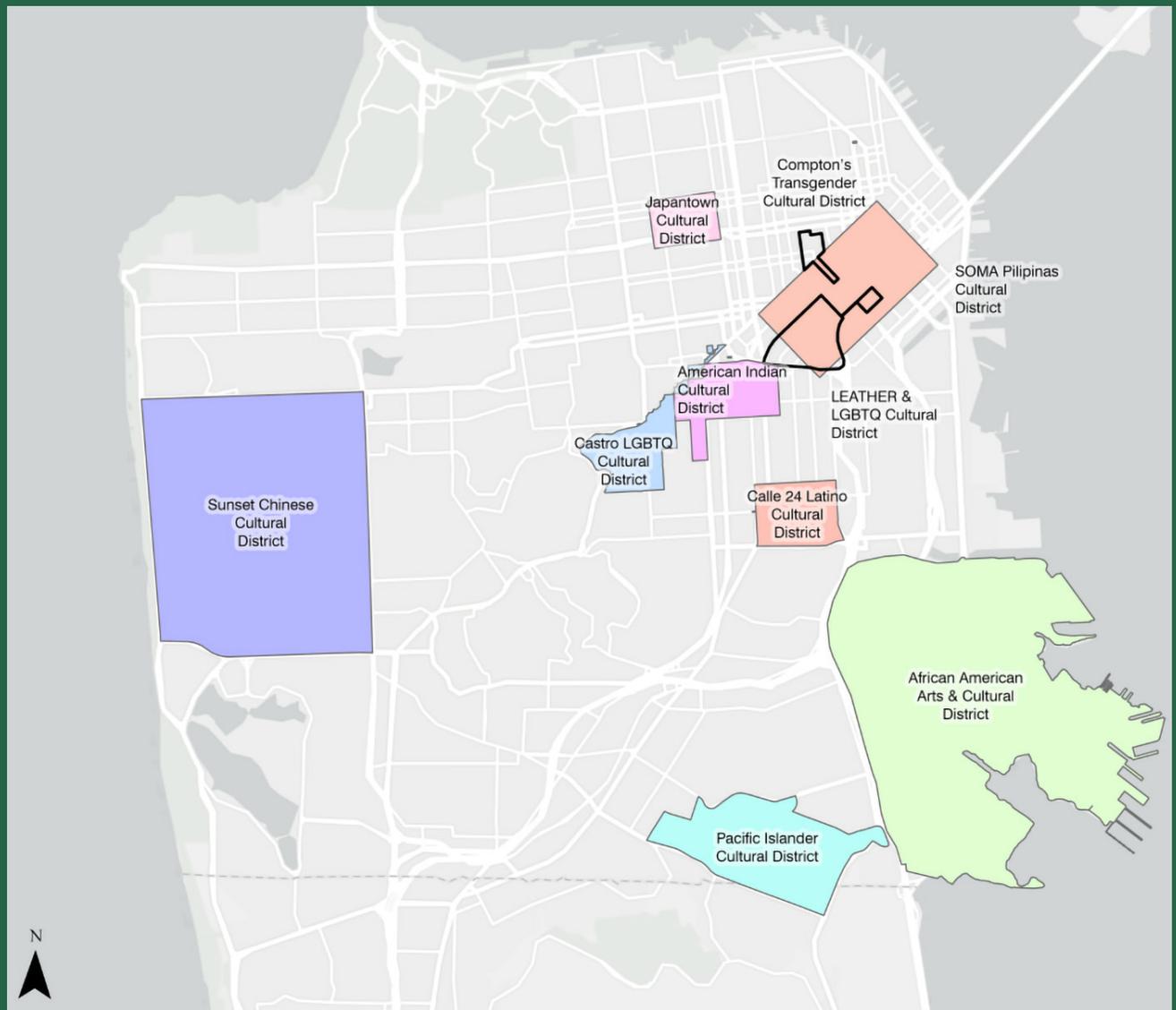
- **Streamline:** Coordinate City and community information, partnerships, and resources.

There are now ten Cultural Districts in San Francisco, including the [Japantown Cultural District](#), [Calle 24 Latino Cultural District in the Mission](#), [SoMa Pilipinas Filipino Cultural District](#), the [Transgender Cultural District](#), the [Leather and LGBTQ Cultural District](#), the [African American Arts and Cultural District](#), the [Castro LGBTQ Cultural District](#), the [American Indian Cultural District](#), the [Sunset Chinese Cultural District](#), and the [Pacific Islander Cultural District](#). Each Cultural District was created by the San Francisco Board of Supervisors in partnership with the community and is intended to foster cultural safety, pride, and improve the life for community members. The program is coordinated by the [Mayor’s Office of Housing and Community Development](#) in partnership with the [Office of Economic and Workforce Development](#), [San Francisco Planning Department](#), and the [San Francisco Arts Commission](#).

San Francisco has a well-deserved reputation for being a sanctuary city that celebrates cultural diversity and is home to movements for social justice and innovation. A [San Francisco Cultural District](#) refers to a specific geographical location that embodies a distinct cultural heritage. This heritage may be characterized by a concentration of culturally significant assets such as historic buildings, arts, services, businesses, or enterprises. In addition, the district is typically home to a significant portion of residents or people who spend time in the area and belong to a specific cultural community or ethnic group that has been historically marginalized, displaced, or oppressed. The [San Francisco Cultural District map](#) demonstrates the variety of community designations in the city as of July 2023.

Figure 5

Cultural Districts in San Francisco, courtesy of the City and County of San Francisco.



Through collaboration between City Departments and community groups, the Cultural District Initiative aims to establish a clear strategic plan for each district, resulting in a Cultural History, Housing, and Economic Sustainability Strategies (CHHESS) Report. The financial requirements and requests associated with implementing each CHHESS Report greatly surpasses the available resources provided by Proposition E funds. At present, seven cultural districts have received funding to develop and carry out their strategies, while three more districts are being proposed. As the number of districts increases, the funding available will not expand proportionally, potentially leading to reduced funding per district.

According to the Cultural District legislation, a CHHESS Report must be completed within a year. This timeframe can be demanding for both the community and the City, as they need to coordinate across various sectors and ensure a wide range of voices and perspectives are represented. Once the Board of Supervisors approves the Report, serving as the blueprint for implementation, even though the necessary resources for executing all the prioritized strategies may not be available. After three years, MOHCD and the Cultural District must review and revise the CHHESS in collaboration with the same departments and community groups that contributed to its initial creation.

Case Study: Pilipinas Cultural District

The Filipino community in San Francisco is historically defined by displacement: the large population of Filipino immigrants housed in residential hotels in the South of Market district was upended by urban renewal activities related to the Yerba Buena Center development. The I-Hotel (International Hotel) incident of forcible eviction of Filipino Americans from their home is an iconic memory for many senior members of this community. The community's self-image is further defined by the conquest and colonization of The Philippines by the United States. SOMA Pilipinas completed a [CCHES report \(Cultural History, Housing, and Economic Sustainability Strategy\)](#) in September 2022 in cooperation with the Mayor's Office of Housing and Community Development.

The COVID pandemic slowed development of individual CHHES plans for newly formed cultural districts, but the Pilipinas team was able to produce a draft plan began developing its program of activities. The plan reviews key characteristics of the present community and addresses areas of concern (as contained in the program legislation),

including the following topics:

1. Cultural Preservation: *Preserving Filipino Arts, History, Heritage & Culture*
2. Tenant Protections: *Anti-Displacement, Tenant Stabilization, and Housing Readiness*
3. Arts and Culture: *Arts Sustainability, Public Art, & Urban Design*
4. Economic and Workforce Development: *Small Businesses & Family-Sustaining Jobs*
5. Place Keeping & Place Making: *Community Development & Stabilization*
6. Cultural Competency: *Language Access & Culturally Competent Services*

The strategic vision leverages the anchoring activities this community has taken in the past to fight displacement. These include initiation and protection of education and arts



The Filipino community in San Francisco is historically defined by displacement: the large population of Filipino immigrants housed in residential hotels in the South of Market district was upended by urban renewal activities.”

programs, development of new affordable housing, and construction of a new cultural park. The document notes the existing economic development programs available to the community, including land use and financial policies and outlines a series of actions to further preserve the presence of Filipino Americans in their home city. The CCHES plan outlines a leadership and participation structure for members of the Pilipinas community, with a defined set of leaders and seven advisory bodies. It then outlines a series of community priorities and strategies to be implemented through the cultural heritage district program; these strategies relate to the preservation of Pilipina small businesses in a number of ways:

1. **Cultural Preservation:** *Preserving Filipino Arts, History, Heritage & Culture.* This category included efforts to provide funds to “promote and support active production and creation of new cultural contributions of the current community, including publications, exhibits, ethno-tours, films, and oral histories of Filipino experiences in San Francisco, particularly through multi-generational projects that meaningfully engage youth and older adults...” Many of these activities can provide revenue for existing Pilipinas businesses, helping them stay in place. Other priorities under this heading involve “expansion of linguistic and cultural programming and creative exploration in partnership with community-

based organizations, artists, seniors and community historians,” which can provide additional opportunities for community businesses that may help them remain viable.

2. **Tenant Protections: *Anti-Displacement, Tenant Stabilization, and Housing Readiness.*** Currently, this priority addresses only residential displacement which, though critical to maintain the Pilipina community, misses the opportunity to identify and preserve small businesses operated by members of the community, particularly those that are culturally related, like restaurants and shops.
3. **Arts and Culture: *Arts Sustainability, Public Art, & Urban Design.*** Several aspects of this initiative can involve preservation of small, culturally related businesses if carefully implemented. For example, the plan encourages the city to “Strengthen and Stabilize the Capacity of Filipino Arts and Cultural Organizations and Individual Artists;” since most nonprofit organizations are essentially small businesses, this effort could keep many such agencies in place. Likewise, the strategy to “Create SOMA Pilipinas Special Area Design Guidelines and Create a SOMA Pilipinas Public Realm Design Toolkit” could be part of a marketing plan for culturally related businesses. As in the city’s Calle 24 Latino shopping district, well-designed public infrastructure could support the attractiveness and viability of Pilipina small businesses in the district.
4. **Economic and Workforce Development: *Small Businesses & Family-Sustaining Jobs.*** This strategy calls for “further development of Mission Street as a Commercial Corridor for the Cultural District” and development of a “Mutual-Aid and Mentorship-Based Merchant Association to support the stabilization and attraction of Filipino businesses.” In addition to addressing the displacement of culturally related small businesses directly, this section notes that most Filipinos in San Francisco work in lower-wage service positions and the pay equity for community members would make culturally-related businesses more viable with greater community spending power.
5. **Place Keeping & Place Making: *Community Development & Stabilization.*** This strategy addresses the direct displacement of community-oriented small businesses from city-sponsored, market-rate developments that demolish small scale sites and result in

higher land values and rental rates. Under this heading, the plan calls for several actions that would provide support to existing small businesses, including establishment of a working group of community members to advise the city on local needs; prioritization of land uses for community-serving needs such as affordable housing and affordable commercial space; and incorporation of the Planning Department’s Race and Social Equity Initiative and Action Plan into land use decisions in this cultural heritage district to bolster economic opportunities for community members. This section could emphasize further the opportunity that Cultural District status offers to require developers to support cultural heritage activities in designated districts; this policy has been used to provide support for existing culturally-serving businesses as part of the approval of new projects (including the provision of new space for heritage activities displaced by new development).

6. **Cultural Competency: *Language Access & Culturally Competent Services.*** This strategy calls for increased support for existing cultural support programs like language schools and community facilities. Efforts that maintain the cultural character of the district will likely enhance the viability of existing culturally-related businesses.

As a draft document, the Pilipinas CCHES plan offers many potential measures to prevent displacement of small businesses from the district. However, it appears that, given the broad reach of the plan, business owners and local economic development agencies will have to be proactive to ensure that business retention receives proper focus as the plan is implemented.

Future considerations that may enhance community stability encompass several key factors. These include increasing the capacity of cultural district initiatives and securing funding sources beyond Prop E funds, which can be achieved by partnering with philanthropic organizations and exploring alternative funding options. Additionally, fostering an inclusive kinship model among cultural endeavors or establishing a partnership model would enable cultural efforts throughout the city to support cultural preservation work.

Embracing tourism while preserving the authenticity of cultural centers and prioritizing local populations is another important aspect to consider. Research has revealed a somewhat unclear relationship between gentrification

and tourism, complicating efforts to promote a healthy economy through tourism while also preserving the cultural ecosystem and bolstering local businesses. Balancing the need to cater to visitors' changing preferences can impact a neighborhood's cultural landscape

and the livelihoods of those who rely on tourism. However, offering additional technical assistance and comprehensive support for small business succession planning and adapting to the decline in retail site usage could help address these challenges.

Analysis and Recommendations

Lessons Learned

San Francisco's intangible culture programs offer significant insights. The Legacy Business Program's popularity and effectiveness, exemplified by businesses like Britex Fabrics, highlight the potential of marketing, business planning, and financial support for ensuring small business continuity. However, lessons learned underscore the importance of systematic record-keeping of business closures and analytical evaluations to determine the program elements that most effectively prevent displacement. Three points to consider:

1. Small businesses, particularly those with non-English-speaking owners, may struggle to navigate and complete the application process for anti-displacement programs. Collaboration with community groups can assist in overcoming language and comprehension barriers.
2. There are historical inequities that influence which businesses are most likely to remain open for the duration required to qualify for the Legacy Business Program. Recognizing and addressing these inequities is crucial for a holistic and equitable approach to support.
3. Varying levels of involvement by elected officials can lead to inconsistencies in program distribution, with some districts having more legacy businesses than others.

Replicability

The successes of San Francisco's Legacy Business Program and Cultural District Program highlight their potential as models for other cities aiming to support small businesses and preserve cultural heritage amid gentrification. To enhance replicability, future programs should focus on continuous monitoring, systematic record-keeping, and thorough evaluation to identify the most impactful elements of these programs.

Moreover, the role of Cultural Districts in fostering business vitality and neighborhood cohesion provides crucial lessons for creating resilient cultural economies. While quantifying the impact of these programs can be challenging, anecdotal evidence and longitudinal studies suggest they contribute significantly to small business success and longevity. Three points to consider:

1. The multi-pronged approach of the Legacy Business Program, including financial assistance, technical assistance, recognition, and preservation, has shown effectiveness in preserving small businesses.
2. Initiatives such as the Rent-Stabilization Grant and encouraging transitions to employee-owned business models could be replicated elsewhere to enhance small business longevity.
3. Nominations for legacy programs driven by local representatives, while fostering uneven distribution, could be a replicable model with modifications to ensure equitable access.

In conclusion, these programs demonstrate how targeted support can combat gentrification effects and ensure business continuity. However, rigorously assessing and identifying effective strategies is crucial for improving these programs' efficacy. With careful analysis of both the successes and challenges of these initiatives, cities can replicate and innovate San Francisco's approach to foster a vibrant, diverse business landscape that honors their unique cultural heritage. ●

REFERENCES

- Arroyo, J. (2021). Immigration, Arts, and Culture: Painting a Canvas for Newcomers in Oregon. In *A State of Immigrants: A New Look at the Immigrant Experience in Oregon*, University of Oregon Labor Education and Research Center.
- Buckley, J. M. (2016). Tangible Benefits from Intangible Resources: Using Social and Cultural History to Plan Neighborhood Futures. *Journal of the American Planning Association*, 82(2), 152-166.
- Buckley, J. M. (2018). Emerging Strategies for Sustaining San Francisco's LGBTQ Cultural Heritage (with D. Graves & G. Dubrow). *Change Over Time*, 8(2), 164-185.
- Buckley, J. M. (2018). People in Place: Local Planning to Preserve Diverse Cultures. In N. Silberman & A. Labrador (Eds.), *The Oxford Handbook of Public Heritage Theory and Practice*. Oxford.
- Buckley, J. M. (2020). Just Fieldwork: Tracing the Racial Vernacular in Portland, OR's African American Community. *Future Anterior*, 17(2), 1-14.
- San Francisco Cultural Districts Program. (n.d.). [Website] <https://sf.gov/san-francisco-cultural-districts-program>
- San Francisco Heritage. (2014). Sustaining San Francisco's Living History: Strategies for Conserving Cultural Heritage Assets. <https://www.sfheritage.org/cultural-heritage/>
- San Francisco Office of Small Business. (n.d.). Legacy Business Program. [Website] <https://sf.gov/legacy-business-program>
- San Francisco Planning. (n.d.). Community Stabilization, Cultural Districts Initiative. [Website] <https://default.sfplanning.org/projects/community-stabilization/cultural-districts-initiative.htm>
- SOMA Pilipinas Filipino Cultural District. (2022). SOMA Pilipinas Cultural History, Housing, and Economic Sustainability Strategy. San Francisco Mayor's Office of Housing and Community Development. https://sf.gov/sites/default/files/2023-04/SOMA%20Pilipinas%202023%20CHHESS%20Final%20Report_0.pdf

CHAPTER 2

Fighting Back Against Real Estate Speculation in Montréal's Chinatown

Colin Pratte | *Researcher*

Joëlle Gélinas, PhD | *Associate Researcher*

Institut de recherche et d'informations socioéconomiques
1710 Beaudry Street, Suite 3.4
Montreal (Quebec) H2L 3E7

ACKNOWLEDGEMENTS

This case study was a collaborative effort between the Institut de recherche et d'informations socioéconomiques and the Chinatown Roundtable. Special thanks to the Chinatown Roundtable for their trust and invaluable support throughout this study. We would also like to thank Professor Andrew Leong whose feedback enriched our analysis. We were incredibly fortunate to be able to interview members of the Chinatown community who generously shared their experiences and vision for the future of the area with us. We sincerely appreciate their contributions.

We acknowledge that it is impossible to summarize the rich and complex history of Montréal Chinatown and that the anti-displacement tools and strategies described in this document involved the contributions of many others.

For more information about this case study, please contact:

Colin Pratte, pratte@iris-recherche.qc.ca

Executive Summary

Montréal's Chinatown district has seen its status as an affordable centre for community integration, mutual support, and cultural expression come under threat from a surge of real estate development.

In 2018, the Chinatown community was confronted with the news that a hotel complex and a luxury apartment block would be built at the foot of one of the large gates that demarcate the neighborhood, with no say in the matter. This wave of real estate speculation poses a threat to the unique historical and cultural legacy of Montréal's Chinatown, as well as the affordable spaces that both residents and small independent businesses in the neighborhood rely on.

In this case study, we will look at how the Chinatown community has banded together to secure its future in the face of this new threat of displacement, just one of many it has encountered since it was established around the turn of the

19th century. Whereas the district lost two thirds of its footprint to major public infrastructure projects from the 1960s to the 1980s, today, private developers are the ones reviving the trend. Drawing on its past experiences, the community sprang into action and developed a three-pronged strategy, which we will examine in more detail in this case study:

- 1. Demanding zoning amendments:** The community identified neighborhood zoning as an effective regulatory tool that could produce quick results and help slow down real estate speculation. The community began pushing for building heights to be capped in 2018, and in 2022, the City of Montréal approved a major zoning amendment limiting the height of new buildings in the neighborhood.
- 2. Advocating for heritage status:** Montréal's Chinatown was granted heritage status in 2022, making real estate development in the area

a more complex affair. On their own, zoning amendments and heritage status are not enough to address the problem, and they are imperfect tools in that they are subject to change, but used together, they helped the community thwart a massive attempt at speculative real estate development in 2021. This win is a testament to the effectiveness of the community's tireless efforts on these two fronts since 2018.

- 3. Drawing on community research, alliances, and engagement:** The purpose of the first two components of the community's strategy was to buy time to explore options for protecting a developing Chinatown from gentrification. The community called on the Ville de Montréal

to engage in consultations to create an action plan and called for a comprehensive study into the issues surrounding the decline of the current model of development in Chinatown. The community's work led to partnerships and alliances with several organizations and academic institutions. Despite the difficulties that the community has faced in recent years, its organizing efforts have nurtured intergenerational bonds between members of the community, which can be powerfully leveraged to support a new model for the neighborhood's development.

Introduction

A surge of real estate speculation has put the future of Montréal's Chinatown in jeopardy. In September 2018, the community came together to rally against the building of a hotel complex and luxury apartment block at the foot of the southern gate to the neighborhood. In this case study, we will look at how the community led this fight and examine the issues at stake in its two demands aimed to curb real estate speculation: that the neighborhood plan be amended to set height limits on new buildings, and that the neighborhood be recognized as a place of heritage and historic importance.

Preserving Chinatown's built environment is of vital importance to the small independent businesses in the area that depend on affordable rental spaces and stable municipal tax rates for their survival—and are finding their access to both being eroded by gentrification. The district boasts a total of 169 businesses, with the majority consisting of independent retailers. These businesses span across various sectors, primarily in services such as aesthetics, health, and more, accounting for approximately 20% of the total establishments. Additionally, around 49% of the businesses in the district are involved in the food sector.

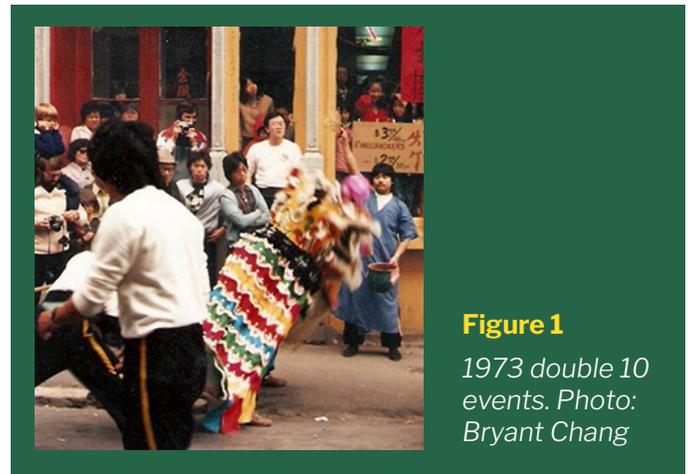


Figure 1
1973 double 10 events. Photo: Bryant Chang

Montréal's Chinatown, much like other Chinatowns across North America, has undergone constant displacement and expropriation over its history. Whereas the district lost two thirds of its footprint to public infrastructure projects in the 1960s,¹ the private sector is now responsible for causing the displacement, posing a threat to Chinatown's unique historical legacy as a place of belonging for immigrant communities, where they can find connection, support, and affordable commercial and residential space.



Montréal's Chinatown, much like other Chinatowns across North America, has undergone constant displacement and expropriation over its history.”

The struggle to save Montréal's Chinatown and support its inclusive development echoes in the broader experience of Chinatowns in urban centres. These districts are often located in the core of the city, making them vulnerable to development pressures (Li et al., 2013). Protecting and enhancing the intangible heritage embodied by Chinatown's small businesses requires access

to the land and its tangible heritage assets. With anti-Asian violence on the rise, the importance of this movement goes beyond a single community: Chinatown is a vital symbol of coexistence that, as the cultural epicentre of Montréal's pan-Asian community, helps stand against prejudice, racism, and ignorance by promoting Asian cultures.

Case Study Approach

Community organizers from Montréal's Chinatown approached the Institut de recherche et d'informations socioéconomiques (IRIS), an independent Montréal-based research centre, to conduct this case study in 2022. IRIS is member-funded and, to protect its independence, has no corporate members. This means that we adopted a collaborative research approach to define research questions and collect data.

Our research drew on the following qualitative and quantitative sources:

Qualitative interviews (10 hours) - Five qualitative interviews were conducted with community members to understand the recent mobilization and the issues at stake. We also participated in various events held in Chinatown, such as the founding General Assembly of the Chinatown Roundtable, as well as close to ten different social events with people from the community.²

Statistical data on land ownership - To take stock of the current wave of real estate speculation, we searched more than 70 Chinatown lots in the

Quebec land register to find information about their sales histories, owner ethnicities, property taxes, and ownership arrangements.³

A socio-demographic profile of the area based on Statistics Canada census data - The social fabric of Chinatown has undergone several major changes in its social fabric, which is reflected in the census data (age, income, languages spoken, immigration status) we have studied.⁴

Academic literature and research papers - We conducted a review of the literature on the dynamics of gentrification in Chinatown districts and central urban neighborhoods.

Comparative research - Through the Small Business Anti-Displacement Network (SBAN), we connected with members of the Chinatown communities in San Francisco, Los Angeles, and Boston to learn about different forms of collective ownership, particularly community land trusts, that could provide a path forward for stabilizing communities and preserving their built environments.

Analysis

The sources we studied proved to be complementary and provided structure to our analysis: the quantitative data from the land register and census sources served as evidence and supporting material for the qualitative interviews and the findings in the literature. There is a lack of data and research on Montréal's Chinatown that amplifies the voices of the community, which have historically been ignored by public institutions.

The Organizations Leading the Charge

Due to the multiple attempts to displace Chinatown businesses and residents throughout the 20th century, there is a long history of community groups in the area actively organizing to resist encroachment

and fighting for their rights. Pushback against planned luxury real estate projects in 2018 was led by the Progressive Chinese of Quebec (PCQ), a group working to fight anti-Chinese sentiment and racism against Asian communities funded in 2012. In January 2019, the group created a petition calling on the Ville de Montréal to engage in consultations to create a development plan while also calling for a moratorium on new development. In the aftermath, the Chinatown Working Group was created by the PCQ to expand the mobilisation efforts. Since then, two groups were created in 2022 to continue the work. The first group is the Chinatown Roundtable, a democratically governed organization consisting of a board of directors and seven working committees. The second group is the Jia Foundation, made up of urban planning experts in the community whose goal

TABLE 1: Activism in Montréal's Chinatown

NAME OF THE GROUP	DATE OF CREATION	MAIN GOALS	ACTION
Progressive Chinese of Quebec	2012	Fight against sinophobia and anti-Asian racism	Mobilization campaign
Chinatown Working Group	2019-2022	Suspend the material destruction of Montréal's Chinatown through zoning changes and heritage status	Created the JIA Foundation and the Chinatown Roundtable
Chinatown Roundtable	2022	Protect and perpetuate intangible and tangible assets of Montréal's Chinatown	Build an inclusive and intergenerational mobilization around various projects
JIA Foundation	2022	Protect and build cultural heritage of Montréal's Chinatown	Provide urban planning expertise

Figure 2

May 2023, when the Chinatown Roundtable moved into its neighborhood offices, provided by Chinese Family Services. Photo: Jessica Chen



is to recognize the special historical and heritage value of the Chinatown district.

These two groups have brought together community leaders, local residents, members of family associations, and others who care deeply about preserving the area, and aim to mobilize the community in a way that fosters intergenerational empowerment. The groups take a stance against displacement, asserting that there are alternatives to attracting real estate capital and outsiders to the area and that any development must be sustainable and inclusive. Initiatives to strengthen the community as an ecosystem could include supporting small businesses, investing in social housing, honouring the living heritage of the district, and reclaiming vacant lots.

For these initiatives to be successful, the preservation of the built environment and access to the land is critical—hence, why the groups decided that their first steps would be to push for zoning amendments and heritage status.

Background About the Neighborhood

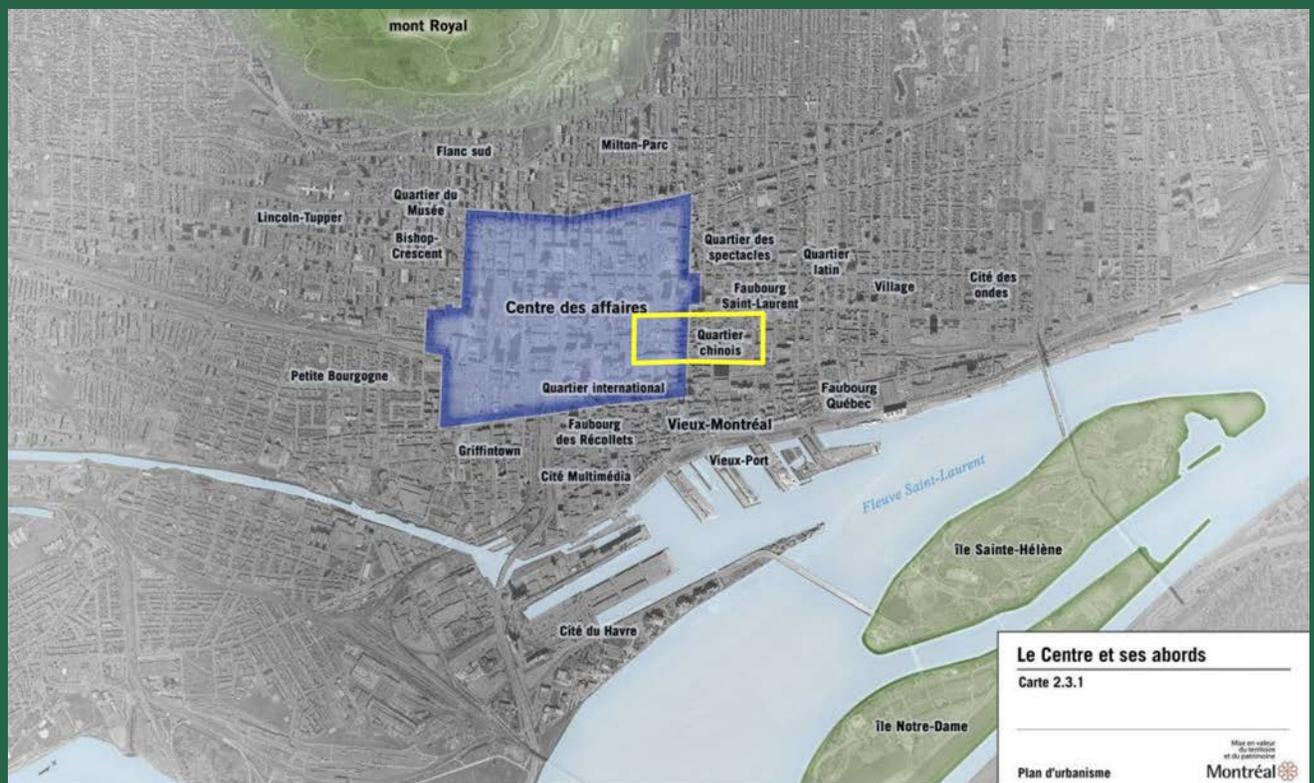
Chinatowns were founded in North America in the second half of the 19th century, a time when the Chinese immigrant community was impacted by

intense racism and discriminatory public policies. Chinatowns were places of refuge and mutual support, where community members could establish their own economic, social, and cultural institutions as a response to systemic exclusion from the labour market, the housing market, and public spaces in general (Min Zhou, 2010). Shops and businesses in Montréal's Chinatown served as important places of employment, resilience, and gathering for the community. In fact, of the 1,500 people of Chinese origin living in Montréal in 1951, only 10 or so worked for non-Asian employers (Simard, 1988). According to a former food factory manager we spoke to, “We had a concentration on trying to help our people, and maybe in some ways it wasn't right, but the Asians always got preference for jobs. People might say it's a form of discrimination, but we looked at it as helping.” To this day, independent businesses are significant places of cultural expression and integration, which is echoed in the literature: “In Chinatown, small multigenerational businesses are more than transactional spaces because they continue to persist as lifelines where new immigrants can find jobs and residents can build human connections and deepen their relationships within a community” (Wong, 2019, p. 143).

However, the future of these social spaces is threatened by the socio-economic change underway in the district, as evidenced by the indicators described in the next section.

Figure 3

Chinatown is surrounded by prime downtown Montréal neighborhoods, which contributes to real estate speculation. Image: City of Montréal



Indicators of Gentrification

This section provides socio-economic and land data that show how a wave of gentrification is sweeping through Chinatown, even if the effects are only just starting to be felt.

As Table 2 reveals, some of these numbers are changing while others are holding steady. Chinatown continues to be home to many older adults and a landing place for immigrants, as indicated by the slight uptick in the numbers of immigrants who arrived in the last five years. On the socio-economic front, significant changes can be observed. The number of people with

higher incomes (net income of \$80,000 or more or gross income of \$100,000 or more) has more than doubled in the span of five years, while the percentage of the population with lower incomes has shrunk. Language, meanwhile, is an indicator of a resident's cultural origin, and people of Chinese origin are making up a smaller percentage of the population, which is reflected in the increased diversity in new immigrants' cultural origins (last line of the table) and shows how the neighborhood serves as a gateway for people of all backgrounds.

When it comes to land ownership, the district is experiencing a period of both continuity and change. Chinatown has a unique relationship with land

TABLE 2: Demographics of Montréal's Chinatown in 2016 and 2021

Socio-demographic category	2016		2021	
	Nb	%	Nb	%
Census population	2,161		2,498	
People aged 65 and over	715	33.1%	735	29%
People aged 85 and over	190	8.8%	205	8%
Women aged 85 and over		6%		5.4%
People who do not know English or French	390	18%	295	11.8%
People whose mother tongue is a Chinese language	770	35.6%	645	25.8%
People whose language most often spoken at home is a Chinese language	680	31.5%	565	22.6%
People with a total gross income of \$100,000 or more	65		140	
People with a net income of \$80,000 or more	55		180	
Low income by after-tax low-income measure	660	28.2%	610	26.4%
Population that are non-immigrants (Canadian-born)		30%		29.8%
Population that are immigrants of Asian origin	685	76.1%	680	69.3%
Immigrants who arrived in the last five years	180		190	
Asian immigrants who arrived in the last five years	135	75%	105	55%

Source: Statistique Canada, census 2016 & 2021. Dissemination area: 24662116; 24661260; 24661258.

ownership, as historically, most properties have been owned by people from the community (see Table 3), which has helped safeguard the neighborhood from real estate speculation—a dynamic that has been studied and documented in the literature (Walks & August, 2019). Additionally, of the 72 lots we searched in the register, 10 (nearly 15%) are owned by non-profit organizations (NPOs). Half of these NPOs are family associations, century-old clan-based institutions dedicated to bringing their members together, providing aid and organizing cultural celebrations. These associations also offered community bank loans in the early half of the 20th century, when the community did not have traditional access to loans, which played a vital role in helping independent businesses in the district get off the ground.

TABLE 3: Home Ownership in Montréal’s Chinatown by Ethnic Origin	
Owners of Asian origin	81%
Owners of non-Asian origin	19%

During the pandemic, family associations of Montréal that own buildings approximately three stories high reduced or forgave rent for their ground-floor commercial tenants who saw their foot traffic disappear.⁵

The real estate market in Chinatown is at a tipping point, with many properties set to change hands in the short and medium term. According to one local resident who works with a family association, most current property owners are older adults. They will

either be selling their properties or passing them down to their heirs, who often do not live in the area and do not have the same sense of attachment to the community, making it likely that they will simply sell the property they inherit to the highest bidder. Boston’s Chinatown has been struggling with a similar problem, and in 2015, the community responded by forming a **community land trust** (CLT). A CLT is a community-based model in which the trust buys up properties to safeguard local commercial and residential spaces and stabilize the community. The Boston Chinatown CLT’s website reads, “Are you a Chinatown property owner? Contact us to discuss ways to preserve your property in a way that stabilizes Chinatown’s future.” So far, the trust has purchased two properties.

This trend of selling properties off to third parties was reported in our qualitative interviews and is consistent with what we saw in the real estate market data. Figure 4 shows how many real estate transactions were made in the neighborhood over a 20-year period and how many of the properties went to buyers of non-Asian origin, a possible indicator of real estate speculation.⁶

Note that the sales to owners of non-Asian origin recorded in 2021 were indeed transactions involving real estate developers. The Shiller Lavy/Hill park Capital group, known for its aggressive real estate tactics in **other Montréal neighborhoods**, acquired the Wing Noodles factory and the surrounding properties, a block that holds deep meaning and historical significance to the Chinatown community. News of the transaction prompted a swift response from the community, which we will examine further in the “Anti-displacement tools and strategies” section.

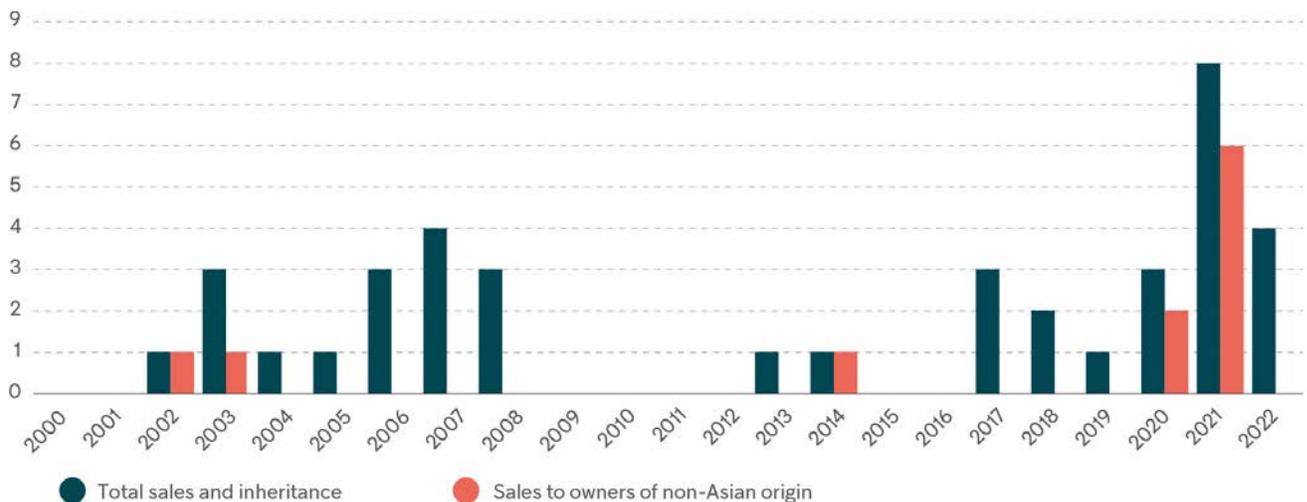


Figure 4

Real Estate Transactions in Montréal’s Chinatown 2002-2022.

While it's legitimate for the neighborhood's elderly owners to sell their real estate assets, the resulting gentrification is attributable to the speculative real estate market, which is not inevitable and can be countered by forms of collective ownership. [This](#)

[tradition of collective ownership](#) has existed in the neighborhood for over 100 years, through the Family Associations and other community-oriented buildings. This collective housing stock offers affordable commercial rents.

Small Business Strengths, Weaknesses, Opportunities, and Threats

Chinatown is currently undergoing a transformation that is making the business landscape more difficult for small businesses to navigate. This section provides a SWOT (strengths, weaknesses, opportunities, and threats) analysis to describe the issues facing independent businesses.

Strengths: To fight erasure caused by gentrification, Chinatown can rely on the rich history and heritage that make the neighborhood a meeting point for the Asian community in Montréal to this day. Protests and speeches were organized in Chinatown's public spaces in response to the anti-Asian hate incidents. Chinatown's strong history and culture are the main assets of the small family-owned Asian businesses that the community is so attached to. For example, during the lockdowns and the anti-Asian vandalism and boycotting incidents, a community member created the Facebook group "Local 88" to promote and support small Asian businesses. This group now has over 15,000 members.

This close connection between the community and its small businesses goes both ways: we met with the owner of a family-run Asian bakery who told us that she keeps prices lower at her Chinatown location than at her three other Montréal locations to keep it affordable out of respect for the neighborhood's history.

Weaknesses: The vacancy rate for commercial spaces in the neighborhood now sits at 21%, one of the highest in Montréal. A stagnating economic environment is detrimental to the neighborhood's vibrancy and, without any measures to support existing and future small businesses, big chains will move in and take over. In the past two years alone, five multinational chains set up shop in Chinatown.

Opportunities: Recent advocacy efforts against gentrification has renewed the attention of municipal public bodies, which were called on to establish public policy that supports inclusive heritage development in Chinatown. For small businesses, this opens opportunities to receive support for their business model. More concretely, there is talk of creating a commercial development corporation, which could serve as a good space for coordination and collaboration.

Threats: Real estate speculation presents challenges related to property values and the affordability of commercial spaces. For example, a business owner, who owns the building they operate out of, told us their municipal taxes increased by \$29,744 in the last nine years—an average increase of 7% each year.

 STRENGTH	 WEAKNESS	 OPPORTUNITY	 THREAT
The historical and cultural specificity of the district	High vacancy rate	Current public authorities aware of the neighborhood's vulnerability	Real estate speculation and rising property values
Community support for independent business owners	Growing number of transnational chains	Possible creation of support programs for independent business	Luxury real estate development

Figure 5

SWOT analysis of Chinatown economic conditions for small businesses.

One misconception about gentrification is that social diversity increases the customer base for small businesses. However, Chinatown's small businesses are not only facing increased property values and potentially increased taxes and rent—they're also being erased. On the [website](#) for a new luxury apartment tower, developers claim the building is located in the Old Port, despite clearly being in Chinatown. Not one local Chinatown

business is named on the website's list of nearby attractions and businesses. Chinatown is treated as a flaw for developers to cover up, which shows just how removed their target audience is from the community. This dynamic has been studied in the literature, where interactions between wealthier populations and small businesses are described as essentially limited (Simon, 1994).

Figure 6

An excerpt from the website of the developer who built the luxury condos at the foot of Chinatown's south arch.

Premium lifestyle

Downtown Montreal

Located at the corner of Viger and Saint-Laurent, in the middle of downtown Montreal, ONE has been designed for people who wants to rediscover the city. The project is only few footsteps away from Old Port, Quartier des Spectacles and the most popular and luxurious locations of the city.

As recent real estate speculation has boomed, new businesses have popped up in the neighborhood—a trendy bar, a gourmet Italo-Japanese restaurant, a new hotel with a rooftop restaurant—with products and prices aimed at a more affluent clientele. This fight to appropriate space and transform businesses could lead to microlocal concentrations of specialized businesses on streets or sections of streets.

In other words, businesses would be distributed spatially according to the owner and/or employees' race, which may also go hand in hand with different types of customers and visitors (Saint-Julien, 2014). In Montréal, this polarizing struggle over space is well underway in Parc-Extension, a neighborhood that still welcomes new immigrants. In Chinatown, this dynamic is just beginning.

Anti-Displacement Tools and Strategies

What I'm seeing is a repeat of 1960 when they built the Guy-Favreau Complex without listening to the people who lived here.

— *Former co-owner of Les aliments Wong Wing, a heritage family business*

In September 2018, Chinatown's community was confronted with the done deal to construct a luxury apartment tower and hotel. This conjured up painful memories from the 1960s of expropriation that destroyed the neighborhood. Back then, the community fought for its access to the land.⁷ Recent activism mirrors these past experiences. In January 2019, the community organized a strategy based on two tools: a zoning amendment and heritage status. In the short term, these two processes, described in this section, helped quickly curb new real estate construction projects. In the long term, this break gave the community time to organize and plan out development by and for the community.⁸ This consultation and planning stage is discussed in this section under the third tool—community research and planning.

Zoning Amendments

Neighborhoods are shaped and defined by zoning rules. In Chinatown, zoning has always been a subject of debate and conflict. For example, the Ville de Montréal decided in 1984 to amend the zoning to prohibit commercial activities in the entire eastern sector of the neighborhood, which includes one side of its main street, Saint Laurent Boulevard. The community immediately protested the decision and the following year, the Ville de Montréal walked it back.⁹ Today, Saint Laurent Boulevard is the main shopping area in Chinatown, all thanks to the community's efforts 40 years ago.

This time, the community is concerned with the building heights permitted by zoning rules. Building heights are known to factor into real estate speculation. Figure 7 shows the zoning that was in effect when the community began organizing, while Figure 8 pictures the new zoning plan officialised in December 2022.

Figure 7

Zoning in Chinatown before December 2022.

Map
Master Plan "Building Heights"



Key
Ville-Marie heights

- More than 390 ft
- 390 ft
- 210 ft
- 145 ft
- 115 ft
- 80 ft
- Chinatown limits

SOURCE : Ville de Montréal

Figure 8

Zoning in Chinatown in December 2022.



The orange line shows the geographic limits of Chinatown. The buildings in the neighborhood are primarily three or four stories, except for the Guy-Favreau Complex and some senior living facilities. This zoning opened the door to much taller buildings. The two towers mentioned earlier were built in the southern sector of the neighborhood, where building heights are capped at 65 meters, or approximately 15 stories. In Chinatown, De La Gauchetière Street is a pedestrian street where most family associations and many local businesses have storefronts. On the western side of this street, zoning also permitted 65-meter buildings and developer Shiller-Lavy bought several lots in 2021, including Wing's Noodles factory.

Besides the issue of building height, the community also requested a review of the geographic limits of Chinatown to prevent its erosion and new real estate construction that would ruin its character.

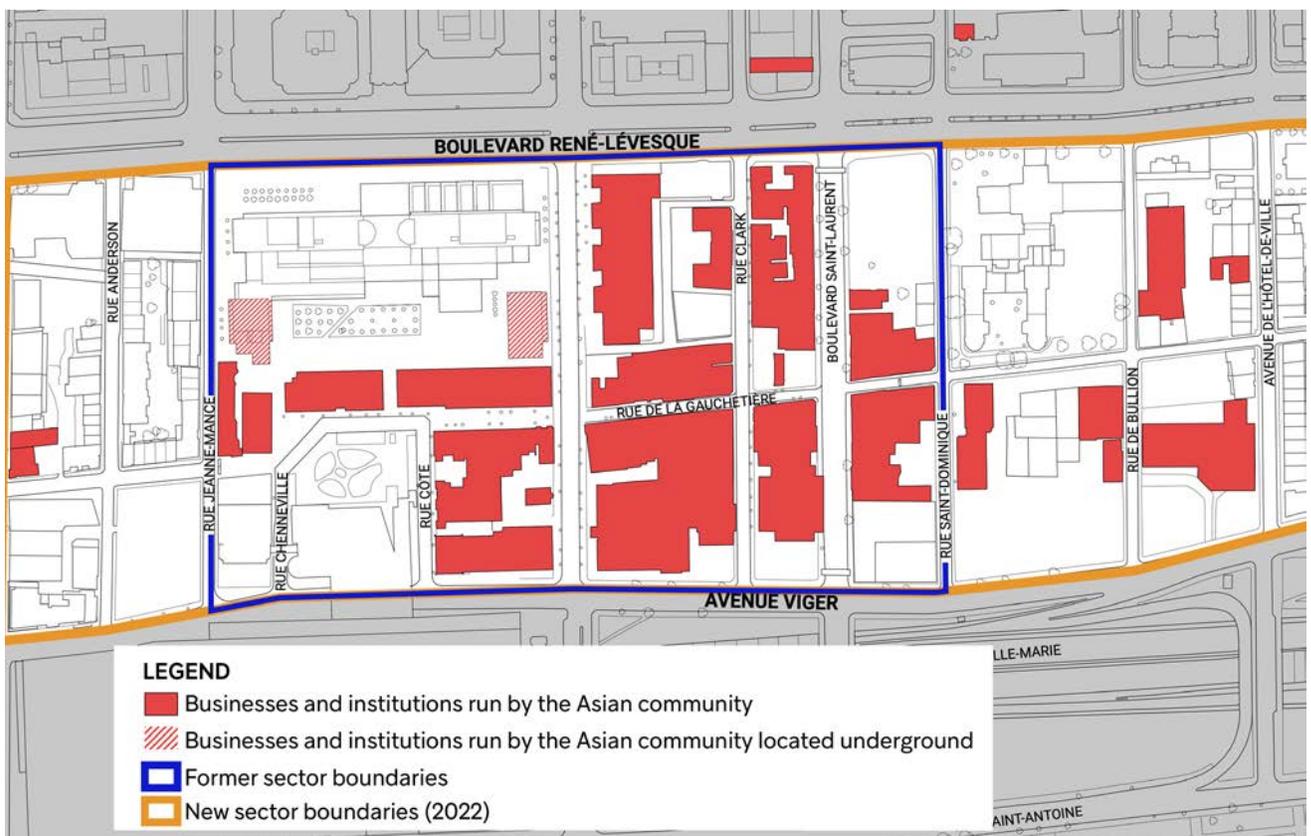
After the community came together, a consultation was conducted by the Office de consultation publique de Montréal beginning

in 2022. As part of the consultation, a large-scale study of Chinatown's built heritage was conducted by an architecture firm to make recommendations for zoning amendments. Based on an analysis that incorporated several cultural, historical, and urbanistic variables, the architects' report recommended lowering the building heights allowed by zoning. The community welcomed this report, and in January 2023, the Ville de Montréal approved the zoning amendment recommendations from the Office de consultation publique de Montréal report. Image 6 shows the new zoning boundaries set by the Ville. Chinatown's new boundaries were also recognized.

It's still too early to measure the impacts of this zoning amendment, just as it would have been too early in 1985 to predict the impact of authorizing commercial activities on Saint Laurent Boulevard and in the eastern sector. The third tool, researching and producing an action plan, provides more details on the community's vision.

Figure 9

New zoning boundaries approved in January 2023.



Heritage Status

Zoning amendments are not a robust form of protection, as they are open to exceptions or further amendments. That's why the community enacted the heritage protection tool to strengthen the protections afforded to the neighborhood's buildings and ensure it remains affordable for businesses and residents. In practice, regulatory restrictions are placed on changes to and transformation of a street, building or public space with heritage status.

The community demanded heritage status for the neighborhood's historic centre, which was granted in 2022. This new status had an immediate impact on Hillpark Capital's real estate development plans for Wing's Noodles factory, which stopped its operations in July 2022. These buildings are covered by both the heritage status and the lowered building heights, now 115 feet.

For both the zoning amendment and the heritage status, the community worked tirelessly on petitions, protests, historic neighborhood tours with elected and city officials, report writing, and

much more. In 2021, shortly after the Hillpark Capital purchase, a renter who had lived in one of the purchased buildings for 20 years found hundreds of archaeological artifacts when working in the building's backyard, including a pistol, more than 600 potshards, medals, and other artifacts. These artifacts helped to round out the application for heritage status for the area.¹⁰

The future of the factory and the neighboring homes and businesses is still up in the air. Developer Hillpark Capital has not made its intentions clear to the community. This movement has been covered by the documentary *Big Fight in Little Chinatown*, directed by Chinatown community member, Karen Cho. Some community members view the factory as a perfect location for a heritage site that showcases the history of the neighborhood and its community and promotes the performing arts.

Heritage buildings where artifacts were found. Photos: Élyse Lévesque

Figure 10



Figure 11



Community Research, Alliances, and Planning

Although Chinatown’s community has knowledge and expertise in its neighborhood, its voice is often ignored by public bodies. That’s why the community obtained funding for the Institut de recherche et d’informations socioéconomiques, also author of this report, to investigate a new development model as a mechanism to counteract gentrification. This research was published in April 2023 and helped identify development tools used in other Chinatowns, including social trusts. In writing this report over the past year, IRIS became involved in SBAN, which facilitated crucial connections. We were able to meet with members of the San Francisco and Los Angeles Chinatown communities, who then put us in contact with the first Chinatown social trust—the CLT in Boston. The JIA Foundation, one of the two main advocacy groups, has also built relationships with universities in Montreal and British Columbia

to build research capacity, for example with The Initiative for Student Teaching and Research in Chinese Canadian Studies (INSTRCC).

These discussions greatly enriched our report on available development tools and made a strong case for social trusts as a form of collective ownership that empowers the community to control its built heritage. This tool has also already been in use for over 100 years in Montréal’s Chinatown community, where 10 community and association buildings offer small businesses affordable commercial spaces.

In fall 2023, the neighborhood will host Chinatown Reimagined Forum, a conference for North America’s Chinatown community members to discuss community-specific issues and find shared solutions. Community-led research and the resulting data will further equip the Chinatown Roundtable to address neighborhood development issues.

TOOLS	OBJECTIVES	MAIN ADVANTAGE	MAIN DISADVANTAGE
Zoning changes and Heritage designation	Curb real estate speculation and buy time to plan a development model by and for the community	Quick results	Not permanent and always subject to change
Research and community organizing	Mobilize the community and plan a heritage development model	Possible creation support programs for independant business	Requires a great deal of volunteer time, which raises issues of inclusiveness

Figure 12

Summary of anti-displacement tools and strategies.

Analysis and Recommendations

The community’s emergency actions are part of a larger four-part strategy:

1. Rapidly resolve the problem: Identify and demand tools (zoning amendment and heritage status) that can immediately halt real estate speculation.
2. Buy some time: Take advantage of the halt in real estate speculation thank to the above tools to plan a broader neighborhood development and protection strategy.
3. Develop and propose plans: Consult the community, mobilize, and conduct research on neighborhood-specific issues to provide alternative solutions to gentrification and their consequences.

4. Lobby for and implement solutions: Social trust, business legacy programs, public housing construction, green and open space improvement, investment in community heritage infrastructure, etc.

Chinatown’s community is currently on steps three and four, though the threat of real estate speculation (steps one and two) can’t be fully dismissed. Alternative tools are being developed to strengthen Chinatown’s fragile socioeconomic fabric, as its current fragility is attracting investment projects that serve outside interests.

Recommendations

Looking back, the way that the community chose to act and shape its strategy was crucial for the tools used (zoning, heritage protection, community research, and engagement). We are dividing our three recommendations into three levels. The fight led in recent years produced results because the community leveraged its experience and strengths (media campaign, meetings with elected officials, community engagement), chose realistic tools, and established democratic advocacy groups that are as inclusive as possible.

Organizational Considerations

From the outset, the Chinatown Roundtable opted for an inclusive, democratic structure, which encourages the most marginalized to get involved and granted the movement more legitimacy. While this structure does require more time and labour, it's been successful in the long term because it empowers community members and encourages younger generations to join the fight to save the neighborhood. This younger generation includes urban planners, artists, community workers, Asian individuals who are adopted and want to reconnect with their heritage, and neighborhood residents directly at risk of eviction. This non-hierarchical, anti-oppressive structure is key to encouraging intergenerational collaboration. Moreover, the group helped advance a progressive neighborhood development vision as an alternative to the real estate investment development that some community leaders support.¹¹

Policy Considerations

Tools were selected based on their level of effectiveness and practicality to increase the likelihood of stopping real estate speculation and displacement. In terms of effectiveness, the zoning amendment and heritage status were chosen because they were likely to produce immediate effects. As for practicality, the 2017 election of a progressive municipal government made it more likely that these tools would succeed and have an impact, which contributed to their selection as tools.

Geographic Considerations

Anti-displacement tools were also chosen based on the specific history of displacement within the community, which differs depending on location. Early advocacy efforts included educating the municipal government to inform and raise awareness about this history of displacement and the neighborhood's strengths and weaknesses. Historic tours of the neighborhood were organized, as well as visits to important neighborhood locations, like family association buildings.

The success of the struggles for preservation and inclusive development of these neighborhoods is the fruit of a network of solidarity and alliance between North American Chinatowns. The existence of such a network is an important asset, and we recommend this strategy of linking common interests. The Chinatown Reimagine Forum mentioned above is a direct offshoot of the North American Chinatown network.

In short, Montréal's Chinatown has been confronted with a sociopolitical landscape that's been hostile to its very existence from the outset. Despite progress made in recognition and inclusion over the past century, the survival of Chinatown, its small businesses and its multicultural society are still under threat. Nevertheless, a positive outcome has come of this fight—the intergenerational connections developed through community engagement, which could be the future foundation for building and renewing economic and heritage development tools. ●

ENDNOTES

- 1 LUCE LAFONTAINE ARCHITECTES, *Étude de l'évolution historique et caractérisation du Quartier chinois*, Montréal, December 2021, p. 82.
- 2 See appendix A.
- 3 Also published in: PRATTE Colin & Joëlle GÉLINAS, *Quel modèle de développement pour le Quartier chinois de Montréal? Analyse socioéconomique d'un quartier à la croisée des chemins*, Institut de recherche et d'informations socioéconomiques, May 2023, p. 29.
- 4 *Id.*, p. 27.
- 5 Based on interviews. For Chinatown New York, see : Elaine Chen, Stefanos Chen & Jingyu Lin, "Chinatown's Civic Groups Have Held Developers at Bay. Can They Survive?", *The New York Times*, April 23th 2022.
- 6 Pratte & Gélinas, *op. cit.*, p. 29.
- 7 One of the victories of the struggle was the preservation of the Lee Lung Sai Tong Family Association, whose historic building had been expropriated to widen a street in the 1970s. The Wong Wing factory and several other businesses and residences were destroyed by the construction of the Guy-Favreau Complex, a government building.
- 8 It should be noted that the community is not a homogeneous whole and, like any community, is criss-crossed by divergent interests and visions. Some of the community's leaders take a favorable view of recent luxury real estate projects. For an analysis of this dynamic, see the case of Los Angeles Chinatown: Laureen D. HOM, "Symbols of Gentrification? Narrating Displacement in Los Angeles Chinatown", *Urban Affairs Review*, vol. 58, n° 1, 2022, p. 200.
- 9 Jonathan CHA, "Le Quartier chinois au centre-ville de Montréal : le processus de construction d'un quartier", in Juan-Luis KLEIN et Richard SHEARMUR, *Montréal : la cité des cités*, Montréal, Presses de l'Université du Québec, 2017, p. 77.
- 10 See appendix B.
- 11 Some members of Chinatown's business community defend the interests of real estate developers. This dissensus within the community cuts across all North American Chinatowns. See L. D. HOM, *op. cit.*

REFERENCES

- Simard, J.-J. (1988). Denise HELLY: Les Chinois à Montréal, 1877-1951, Institut québécois de recherche sur la culture, Québec, 1987, 315 p., tableaux, ill., annexes, liste des sources. *Anthropologie et Sociétés*, 12(2), 167-167. <https://doi.org/10.7202/015027ar>
- Simon, P. (1994). *La Société partagée: relations interethniques et interclasses dans un quartier en renovation*. [PhD Thesis, École des hautes études en sciences sociales, Paris.]
- Li, B. (2013). *Chinatown then and now. Gentrification in Boston, New York and Philadelphia*. American Legal Defense and Education Fund.
- Min Zhou (2010). *Chinatown: The Socioeconomic Potential of an Urban Enclave*, Philadelphia, Temple University Press.
- Saint-Julien, T. (2014). Clerval A., 2013, Paris sans le peuple – La gentrification de la capitale, Paris, La Découverte, 25. *Cybergeog*. <https://doi.org/10.4000/cybergeog.26205>
- Walks, A., & August, M. (2008). The Factors Inhibiting Gentrification in Areas with Little Non-market Housing: Policy Lessons from the Toronto Experience. *Urban Studies*, 45(12), 2594-2625. <https://doi.org/10.1177/0042098008097102>
- Wong, D. (2019). Shop Talk and Everyday Sites of Resistance to Gentrification in Manhattan's Chinatown. *WSQ: Women's Studies Quarterly*, 47(1-2), 132-148. <https://doi.org/10.1353/wsqr.2019.0032>

CHAPTER 3

Creating State-Designated Cultural Districts to Preserve Puerto Rican Heritage in Chicago's Humboldt Park

Ivis García, PhD

*Associate Professor, Landscape Architecture & Urban Planning, Texas A&M University
Research Associate, Puerto Rican Cultural Center*

Puerto Rican Cultural Center
2531 W Division St
Chicago, IL 60622

ACKNOWLEDGMENTS

This case study is a “point in time” story. The case study represents the authors’ viewpoints and the perspectives reflected in the statements of the learning conversations and meetings we held with stakeholders. The analysis and conclusions are based on the limited data and the organization’s and community’s available history. We acknowledge that it is impossible to summarize our space’s rich and complex history and honor the wisdom of all voices of the past and present that tirelessly worked—and are working—in this space. We also acknowledge that the development and implementation of the anti-displacement tools and strategies described in this document involved the contributions of many others. We hope for continued opportunities to hear and share these stories of organizing, community building, and shared progress in our community and beyond. This report is possible thanks to the participation and guidance of:

- **Puerto Rican Cultural Center:** Juan Calderón, Chief Operating Officer, Emmanuel Dávila, Former Interim Director, Illinois Small Business Development Center

- **Puerto Rican Agenda:** Jessi Fuentes, Co-Chair, Mariana Osorio, Co-Chair, José López, Senior Advisor, Annet Miranda, Member, Marina Del Rios, Member
- **Urban Planning & Policy Department at the University of Illinois at Chicago:** April Jackson, Associate Professor, Alexandra Pollock, Master’s Student, Plan Making Studio students from Captivate Planning Collective

We thank all our neighborhood’s residents and business owners for their support and active participation in making Puerto Rico Town possible.

For more information about this case study, please contact:

Ivis García, ivis.garcia@tamu.edu

Executive Summary

The Puerto Rican Cultural Center (PRCC) has been developing self-determination and anti-displacement tools related to economic development and other strategies for community development for over 50 years. This effort has been supported by the Puerto Rican Agenda (PRA), a collaborative of Puerto Rican-led organizations with the vision of creating the Puerto Rico Town

(PRT) Cultural Special Designation District (CSDD). Humboldt Park—a historically working-class neighborhood in the northwest corner of Chicago, Illinois, and home to a significant Puerto Rican population—is the site of this initiative.

The vibrant culture of the area, which includes many small businesses, colorful murals, and a

longstanding history as an established Puerto Rican neighborhood since the 1960s, despite current gentrification efforts, will be kept alive by the creation of our anti-displacement tool. The collaboration between PRCC, the Agenda, and politicians at Chicago’s Alderman’s Office and the Illinois General Assembly has resulted in the passage of SB 1833, allowing the designation of cultural districts across the state.

The bill is currently waiting for final guidelines to be published by the Department of Commerce and Economic Opportunity so that PRT can be

officially registered as a CSDD. To make this initiative successful, the PRA is advocating for affordable housing, access to healthcare, culturally- and linguistically-sound education, and economic development for increased wealth and employment in the area. Therefore, this case study provides a model that can be replicated in other cities across the United States. It is an example of a grassroots effort that was developed by the PRT community together with decision-makers that proves what can be accomplished when different groups come together for a common goal.

Introduction

This case study intends to demonstrate the importance of preserving the Puerto Rican culture and promoting economic development in the City of Chicago, specifically through envisioning PRT as a Cultural Special Designation District. In August 2021, because of community efforts, Gov. J.B. Pritzker signed SB 1833, which created the cultural district program to safeguard the historical and cultural heritage of communities threatened by gentrification while providing them with the necessary resources to grow and succeed (“Gov. Pritzker Signs Legislation to Protect and Preserve Cultural Communities in Illinois” 2023). The Puerto Rican Cultural Center—along with its partners, the Puerto Rican Agenda (PRA), which is a collective of Puerto Rican leaders and organizations), and politicians in the City of Chicago and the State of Illinois (members and allies of the Agenda)—was critical in drafting this legislation, as it sought to protect and celebrate the cultural heritage of not only the Puerto Rican neighborhood, but all Chicago communities experiencing displacement that had a distinct culture worth preserving (“PRCC” 2023).

The issue that PRCC and other organizations aimed to tackle by including local politicians in the district’s formation is the looming threat of gentrification in the Division Street area, spanning from Western to Grand Avenues. This situation poses a significant risk to the existing culture of the area and the prosperity of its small businesses (Bloom, 2019). The struggle of small businesses is immense, especially during the global pandemic. Many local businesses have been hit especially hard, as their traditional brick-and-mortar stores were forced to close their doors. The potential solution is to provide these small businesses with resources that can help them to keep their businesses afloat. These resources may include

rent-free spaces, one-on-one business advice, and access to capital from investors and grants such as those provided by PRCC through Wepa! Mercado Del Pueblo (Myers, 2021).

This case study contributes to addressing the problem of small businesses being displaced or not being able to find a space. By proposing the creation of a Special Purpose District to be designated a “Cultural Sanctuary,” we can prioritize and allocate city/state funds and other investments in existing and new businesses, art, and culture, which would simultaneously help to preserve the community’s unique identity while creating jobs and a strong economy, despite high rents. The Department of Commerce and Economic Opportunity published the draft program guidelines for public comment on March 24, 2023. Through conversations with politicians, PRCC, PRA, and other organizations have been actively working to create these guidelines. Once the final guidelines are published, organizations like the Puerto Rican Agenda, with the help of PRCC, can apply for the designation they helped create. In the hopes of PRT being the first district to be designated, PRCC and the Agenda have been working on a draft application.

Significance

This district is believed to be the first in the United States to mitigate displacement as a fundamental element of its Cultural Special Designation. Additionally, it stands out in that it aims to address past disinvestment due to redlining in tandem with current investment, thus safeguarding historical minority communities from severe gentrification. The guidelines also embrace community placemaking, which involves collaborative-led endeavors in developing a space that addresses a selected population’s needs.



This cultural district is believed to be the first in the United States to mitigate displacement as a fundamental element of its Cultural Special Designation.”

In this instance, PRT can help grant applicants demonstrate they are part of projects that funders should prioritize because they empower the community. In addition, through this designated recognition by local authorities, infrastructure investment can occur along with facilitating public-private partnerships specifically tailored towards targeted economic developments within PRT. This approach can encompass establishing public-facing art spaces, constructing new affordable housing, and promoting development supporting commercial activities.

The primary beneficiaries of the cultural district legislation are PRT’s residents and small businesses. The legislation will help protect them from displacement while providing additional resources. The government and public sector will also benefit from the bill, as it will help to promote economic growth and development in the area. This can create jobs and opportunities for the community. We hope this case study is valuable to other communities experiencing gentrification as it can provide a model for protecting existing residents and businesses from displacement.

Case Study Approach

The authors approached the case study by highlighting the efforts of local leaders, such as former Alderman Roberto Maldonado, State Sen. Cristina Pacione-Zayas, State Sen. Omar Aquino, Billy Ocasio, Illinois Congresswoman Delia Ramirez, National Museum of Puerto Rican Arts & Culture president and former Alderman, Executive Director of the Puerto Rican Cultural Center José López, and Alderperson Jessie Fuentes, Co-chair of the PRA Mariana Osoria, and many others involved in creating the designated cultural district of PRT on Division Street in Humboldt Park. We focused on the bill’s importance in preserving the area’s cultural identity and fighting against gentrification. Lastly, we discuss the resources the bill will provide to small businesses and its aim to promote the district through state channels.

- **Data Collection:** Data for this project was collected through learning conversations, attendance of group meetings, and publicly available data sources such as the Census.
- **Data Sources:** The data sources included Census data, individual and group learning conversations with 20 PRCC, Agenda members, and politicians.
- **Data Analysis:** The data were analyzed using qualitative and quantitative methods. Qualitative data was analyzed through coding, categorizing, and thematic analysis. Quantitative data were analyzed through descriptive statistics. All the results were then synthesized to develop the findings and conclusions.

Leading Organizations

The Puerto Rican Agenda (PRA) of Chicago is a nonprofit organization incorporated in 2017 but has convened Puerto Rican leaders more informally since 1991 (García, 2018). Since 1993, when it had its first summit at Roberto Clemente, the Agenda, under the leadership of José López, Executive Director of the Puerto Rican Cultural Center (PRCC), has sought to develop and execute a Puerto Rico Town (PRT) vision, including blocks in West Town and Humboldt Park (García, 2019). One of the visions is the creation of a Cultural Special Designation District (CSDD) with the support of the government—including the Aldermanic Office

26th Ward (City of Chicago) and, most importantly, the Illinois General Assembly (State of Illinois). The district is managed by the State of Illinois Department of Commerce and Economic Opportunity (see Figure 1).

Mission

The Agenda’s mission is to “ensure the self-determination of Puerto Ricans in Chicago, throughout the diaspora, and in Puerto Rico through policy and advocacy” (The Puerto Rican

Agenda of Chicago 2022). By bringing multiple community leaders to its monthly meetings, the Agenda provides a forum to build consensus and create an agenda for the Puerto Rican community. The Agenda has been instrumental in building a sense of community and identity for the Puerto Rican diaspora in Chicago. PRCC, the oldest and most vocal Puerto Rican organization in the Agenda, has led much of its vision of resisting gentrification (Rinaldo 2002).

Leadership and Organizational Structure

The PRA is a collaborative of more than 30 organizations that serve the Puerto Rican community, including the Puerto Rican Cultural Center (who authored this report), the National Museum of Puerto Rican Arts & Culture, Segundo Ruiz Belvis Cultural Center, ASPIRA, Cocineros Unidos de Humboldt Park, Hispanic Housing Development Corporation, Bickerdike, LUCHA, La Casa Norte, Division Street Business Development Association, and Association House of Chicago. In addition, there are various employees and administrators at the City of Chicago as well as academics and educators for Pedro Albizu Campus High School, Roberto Clemente High School, DePaul University, Northeastern Humboldt Park Vocational Education Center of Wright College, the

University of Illinois at Chicago, and Illinois State University (Cintrón et al. 2012). Puerto Rican elected officials also occasionally participate in the Agenda meetings. PRCC, within the Agenda, has been integral to working with politicians to draft the legislation.

Programs

The Puerto Rican community has created several reports and plans that address their needs and concerns. These include the “60 Years of Migration: Puerto Ricans in Chicagoland” report, a Housing Summit report titled “Strengthening the Puerto Rican and Latino Presence” (Cintrón et al., 2012; García, 2019), “Puerto Rico Town: Building Community Wealth by Preserving and Strengthening the Puerto Rican Culture” (García & Dávila, 2022), “People’s Tomorrow United, Resilient and Vibrant Humboldt Park” (Captive Planning Collective, 2022) and “Puerto Rico Town DataBook” (Cordova, 2022). These reports, along with other community conversations and surveys, have identified four main pillars—Economic Development, Affordable Housing, Health and Wellness, and Education—that require a \$100 million investment over ten years to implement the distinct elements of a Cultural District Plan (Figure 2).

Figure 1

Puerto Rico Town partner organizations.

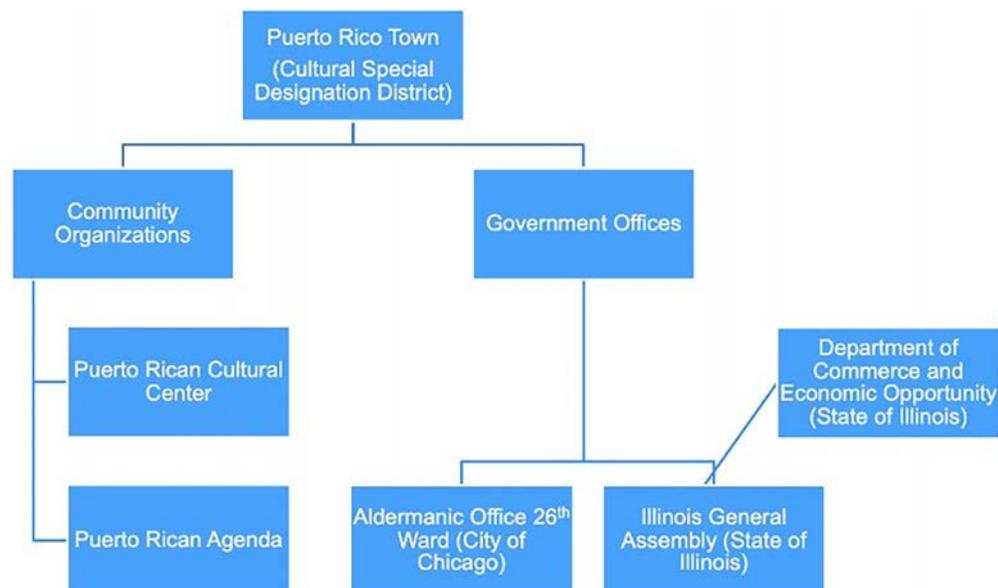
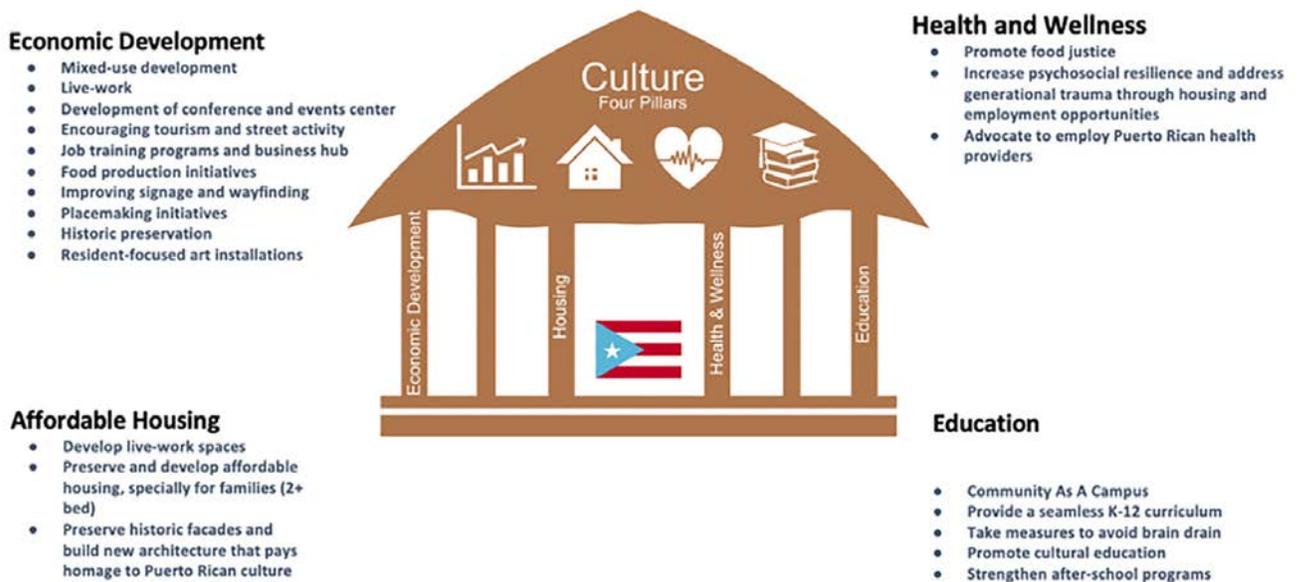


Figure 2

Four pillars of Puerto Rico Town.



Neighborhood Context

History of Neighborhood Change

Humboldt Park is a neighborhood located on the West Side of Chicago, Illinois. It is bordered by Bloomingdale Avenue, Chicago Avenue, Western Avenue, and Pulaski Road (Figure 3). It is a historic settlement for Puerto Ricans and is known as “Chi-Rican” or “Little Puerto Rico” due to the large Puerto Rican population located in the area. As Chicago’s population changed, successive waves of immigration saw Humboldt Park become a home for German, Scandinavian, Italian, and Polish communities (Alicea, 2001; Betancur, 2002).

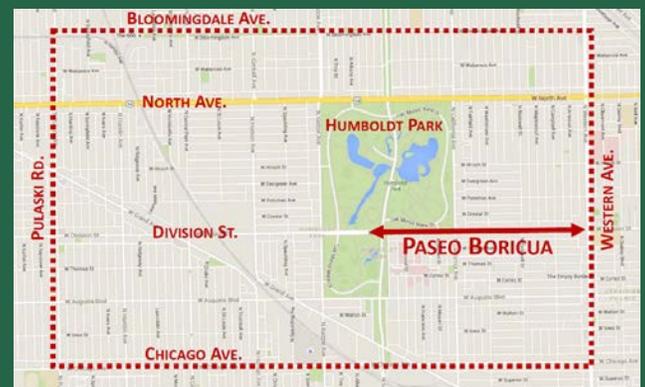
However, by the mid-20th century, many of these residents had moved out of the city to the suburbs (Betancur, 2002). In their place, Puerto Rican migrants began to arrive. At the end of World War II, the U.S. and Puerto Rican economies were restructuring; there was a decline in agricultural employment and an increase in manufacturing employment (Duany, 2008; García, 2021; History Task Force, 1979; Rúa, 2011). Agricultural workers in Puerto Rico were displaced to urban areas on the Island or the United States (García, 2021; García, 2019). The Puerto Rican population in Chicago increased from 255 in 1950 to over 70,000 in the 1970s (Cintrón et al., 2012). By this time, Humboldt Park and West Town were home to 42% of Puerto Rican immigrants in the city

(García, 2015). Humboldt Park has experienced several systemic issues, primarily related to gentrification and displacement. The area has been subject to decades of disinvestment, resulting in inadequate infrastructure and underfunded schools (García, 2018a). Disinvestment has led to high levels of poverty.

Furthermore, the increasing cost of living in the area has made it difficult for residents, particularly BIPOC and immigrant-owned businesses, to

Figure 3

Puerto Rico Town proposed boundaries. Source: ChicagoLAB, University of Utah



remain there (García, 2019). Rising rents have led to many businesses' displacement, forcing many to close or relocate. The lack of resources in the area has also made it difficult for businesses to succeed. Despite these systemic issues, Humboldt Park is also a vibrant community with a rich cultural and artistic history. Many organizations in the area have been fighting gentrification and advocating for local businesses' rights. The area is also an important hub for small businesses, providing services and products to the community.

Current Context of Gentrification

The population of Humboldt Park was estimated to be 33,868 in 2018, according to the American Community Survey (ACS) 1-year estimates, with a median household income of \$47,820 (García and Dávila 2022). The racial makeup of the area is mainly Hispanic (77.1%), followed by White (15.8%), Black (4.6%), Asian (1.2%), and Other (1.3%) (Captive Planning Collective, 2022). The unemployment rate in Humboldt Park is 8.5%,



Rising rents have led to many businesses' displacement. The lack of resources in the area has also made it difficult for businesses to succeed. Despite these systemic issues, Humboldt Park is also a vibrant community with a rich cultural and artistic history. Many organizations in the area have been fighting gentrification and advocating for local businesses' rights.

significantly higher than Chicago's average of 5.9% ("The Puerto Rico Town Experience in Achieving Cultural District Designation" 2023). The poverty rate is 32.7%, higher than the city's average of 20.7% (García & Dávila, 2022).

The housing market in Humboldt Park is characterized by many single-family homes, with the median home value estimated at \$253,100 in 2019 (Captive Planning Collective, 2022). The median rent, according to Zillow, is \$1,400, which is slightly lower than the city's average of \$1,500 (Captive Planning Collective, 2022). Since 2015 the 606 (an elevated track trail) opened to the public, home prices have increased by 344% (Captive Planning Collective, 2022). In recent years, Humboldt Park has seen a rapid influx of new residents, businesses, and development projects. This has led to gentrification in the area, with rents and home prices increasing along with the displacement of long-time residents.

The gentrification of Humboldt Park has also led to the displacement of many long-time business owners. Recently, the pandemic has substantially impacted the real estate market in Humboldt Park, causing property prices and rental rates to soar.

These changes have posed major hardships for businesses in the area, prompting the Cultural Special Designation District (CSDD) to invest in areas hit hardest by COVID-19-related economic losses ("The Puerto Rico Town Experience in Achieving Cultural District Designation," 2022).

SWOT Analysis

A SWOT (small business strengths, weaknesses, opportunities, and threats) analysis is a valuable planning framework that communities can utilize to articulate their socio-economic priorities, determine their interest in tourism as an income-generating activity, and express their concerns about small business development. These analyses provided a platform for the community to share their knowledge and opinion of their destination and assess their readiness for business development. To read more about this SWOT analysis refer to the report created by Captive Planning Collective (2022).

TABLE 1: Strengths, Weaknesses, Opportunities, Threats (SWOT) Analysis

STRENGTHS	WEAKNESSES	OPPORTUNITIES	THREATS
High rate of community belonging, housing stock quality, mixed-use, affordable housing, homeownership, proximity to Humboldt Park, access to downtown, growing educational attainment, Puerto Rico Town, tourist destination, housing development, zoning mix, shared community spaces, programs for social justice & reform, opportunity zone, bike paths, green infrastructure, grocery, employment	Uneven development patterns, street character/vibrancy, lack of plans/implementation, crime/public safety, lack of green infrastructure, school closures/declining youth population, lack of exercise places, lower educational attainment, vacant lots, health disparities, high rental cost burden, inconsistent policing, lack of funding	Funding and resources, restorative justice programming, bike paths, green infrastructure, grocery store access, places to exercise, employment opportunities	Out-migration, assimilation, city redistricting, declining population (particularly declining Black population), crime, public safety challenges

Anti-Displacement Tool and Strategy

Conceptualization

The purpose of the Cultural Special Designation District (CSDD) tool is to enable the creation of a local district. To achieve this purpose, the Department of Commerce and Economic Opportunity (DCEO) is tasked with establishing [criteria and guidelines for CSDD](#), providing technical assistance to these certified districts, and collaborating with other State agencies and private entities to maximize the benefits of the cultural districts (State of Illinois, 2023).

Design and Data

The DCEO has established criteria and guidelines for CSDD following the qualifying criteria outlined in the bill ([20 ILCS 605/605-1057](#), 2021). This includes a competitive application system by which a community may apply for certification as a CSDD promotional support of State-designated cultural districts and support for small businesses looking to access resources. Additionally, the DCEO has established an advisory committee to advise on program rules and the certification process.

Implementation to Date

The DCEO has successfully established criteria and guidelines for CSDD, provided technical assistance for these districts, and collaborated with other State agencies and private entities to maximize the benefits of the cultural districts. Currently, the PRA is waiting for additional guidance from the state on applying for the designation. In the meantime, the PRA is collecting the necessary data and researching to be able to submit a successful application.

Evaluation to Date

The CSDD tool has had positive outcomes and impacts, including increased awareness and promotion of the districts' distinct, historical, and cultural identities, as well as increased support for small businesses looking to access resources. Additionally, there has been increased collaboration between the government, municipalities, and 501(c)(3) organizations to promote a distinct, historical, and cultural identity. These outcomes and impacts can be measured by future indicators established by the Illinois

DCEO, such as the number of cultural districts certified, the amount of technical assistance provided, and the number of small businesses supported. To establish PRT, what is left to be

done locally is to apply once guidelines are adopted and DCEO accepts applications. The Agenda collects data and writes to respond to the guidelines once published.

Analysis and Recommendations

What has made PRCC successful?

PRCC has successfully advocated for Puerto Rico Town because it has stood firmly on self-determination, self-reliance, and self-actualization. The organization has used a grassroots, community-based approach for over 50 years to create a sense of autonomy and build a strong foundation for Puerto Rican culture and heritage in Humboldt Park. PRCC has also worked to develop parallel institutions, like the Puerto Rican Agenda, to advocate with other organizations to promote economic and community development.

Throughout its history, PRCC has cultivated authentic leadership. José López is a community leader and activist called the Mayor of Humboldt Park. Originally from Puerto Rico, he has devoted his life to fighting for the rights of Puerto Ricans, both on the island and in his adopted Chicago neighborhood of Humboldt Park. He has built and run multiple community organizations, served as a teacher of Latin American history at Northeastern Illinois University, and championed a wide array of causes such as affordable housing and educational equity. As the unofficial leader of Humboldt Park's Puerto Rican community, López is a fierce advocate for preserving the neighborhood's cultural and political integrity in the face of gentrification and outside development. He seeks to strengthen the community and foster an ecosystem of people from all backgrounds, gender identities, incomes, and ages. He symbolizes hope and self-determination to many in the Puerto Rican community. José has also mentored many community politicians like Billy Ocasio (former Alderman) and Luis Gutierrez (former Congressman).

Some of these mentees, like Cristina Pacione-Zayas (former Illinois Senator) and Jessi Fuentes (Chicago's Alderperson), drafted the Cultural Special Designation District. For six years before joining the Senate, Cristina Pacione-Zayas was co-chair of the Puerto Rican Agenda in Chicago. In that role, she was responsible for the success of the Puerto Rico Town project in the city's Puerto Rican district, which aimed to bring economic development and celebrate the local culture ("The Puerto Rico Town Experience in Achieving Cultural District Designation," 2022). She steered

the legislative initiative, gained support from other stakeholders, and procured backing from the State of Illinois. Subsequently, as Deputy Chief of Staff to Chicago's new Mayor, Pacione-Zayas has been instrumental in seeing this landmark undertaking through to successful completion.

Another example of growing your own is Jessi Fuentes, who went from being a dropout high school student in PRCC's Pedro Albizu Campos High School to policy director for PRCC and co-chair of the Puerto Rican Agenda (Bloom, 2022). In 2023, Fuentes became the Alderperson for the 26th Ward (Bloom, 2023). As part of her platform, she envisioned several projects for Puerto Rico Town, which she envisioned as a staffer for PRCC and the Agenda, such as more affordable housing, increased investment in social services, and the lifting of the ban on rent control. Fuentes also stated her campaign is intended to "address the root causes" of Ward issues, including discrimination, racism, xenophobia, and so on.

Growing young Puerto Rican community leaders and politicians via PRCC and the Puerto Rican Agenda has been a meaningful way to ensure community values and visions are represented in local government. When the Puerto Rican community has elected officials that started as community organizers in the neighborhood and share similar ideals, such as the importance of anti-displacement, Puerto Ricans can feel confident that they will work to understand and reflect the needs of their constituents.

The Puerto Rican Cultural Center (PRCC) has a longstanding history of actively fighting for civil rights and social justice for all, predominantly Puerto Rican individuals and communities, regardless of income, age, sexual orientation, etc. In 1984, the PRCC led the charge in the fight for the political rights of the Puerto Rican community in the United States. In recent years, the center has continually supported the Puerto Rican community and fought against racism, police brutality, discrimination, poverty, and lack of access to quality education and healthcare. The PRCC promotes diversity in its programming, sponsoring concerts, showcases, events, and forums that celebrate Puerto Rican culture and advocates for

fair education, housing, healthcare, and criminal justice reform. Further, the center has also provided a safe and supportive space for the LGBTQ+ community. The PRCC's commitment to social justice has been further exemplified by creating an economic development program designed to provide a platform for students to gain invaluable experience in the nonprofit sector while allocating scarce resources to areas of greatest need.

Lessons Learned

Overall, this case study demonstrates the importance of collaboration to create a positive impact in a community and the necessity of having a clear plan, goal, and defined criteria to assess the outcomes following program implementation accurately. Additionally, this case study highlights the success of the CSDD tool in providing tangible results to a community. More importantly, the cultural preservation goal that the Puerto Rican Cultural Center sought through this initiative exemplifies how communities can work together to create and maintain a culturally rich district that can thrive. Here are some of the lessons we might highlight:

1. Self-determination, self-reliance, and self-actualization are vital principles for creating success within a community.
2. Authentic leadership is essential to advocating for a community's rights and values.
3. Growing your leaders and politicians successfully ensures that the community's values and visions are represented in local government.
4. Collaboration between government agencies, nonprofits, and private entities is critical to developing successful initiatives. The partnership between the Puerto Rican Cultural Center and the Puerto Rican Agenda of Chicago is an excellent example of how collaboration between multiple stakeholders and organizations can positively impact the community.
5. When the government establishes criteria and guidelines for an initiative, it can effectively provide technical assistance to local districts and collaborate with other State agencies and private entities to maximize the initiative's benefits.
6. Successful initiatives require multiple stakeholders' input and grassroots efforts.
7. One unique thing about Puerto Rico Town is that this is very place-based at the commercial block level, a manageable geography to create change.

Replicability

Replicating the Puerto Rican Cultural Center's initiatives across other U.S. cities and towns is possible. To achieve this, networking and partnerships with other organizations, governments, and municipal bodies must be established early on. Working together, stakeholders and community members can devise reports and surveys to gain consensus on initiatives, allocate resources, and develop strategies to create meaningful impact. Additionally, the criteria, guidelines, and technical assistance that would be required should also be taken into consideration when launching such an initiative. The CSDD tool should be employed to gather data for evaluating the effectiveness of the project. Ultimately, implementing the project must remain committed to social justice and using limited resources for maximum benefit. With the suitable model, partnerships, and strategies, this model can be successfully replicated in other communities. Here are some ideas of what other communities can do:

1. Establish a robust set of beliefs, values, and a mission statement representing the organization or community.
2. Create a grassroots approach that builds a sense of autonomy and a strong foundation.
3. Create a sense of authentic leadership and look for local individuals who are passionate and dedicated to the organization or community.
4. Provide mentorship to prepare young leaders willing to run for office, learn and contribute to the community vision.
5. Working together and fostering collaboration between the government, municipalities, and 501(c)(3) organizations.
6. To increase impact, concentrate on a manageable neighborhood.
7. Govern your destiny by drafting the criteria, guidelines, and technical assistance that could be provided when implementing a CSDD tool.
8. Collect the necessary data to make the CSDD tool successful.

Conclusion

The analysis indicates that PRT presents a unique opportunity for economic recovery and uplift, employment generation, skills enhancement, protection of important community sites, respect and value of local knowledge, and attraction of ancillary investment. The proposed goals of this project—to nurture the commercial corridor affected by COVID-19 into a sustainable recovery, to preserve and strengthen culture, esthetics, historical character, linguistic identity, traditions, and landmarks, to prevent the displacement of low-income residents and businesses by developing mixed-use, to allow for targeted infrastructure and streetscape improvements within the area to attract local customers, tourists, and help the area to stabilize, and to create and prioritize the implementation of new investment tools, policies, and strategies—are achievable and beneficial for the community.

As part of the application, the bill expects applicants to submit accurate data, information, and documentation that must include a detailed description of the geographic boundaries with a map image, a discussion of the characteristics of the distinct, historical, and cultural identity of the geographic area, a detailed statement of need describing the risk of losing the community’s cultural identity due to gentrification, displacement, or the COVID-19 pandemic that includes supporting data that outlines the impact of inequities such as property value increases, job loss, population

loss, business, and organizational loss, and the adverse effects of the COVID-19 pandemic. Additionally, applicants must provide a narrative description of historic economic disinvestment in the community, evidence of strong community support for the designation, letters of support from organizations, elected officials, and other stakeholders, and if applicable, development plans, an education framework, and a vision of food justice, social justice, community sustainability, and social equity.

Organizational considerations must involve key stakeholders in the development process and prioritize the community’s needs. Policy considerations must include a comprehensive plan considering all stakeholders’ interests and emphasizing the community’s cultural offerings. Geographic considerations are essential when investing in infrastructure and streetscape improvements.

Overall, PRT presents a unique opportunity for economic recovery and development. With a comprehensive plan that considers all the stakeholders and their interests, and a focus on preserving the Puerto Rican character of the neighborhood, this project can be a success. PRT can become a thriving economic hub by investing in infrastructure and streetscape improvements, encouraging collaboration between public and private sectors, and involving the community in decision-making processes. ●

REFERENCES

- Alicea, M. 2001. "Cuando Nosotros Vivimos...: Stories of Displacement and Settlement in Puerto Rican Chicago." *CENTRO Journal* 13 (January).
- Betancur, J. J. 2002. "The Politics of Gentrification The Case of West Town in Chicago." *Urban Affairs Review* 37 (6): 780–814.
- Bloom, M. 2019. "Humboldt Park Stretch Renamed 'Puerto Rico Town' In Effort To Preserve Area's Culture." *Block Club Chicago*. January 3. <https://blockclubchicago.org/2019/01/03/humboldt-park-stretch-renamed-puerto-rico-town-in-effort-to-preserve-areas-culture/>.
- . 2022. "Jessie Fuentes, Humboldt Park Activist And Puerto Rican Cultural Center Staffer, To Run Against Maldonado In 26th Ward." *Block Club Chicago*. October 14. <https://blockclubchicago.org/2022/10/14/jessie-fuentes-humboldt-park-activist-and-puerto-rican-cultural-center-staffer-to-run-against-maldonado-in-26th-ward/>.
- . 2023. "Jessie Fuentes Wins 26th Ward Race, Replacing Longtime Ald. Roberto Maldonado." *Block Club Chicago*. March 1. <https://blockclubchicago.org/2023/02/28/jessie-fuentes-poised-to-win-26th-ward-race-replacing-longtime-ald-roberto-maldonado/>.
- Captive Planning Collective. 2022. "People's Tomorrow United, Resilient and Vibrant Humboldt Park." Chicago, IL: University of Illinois at Chicago.
- Cintrón, R., M. Toro-Morn, I. García Zambrana, and E. Scott. 2012. "60 Years of Migration: Puerto Ricans in Chicagoland." *The Puerto Rican Agenda*. <http://www.puertoricanchicago.org/>.
- Cordova, T. 2022. "Puerto Rico Town Databook." Chicago, IL: University of Illinois at Chicago.
- Duany, J. 2008. "The Puerto Rican Diaspora to the United States: Postcolonial Migration?" Presented at the Postcolonial Immigration and Identity Formation in Europe since 1945: Towards a Comparative Perspective, Amsterdam, Netherlands.
- García, I. 2018a. "Community Participation as a Tool for Conservation Planning and Historic Preservation: The Case of 'Community As A Campus' (CAAC)." *Journal of Housing and the Built Environment* 33 (1): 519–37. doi:10.1007/s10901-018-9615-4.
- . 2018b. "Symbolism, Collective Identity, and Community Development." *Societies* 8 (3): 81–94. doi:10.3390/soc8030081.
- García, I. 2019. "Concrete and Countryside: The Urban and the Rural in the 1950s Puerto Rican Culture." *Centro Journal* 31 (2): 246–49.
- García, I. 2019. "No Se Vende (Not for Sale). An Anti-Gentrification Grassroots Campaign of Puerto Ricans in Chicago." *América Crítica* 3 (2). Università di Cagliari: 35–61.
- . 2021. "Puerto Rico's Outmigration and the Deterioration of Economic Conditions as Identified with National Debt." *CENTRO Journal* 33.
- García, I., and E. Dávila. 2022. "Puerto Rico Town: Building Community Wealth by Preserving and Strengthening the Puerto Rican Culture." Chicago, IL: Puerto Rican Agenda. <https://doi.org/10.13140/RG.2.2.30013.13285>.
- García, Ivis. 2019. "2018 Housing Summit: Strengthening the Puerto Rican and Latino Presence." *The Puerto Rican Agenda*.
- García Zambrana, Ivis. 2015. "The Puerto Rican Identity: Reconstructing Ownership in the Face of Change." Thesis. <http://dspace-prod.lib.uic.edu/handle/10027/19798>.
- "Gov. Pritzker Signs Legislation to Protect and Preserve Cultural Communities in Illinois." 2023. Accessed July 29. <https://gov.illinois.gov/newsroom/press-release.23825.html>.
- History Task Force. 1979. *Labor Migration Under Capitalism: The Puerto Rican Experience*. New York: Monthly Review Press.
- Myers, Q. 2021. "At Humboldt Park's Mercado Del Pueblo, Culture and Business Go Hand in Hand." *WTTW News*. <https://news.wttw.com/2021/02/02/humboldt-park-mercado-del-pueblo-culture-and-business-go-hand-hand>.
- "PRCC." 2023. *Puerto Rican Cultural Center*. Accessed July 29. <https://prcc-chgo.org/prcc/>.
- Rinaldo, R. 2002. "Space of Resistance: The Puerto Rican Cultural Center and Humboldt Park." *Cultural Critique*, no. 50: 135–74.
- Rua, M. M., ed. 2011. *Latino Urban Ethnography and the Work of Elena Padilla*. 1st edition. Urbana: University of Illinois Press.
- State of Illinois. 2023. "Illinois Register," no. 12: 3,894–4,074.
- The Puerto Rican Agenda of Chicago. 2022. "The Puerto Rican Agenda of Chicago." *The Puerto Rican Agenda of Chicago*. <https://www.puertoricanchicago.org>.
- "The Puerto Rico Town Experience in Achieving Cultural District Designation." 2022. *McLean County Museum of History*. <https://mchistory.org/videos/the-puerto-rico-town-experience-in-achieving-cultural-district-designation>



Purple Line Construction in Silver Spring, Maryland.

PART 2

RESPONDING TO DISRUPTION

Disruptions such as transportation projects, large-scale redevelopment, or public health crises can significantly interfere with the day-to-day operations and bottom lines of small businesses, bringing acute long-term changes and challenges. BIPOC- and immigrant-owned businesses in gentrifying neighborhoods are often ill-equipped to withstand such disruption because they lack capital resources, have narrow operating margins, or lack access to available assistance, whether due to language barriers or unfamiliarity

with government programs or financial systems. The case studies in Part 2 show how organizations have used vendor organizing and advocacy, culturally relevant technical assistance, construction disruption grants, coalition-building, and other creative responses to support neighborhood businesses through unprecedented disruption challenges, including the COVID-19 pandemic. For more information about how these and other tools work, visit the [*Small Business Anti-Displacement Toolkit*](#).

CHAPTER 4

Preventing Small Business Displacement in Six Neighborhoods Along Maryland's Purple Line Light Rail Corridor

Sheila Hosagrahara Somashekhar | Director
Nicole Weissman | Researcher/Writer

Purple Line Corridor Coalition
National Center for Smart Growth
University of Maryland
7480 Preinkert Dr.
College Park, MD 20742

ACKNOWLEDGEMENTS

We would like to acknowledge and thank the following people and entities who have contributed to both the ongoing work of Purple Line small business anti-displacement efforts and to the content and writing of this case study.

The co-chairs of the Purple Line Corridor Coalition (PLCC) Small Business Action Team: CASA and the Latino Economic Development Center (LEDC).

PLCC consultants, staff, students, and other contributors to the report: Bobby Boone, Lindolfo Carballo, Ronit Eisenbach, Josefina Estrada, Nick Finio, Paul Grenier, Gerrit Knaap, Kaylyn Shane Miller, Manuel Ochoa, Javier Rivas, Reemberto Rodriguez, Patricia Parker, Kim Ross, Catherine Rytkenon, Maryland State Delegate Jheanelle Wilkins.

Key community partners and small business owners leading organizing and engagement on the ground: Central Kenilworth Avenue Revitalization CDC; Community Health and Empowerment through Education and Research (CHEER); Fenton Village, Inc.; Long Branch Business League; Making Homes Possible (MHP); Northern Gateway CDC.

PLCC steering committee, which provides ongoing leadership to the coalition (see Appendix A for full list of members).

Montgomery and Prince George's Counties, County Councilmembers and Maryland State Assembly Members who touch the Purple Line corridor, and state agencies. All have supported Purple Line small businesses at the systems level.

This case study is a 'point in time' story, representing the viewpoints of the authors and the perspectives reflected in interviews. The analysis is based on the limited data and available history of the organization and community. We acknowledge that it is impossible to summarize the rich and complex history of the space we occupy and honor the wisdom of all voices of the past and present that have tirelessly worked in this space. We also acknowledge that the anti-displacement tools described in this document involved the contributions of many others. We hope for continued opportunities to hear and share these stories of organizing, community building, and shared progress in our community and beyond.

For further information about this case study please contact:

Sheila Hosagrahara Somashekhar,
ssomashe@umd.edu

purplelinecorridor.org

Executive Summary

The Purple Line is a planned 21-station light rail line reaching east-west across a 16-mile corridor of Montgomery and Prince George's Counties in the State of Maryland, USA. The new transit system, currently under construction, is an exciting opportunity to increase mobility in the region, but from the construction period itself to the increased property values associated with enhanced transit, the arrival of the Purple Line poses risks to nearby small businesses.

The Purple Line Corridor Coalition (PLCC) connects stakeholders in the region with the goal of pooling expertise, influence, and resources in a way that ensures positive, equitable outcomes for the people and businesses along the Purple Line.

The PLCC's efforts are focused in four subject areas, one of which is reducing the risk of small business displacement, particularly in six identified "equity areas" where the risk of adverse impacts is the greatest. The PLCC's Small Business Action Team was tasked with identifying tools for this specific area. The primary tools and strategies developed and deployed include:

- 1. Technical assistance to adapt to change:** From supporting small businesses in the creation of social media accounts to providing assistance around financial and legal issues, technical assistance for individual businesses enables them to grow alongside the community.

- 2. Strong places to support strong businesses:** Strong businesses thrive in strong places, and place-based small business governance models like Main Streets can help scale marketing and other placemaking to drive business to commercial hubs.
- 3. State funds to address construction disruption:** Businesses facing loss of customers and income due to Purple Line construction are able to access grants that offset some of those losses, especially helpful for businesses that already lost revenue during the pandemic.
- 4. Structured collaboration for amplified impact:** A key function of the PLCC is the creation of spaces for strong dialogue among stakeholders and facilitating collaboration that generates new action and enables partners to play to their strengths.

Because Purple Line construction is still underway, achievement of the ultimate goal – that small businesses, especially BIPOC-owned micro businesses, survive and benefit from the Purple Line investment – is still to be determined. However, qualitative evidence indicates these tools have already alleviated stress on affected small businesses and positioned them for growth and sustainability as the project continues.

Introduction

The Washington, D.C. metropolitan area's metro transit system spiders out from downtown Washington, with legs that reach up into Maryland and down into Virginia suburbs. Automobile transport easily connects the ends of the "spider legs" via the beltway that surrounds the city, but public transit has historically been more limited in connecting different parts of suburban Maryland to one another (see Fig. 1). The Purple Line is a 16-mile planned light rail line reaching east-west Montgomery and Prince George's Counties in the State of Maryland, USA. The transit system, currently under construction, will bring transit to underserved communities in the northern suburbs of DC.

The Purple Line's 21 stations connect New Carrollton in Prince George's County to Bethesda in Montgomery County, touching a

diversity of neighborhoods and several hubs of economic and cultural activity along the way. The arrival of the Purple Line portends an exciting new level of mobility in the region, and with it, transformative change and growth that can either benefit or harm small businesses, especially BIPOC-owned microbusinesses.

The Purple Line presents both opportunities and threats to the thriving network of small businesses along the corridor. New transit will stitch together communities currently disconnected from each other, grow, and diversify the local small business customer base, and prompt investment in aging commercial corridors. However, the Purple Line also brings long-term construction disruptions, rising property values and rents, and a risk of redevelopment that could displace existing small businesses.

Figure 1

Purple Line route connections with regional Metro and commuter rail service. Map: Maryland Department of Transportation



The Purple Line Corridor Coalition (PLCC) exemplifies how strategic and intentional collaboration between the many vested interests along a transit corridor can address the risk of small business displacement at a time of uncertainty. The PLCC is an equitable development collaborative led and administered by the University of Maryland's National Center for Smart Growth (NCSG) in partnership with a range of community and civic organizations, state and local governments, nonprofit organizations, philanthropies, and large and small businesses.

This diversity of perspectives facilitated the creation of a collective vision for vibrant economic and community development, called the **Community Development Agreement (CDA) for the Purple Line Corridor**, with up-front buy-in from over 50 stakeholders. Since the signing of that agreement in 2017, the PLCC has mobilized across the areas of: 1) affordable housing, 2) workforce development, 3) vibrant communities, and 4) small business preservation and growth. This work

happens primarily through partner-based "action teams" that advance PLCC's comprehensive community development platform.

In 2018, PLCC formed its Small Business Action Team (SBAT) to focus on the small business pillar of the agreement. The SBAT has coordinated services, aligned policy positions across stakeholders, supported place-based management strategies, and engaged partners to address short-term challenges, like the COVID-19 pandemic and construction disruptions, as well as challenges that will continue or emerge once construction is complete and the Purple Line becomes operational. The common theme across all solutions is the need to coalesce a wide range of partners in support of the small businesses, microbusinesses, legacy businesses, and BIPOC- and immigrant-owned businesses disproportionately pressured by displacement and press all stakeholders towards creative thinking and coordinated action.

"We are at the cusp of an unprecedented opportunity for economic growth and expansion—not just along the corridor but for the entire metropolitan region. And we have a shot to shape that growth sustainably, equitably, and in ways that create new pathways to opportunity, particularly for the culturally rich but economically fragile communities that dot the corridor."

—Gerrit Knaap, PLCC co-chair and former NCSG Director

Case Study Approach

PLCC approaches this case study through the lens of coalition-builders with an interest in connecting with small businesses to determine their needs and goals, engaging partners, and building capacity to help meet these needs, and identifying common ground to serve the best interests of the whole community.

Because PLCC itself does not directly deploy the tools examined in this report, but rather supports and enhances them by acting as a central hub for coordinating efforts, this case study's analysis is two-fold:

1. First, the effectiveness of the tools themselves.
2. Second, the value add of a coalition framework in implementing them.

This case study relies on publicly available demographic data and reports covering the region and the corridor, qualitative interviews conducted with select champions, media reports, legislative documents, first-hand knowledge of PLCC's director, and conversations with PLCC staff and consultants.

The authors both bring a personal and professional position to this case study. Sheila Somashekhar has served as PLCC's director since 2020, anchoring the coalition's work across goals with central capacity to advance various partner-driven initiatives. Nicole Weissman has an MBA from the Johns Hopkins Carey School of Business and over a decade of experience at the intersection of business and social and environmental impact. Both Sheila and Nicole live within blocks of a Purple Line station and are personally invested in equitable outcomes for the light rail project.

Leading Organization

Along the Purple Line, as in most places, there is no single entity that has the capacity to meet the charge of supporting small and micro-businesses. Rather, it requires a coordinated approach that brings together the assets and expertise of public agencies, nonprofit service providers, private sector entities, and the lived experience of small business owners. PLCC is joined by a broad landscape of practitioners and other stakeholders who are the primary actors in bringing these tools and strategies into the field.

Purple Line Corridor Coalition

The PLCC was established in 2013 by NCSG to maximize the benefits of the Purple Line for all residents and businesses and to address potential disruption and displacement from construction of the line. The PLCC brings diverse stakeholders together to develop policies and actions leading to racially and economically equitable development. For a list of key PLCC stakeholders, see Appendix A.

PLCC Small Business Action Team

Since 2019, the PLCC Small Business Action Team (SBAT) has convened regularly to envision and advance a coordinated, corridor-wide approach to small business preservation and growth. The SBAT is co-chaired by the [Latino Economic Development Center](#) (LEDC), a regional community development financial institution (CDFI) with strong lending and technical assistance services, and [CASA](#), a regional member-based power building organization that offers a range of services and advocacy in the Purple Line corridor. The SBAT includes public sector stakeholders, community-based organizations, and small business associations and leaders. Together, the SBAT developed the [2021-2022 PLCC Small Business Support Action Plan](#) and [Small Business Strategy](#), which address the tools and strategies in this document.

Neighborhood Context

The Corridor in Context

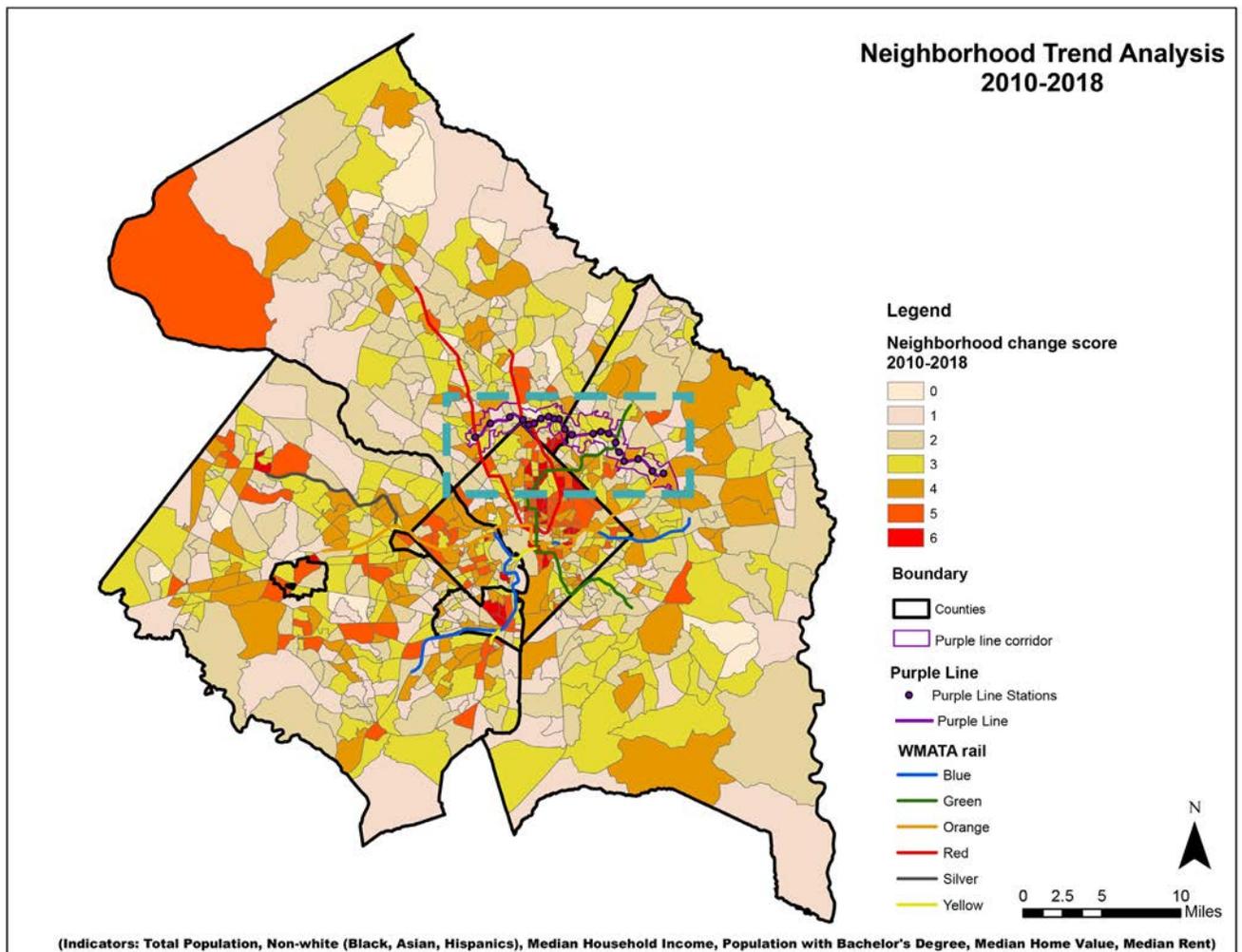
More than 183,000 residents live within a mile of the Purple Line (ACS 2017-2021 data). Nearly half of those households earn below 60% of area median income (PLCC, 2019). The Purple Line connects areas that vary economically, racially, and culturally. While areas like Bethesda/Chevy Chase (the western end of the Purple Line) are 75% white and have a median income of nearly \$140,000 annually, areas like the International Corridor and Riverdale/New Carrollton (the eastern end of the Purple Line) are majority Latino and Black, with a median income just over \$60,000 annually (PLCC, 2019).

Based on an analysis conducted by NCSG in 2020, the D.C. area saw significant demographic

shifts between 2010-2018. Using census data, NCSG developed a Neighborhood Change Index, considering total population, median household income, population 25 years or over with a BA, median home value, median rent, household income, and race (see Fig. 2 and Fig. 3). Changes within the boundaries of D.C. were significant, while changes in the Purple Line corridor were less pronounced. A more recent analysis suggests that gentrification is actively occurring in parts of the corridor, with measurable impact on businesses (Finio, 2023). Both analyses suggest the process of gentrification has not yet fully unfolded in this area, making PLCC's efforts timely. In short, the right interventions at this moment can influence the outcomes of Purple Line fueled gentrification.

Figure 2

Neighborhood change in the Purple Line corridor context, 2010-2018.



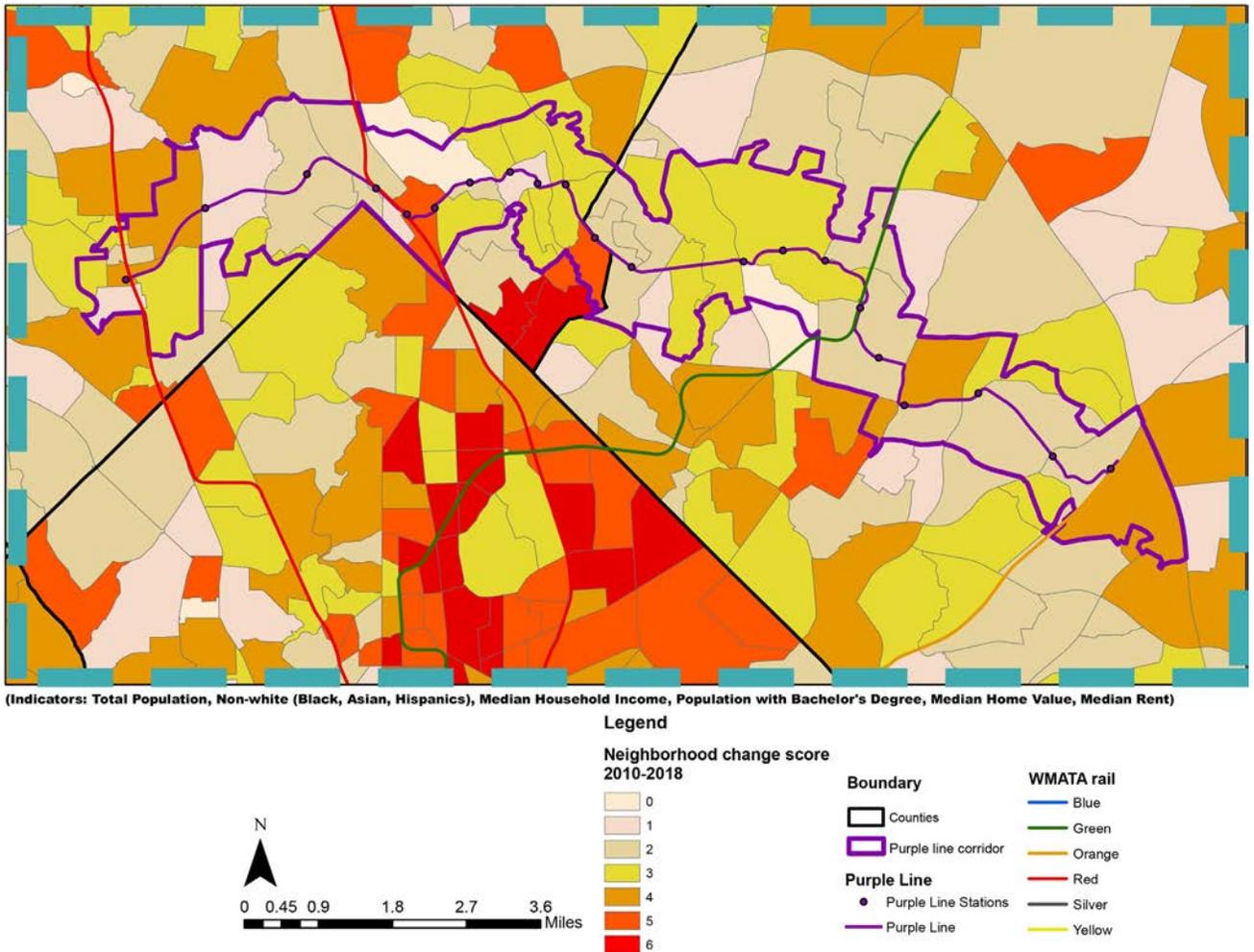


Figure 3

Expanded view of neighborhood change in the Purple Line corridor, 2010-2018.

Local Historical Context

Given the demographics of the Purple Line geographic area and historical trends around gentrification in the D.C. region, it is likely that displacement effects associated with the Purple Line will be felt most intensely by immigrant, Latino, and Black communities. This potential displacement marks at least the second time these particular groups have been pushed out by redevelopment and rising property values. In the 1990s, similar cost-related shifts pushed minority- and immigrant-owned businesses out of Washington, D.C. (Ochoa, 2020). Today, gentrification continues across much of D.C., now reaching into the same Maryland suburbs where Black and Brown people relocated previously.

Areas of the corridor have also served as a prime destination for immigrants fleeing violence and economic hardship in Central America, and others simply seeking opportunity in a new country.

According to a [2019 report published by CASA](#), an estimated 68,000 undocumented immigrants live in Prince George's County, the largest concentration in Langley Park (discussed later as a priority area for the PLCC). For at least the last two decades, the corridor has offered some of the only remaining affordable housing and commercial space in the region, where small businesses have contributed to a sense of community and neighborhood identity.

Equity Areas

Across the corridor, 4,498 small or micro-businesses are located within half a mile of Purple Line stations, and 2,402 are within a quarter mile. Among those businesses, a large number are located in six PLCC-designated "equity areas," districts with a higher concentration of BIPOC and immigrant-owned businesses (see Fig. 4). Together, the equity areas are home to 830 small

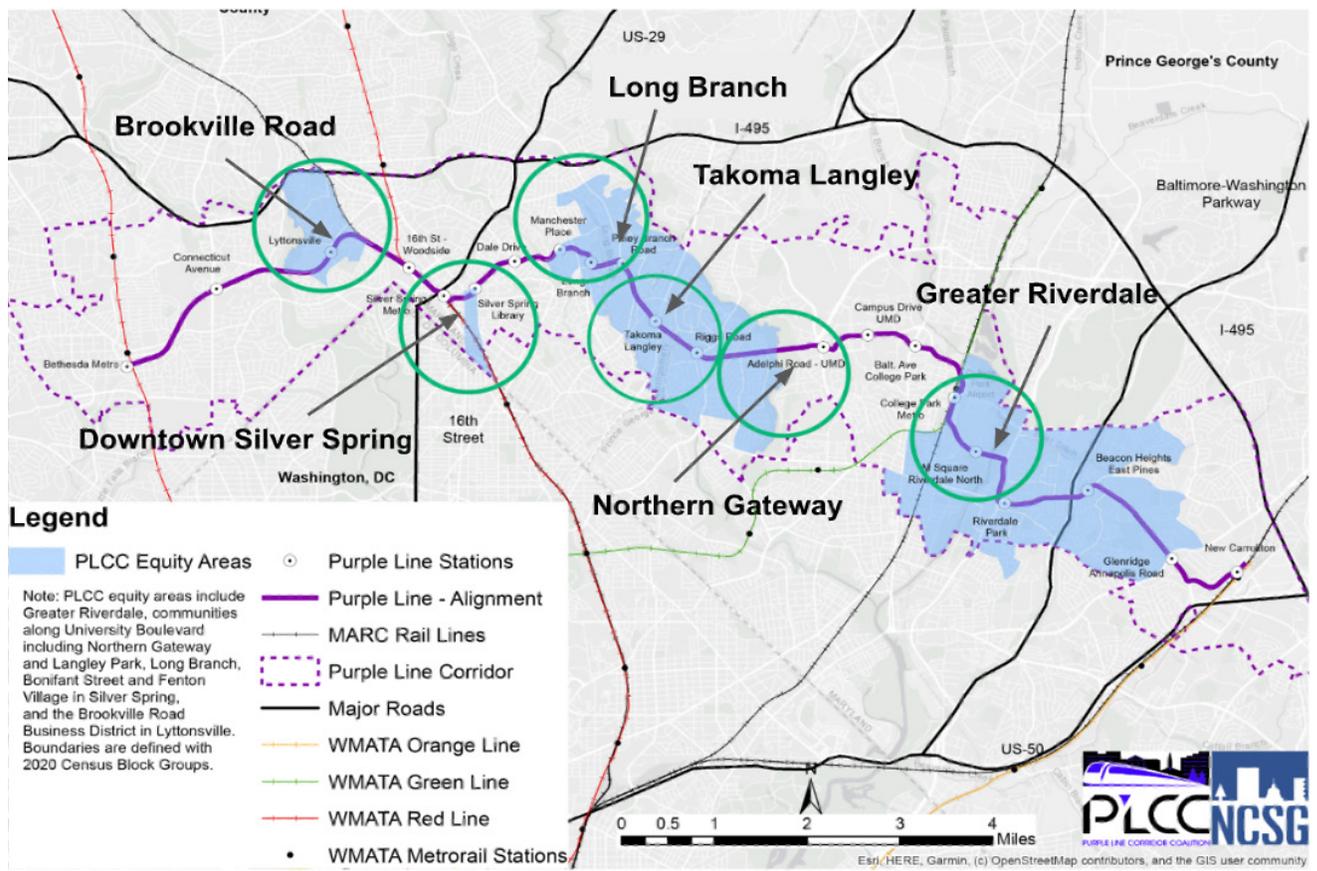
and micro-businesses within half a mile of Purple Line stations, and 513 within a quarter mile. These businesses were identified by PLCC as most at risk for displacement due to Purple Line construction and Purple Line-related development (PLCC, 2020; Ochoa, 2020).

While all six areas are unique, they share commonalities beyond their proximity to the Purple Line. Many of these neighborhoods are historically disinvested. As a result, most are characterized by older buildings that have historically offered

relatively affordable market-rate rents to independent businesses. These buildings also house more legacy businesses, meaning businesses that have been in the community for a decade or longer. The equity areas also tend to be neighborhoods that combine retail or commercial uses with residential uses, often with single-family housing in close proximity. Finally, almost all are majority immigrant, Black, or Latino, with strong neighborhood identities anchored in part by the network of small businesses in the area. For more detailed descriptions of the equity areas, see Appendix B.

Figure 4

Six equity areas that are the focus of PLCC's work.



Anti-Displacement Tools and Strategies

This case study spotlights replicable tools and strategies being applied in the Purple Line corridor to support small businesses, and all involve collaboration among PLCC partners, consultants, and staff.

The tools detailed for this case study include:

1. Technical assistance to adapt to change

2. Strong places to support strong businesses

3. State funding to address construction disruption

4. Structured collaboration for amplified impact

Each tool includes a description of how it was conceptualized and put to use along the Purple

Line, its implementation to date, the evaluation of the tool, and recommendations for other small business anti-displacement initiatives seeking to learn from the Purple Line experience.

Tool 1: Technical Assistance

Technical assistance (TA) is a broad tool that can support a variety of small businesses' needs in a major market shift. The PLCC's role in TA has been to connect and coordinate the work of service providers with small businesses in the corridor, raise and align resources to scale TA, and fill capacity gaps with technical consultants.

CONCEPTUALIZATION

The SBAT was initially formed with the idea that high quality TA is a core tool to support businesses, to ensure they are aware of impending shifts in the market and able to adapt (K. Ross, personal communication, August 23, 2022). LEDC and CASA were selected as action team co-chairs because of their mission-based focus on BIPOC and immigrant owned microbusinesses, their hands-on and on-site approach to TA, and their commitment to the Purple Line corridor. Other partners also recognized TA as a foundational tool to ensure small businesses were prepared to access capital, pursue grants, and enter into loans intended to provide relief during Purple Line construction, COVID recovery, and other related challenges.

IMPLEMENTATION TO DATE

Today, LEDC is the lead PLCC member providing TA for storefront businesses. CASA leads outreach to home-based businesses and street vendors, primarily through triage and referrals at their service centers throughout the region (L. Carballo, personal communication, December 15, 2022). Neighborhood-based organizations and small business associations also offer services and strong relationships with the small business community at varying levels of capacity. PLCC facilitates connections between these organizations to ensure coverage, encourage information sharing, limit redundancy, make small businesses aware of partner services available to them, and contextualize efforts within the broader community development ecosystem.

In 2019, a \$5 million JPMorgan Chase PRO Neighborhoods grant funded three regional Community Development Finance Institutions (CDFIs) working in the Purple Line corridor,

Technical Assistance: Key Takeaways

- Technical assistance (TA) is an effective tool, but it is also heavily resource intensive and challenging to scale due to the need for skilled staff and funding.
- Organizations that have a strong reputation and relationships in the community are well-positioned to undertake this work, though organizations with varying levels of expertise, capacity, and track record can also offer TA.
- A coalition like PLCC plays a valuable role in coordinating efforts among partners, identifying service gaps, building trust, structuring collaboration, and providing space for networking.
- Direct TA is recommended for supporting businesses with intensive needs and has proven successful for a range of situations.



Figure 5

When Roxana's Floral in Long Branch was targeted by a website hack, the small business struggled with the time-consuming process of navigating a solution. PLCC partners came together to offer support of various kinds so the business could bounce back from the incident.

including LEDC. The grant prominently framed the PRO Neighborhoods work under the PLCC's umbrella. It was the largest investment in PLCC's mission to date, funding both affordable housing and lending to small businesses. LEDC set a goal to preserve 210 small businesses, and in the first two years of the program made 22 small business loans and provided TA to 155 businesses ([Bogle et al., 2022](#)). Funds from the PRO grant allowed LEDC to scale small business TA from Montgomery County into Prince George's County, a process facilitated in part by the PLCC. (J. Rivas, personal communication, August 20, 2022).

PLCC has also recruited specialized consultants to fill TA capacity gaps where existing organizations are unable to meet an identified need. For example, with federal grant funding from 2020-2022, PLCC hired a retail expert to help businesses adapt their interiors to increase customer appeal. PLCC also hired a marketing consultant, who offered support ranging from Instagram training to temporary social media takeovers for businesses lacking a strong social media presence. Social media TA has proven a strong entry point for businesses to access additional services from partners, due to the clear gap it fills and the quick results it can deliver.

EVIDENCE OF IMPACT

Using grant funding directly to NCSG from 2020-2022, PLCC's partners jointly provided one-on-one TA and workshops to more than 200 small businesses. Anecdotally, the impact has been dramatic, but PLCC struggles to quantify it because TA is a coordinated effort amongst multiple organizations that track and measure impact in different ways and typically have no formal reporting requirements to PLCC. Many funders of TA require only outputs, rather than long-term outcomes such as increased revenue or small business survival through change, given the difficulty of tracking such data (J. Rivas, personal communication, August 30, 2022). Even if TA helps achieve a short-term goal like driving social media growth or resolving a legal issue, its long-term impact on reducing displacement is hard to measure.

Still, businesses value this form of support, and partners share that coordination of TA efforts has increased its effectiveness. By connecting the right partners with the right businesses, challenges ranging from succession, to debt, to unfair lease terms have all been addressed to the satisfaction both of partners and businesses.

Small Businesses Technical Assistance: El Arbol Del Pan Restaurant

Figure 6

Long Branch based El Arbol Del Pan offered fresh-baked pizza, breads, and pastries, but struggled to capture customers. PLCC consultant & Access created new branding and helped re- envision the shop's interior, incorporating marketing concepts like active merchandising to build customer interest. These design concepts were shared with the owners in summer of 2022, along with cost estimates that demonstrated the affordability of investing in such changes.



LOGO



ICON

- Redesign brand to create strong imagery and communicate goods offered
- Consider high contrast interior color palette to help store look occupied through dark windows
- Natural woods lower costs and time to build out, and complement color palette
- Pull brand elements through the interiors (e.g., wooden slats to mirror tree, logo or icon painted throughout interior)
- Actively merchandise areas throughout the store for visual interest

REPLICABILITY AND RECOMMENDATIONS

In the Purple Line corridor, the combination of effective institutional service providers, skilled consulting support to fill service gaps, and a collaborative culture fostered in part by the PLCC, has allowed for greater reach and depth of support to businesses.

When delivering TA, strong and persistent outreach, skilled multilingual staff, and on-site service delivery have proven key success factors. Additional valuable approaches include good record keeping, brevity of the initial service assessment, and provision of easily accessible next steps for business owners (J. Rivas, personal communication, August 30, 2022). Above all, PLCC partners emphasize that relationships and trust with the businesses are key.

"The deeper the relationships in the community, the more people come in."

— *Lindolfo Carballo, Senior Director of Community Economic Development Department, CASA*

"Sometimes you just have to patronize the business—get a haircut, meal or purchase a product—to demonstrate your personal investment in their success. Along with repeated visits and time investment, this ensures you become a familiar face and gain trust."

— *Javier Rivas, former Senior Small Business Development Manager, LEDC*

The work also faces challenges. The level and quality of TA available depends on capacity, skill in meeting the unique needs of microbusinesses, and commitment to PLCC's goals—all of which vary among partners. For PLCC's strongest TA partners, funding to sustain staff to work corridor-wide is limited. The counties have offered crucial funding for TA provision and prioritized Purple Line support, especially during the pandemic. But additional sources of multi-year funding are needed.

Tool 2: Strong Places to Support Strong Businesses

Strong businesses thrive in strong places. PLCC's comprehensive approach to supporting small business in the Purple Line Corridor includes an

emphasis on strong commercial districts in each equity area to ensure the physical, social, and political neighborhood infrastructure supports small businesses. From social media platforms celebrating commercial districts, to placemaking reflecting local neighborhood identities, PLCC adds capacity to local efforts and helps share and scale best practices between commercial areas.

CONCEPTUALIZATION

Prior to the pandemic, space activation and community engagement models such as the [Irrigate Project](#) and [SPARCC Memphis](#) were identified by PLCC as examples of holistic and long-term small business support. Local groups like the LBBL, CKAR, Takoma Langley Crossroads CDA and Northern Gateway CDC had been working to use murals, signage, and other neighborhood-based improvements that celebrate local identities and attract traffic to small businesses.

The pandemic intensified the need to think creatively about outdoor spaces surrounding small businesses. For PLCC, the timing of these shifts aligned with the Small Business Support Action Plan development process, which began just prior to the pandemic. The pandemic lifted up new tools such as [Design for Distancing](#) to drive traffic to local businesses while avoiding indoor crowds, further elevating placemaking as a priority for SBAT as part of its overall plan.

IMPLEMENTATION TO DATE

From 2020-2022, PLCC helped seed new pilots and scale place-based support to small businesses across equity areas in the corridor. PLCC hired a skilled marketing consultant already familiar

Strong Places: Key Takeaways

- Commercial district improvements, including creative use of social media, as well as placemaking, can generate interest that supports all businesses in a commercial district.
- Place-based management models like Main Streets provide a long-term structure for ongoing support to the businesses, but funding is key to success.
- Place-based efforts require staffing.

with the area, who organized community events, and trained junior communications staff at place-based organizations. In partnership with CKAR and building from previous PLCC and UMD efforts to support local restaurants, she helped launch a new Taste of Greater Riverdale Instagram platform spotlighting local restaurants and garnering 1,100 followers in just a few months. The consultant also engaged local media, Yelp, and food bloggers to raise the profiles of local restaurants in equity areas along the Purple Line.

To ensure longevity of these commercial district strategies, PLCC has invested in training and capacity-building for place-based management models such as Main Streets. With a belief that grassroots change needs to be anchored at the local level, PLCC has pushed to ensure that all six equity areas have a trusted local nonprofit or business association to act as a champion for small businesses. With US Economic Development Administration grant funding, PLCC has provided trainings to potential Main Streets organizations on topics such as fundraising, board development, and staffing, working especially closely with four organizations well-positioned to lead place-based management. PLCC has brought experts from Main Street America to train local organizations on the model, organized walking tours of existing Main Streets outside the Purple Line corridor, and led informational webinars with national experts, like Mary Means, the founder of the Main Streets model.

Local placemaking efforts have also benefited from the design capacity of the University of Maryland. In 2022, UMD launched a creative placemaking minor with a stated priority to direct student and faculty design capacity to Purple Line efforts. Over the past three years, three studio projects have generated design concepts for spaces along the Purple Line, as well as pop-up events to engage community and support locally led visions for growth and change. One example of a UMD placemaking project is the [“Ignite Your Taste Buds Tour”](#) in Riverdale, Maryland.

EVIDENCE OF IMPACT

PLCC measures progress primarily through social media engagement and dollars invested in commercial districts. Anecdotally, we know that social media campaigns have also resulted in an immediate increase in traffic to the spotlighted businesses (C. Rytkonen, personal communication, July 15, 2022). As of writing, there were a combined total of 4,700 followers on commercial district promotional platforms in Bonifant, Long Branch, and Riverdale.

PLCC’s work has helped raise funds for place-based management in the past year. An \$800,000 Montgomery County investment in Main Streets, a \$90,000 county investment in Long Branch placemaking, a Community Development Block Grant (CDBG) award to CKAR for place-based

Small Business Social Media Growth Along the Purple Line Corridor

From March-July 2022, the primary firm managing commercial district social media accounts along the Purple Line reported the following results from four commercial district platforms and 12 small businesses (Rosy Owl Creative, 2022).

16
PROFILES
MANAGED

1,080,788
IMPRESSIONS

15,791
TOTAL AUDIENCE

42,615
ENGAGEMENTS

528
POST LINK
CLICKS

1,346
NET AUDIENCE
GROWTH

995
PUBLISHED
POSTS

587,586
VIDEO VIEWS

308,309
REEL VIEWS

small business support, and approval of a new BID for the Northern Gateway championed by state Delegate Deni Taveras are all promising signals that place-based management is taking root. Partners have anecdotally shared that PLCC's work to raise the profile and potential impact of the Main Streets model has helped both grassroots and institutional stakeholders make the case for these investments. Long term impacts of placemaking interventions are harder to measure, and PLCC is only starting on the journey to assess the impact of this work.

REPLICABILITY AND RECOMMENDATIONS

The ability to build strong commercial districts depends on a mix of ingredients, including: (a) an engaged small business community, (b) an organization to anchor the effort, (c) political support, (d) marketing and design talent, and (e) sufficient funding to support staffing and programming. Even when the ingredients are in place, the process of launching a successful place-based initiative can be messy, and in the Purple

Neighborhood Spotlight: Long Branch

The Long Branch neighborhood offers lessons for place-based small business efforts. Over a decade ago, Making Homes Possible (formerly Montgomery Housing Partnership, MHP) hired Paul Grenier to organize small business owners and support neighborhood initiatives in Long Branch. Grenier brought past experience in small business organizing in a neighboring commercial district and was charged with reviving a long defunct business association. He led the launch of the Long Branch Business League (LBBL), a 501c6 of 15-20 small businesses that meet monthly, pay dues, and help drive neighborhood change from the grassroots. He continues to be the only paid staff member for the business league.

Prior to 2020, MHP and the LBBL piloted community events, launched a "Discover Long Branch" shared social media platform, and pushed for improved pedestrian and bike infrastructure. During the pandemic, MHP and the LBBL working with the County, mobilized quickly to transform underutilized parking spaces into attractive outdoor seating. Restaurants like El Gavilan,

servicing Tex-Mex food in the local community since 1990, benefitted from low-cost transformations that protected revenue during the pandemic and are still heavily used today.

Grenier emphasizes the value of investing in small-scale and visible projects that garnered trust with businesses early on. Building on that trust, committed small business owners have invested time and resources to the LBBL and have been drivers in the process of change. Of note, the partnership with MHP, a 501(c)(3), has enabled the LBBL to raise and deploy grant funding to pay for Grenier's time and other costs. According to Grenier, "Unless you have someone on salary by some means or another, helping to keep it together, it's not going to happen. Period."

Grenier emphasized the long-term nature of these commercial district efforts, even after a decade. "It's a process that we're in the middle of. We're very happy to see things that we've improved... but there are a ton of improvements that still need to be addressed."

Figure 7

Before. Photo: Google Maps



Figure 8

After, November 2022.



Line corridor we have yet to be able to measure the long-term impact of this work.

Tool 3: State Funds to Address Construction Disruption

Purple Line construction disrupts operations for many of the businesses in the PLCC's equity areas, posing an existential threat to businesses unable to withstand multiple years of reduced business. The tool developed to address this challenge is a \$2.5M State of Maryland commitment over three years, funding construction disruption grants to businesses with the greatest need. PLCC partners worked in close collaboration with a Purple Line legislator to create the grant program. PLCC partner-led mobilization and advocacy also helped ensure this funding became a reality when funding for the program faced obstacles.

CONCEPTUALIZATION

Even before construction began, the community knew construction would be a challenge for small businesses because the Purple Line travels at grade and through dense commercial areas, meaning construction would close roads and walkways, impact traffic patterns, and affect utilities. When construction began, nonprofits and the public sector quickly mobilized to scale up TA to affected businesses, installing “we’re still open” signage in affected areas and offering other targeted support (K. Ross, personal communication, June 30, 2022).

The need for financial support to supplement those efforts became clearer as construction ramped up in 2017. In particular, a well-organized group of business owners on Bonifant Street in Silver Spring, MD, appealed to Delegate Jheanelle Wilkins for help (J. Wilkins personal communication, September 15, 2022). In 2018, Delegate Wilkins introduced [HB0978](#), which would provide a tax credit to businesses affected by construction. While there had been previous county initiatives to support small businesses impacted by construction disruption from county projects (“[Small Business Assistance](#),” n.d.), there was no precedent at the state level, which meant there was a significant need for education and advocacy to peer legislators. The bill did not pass in 2018, nor when Delegate Wilkins re-introduced it in 2019.

State Funds: Key Takeaways

- Securing public dollars for construction disruption grants requires advocacy that is attuned to the local political environment.
- Small business owners themselves are key champions in that advocacy work.
- Deploying funds equitably requires strong and thoughtful program design, as well as effective outreach mechanisms.

When construction halted in summer of 2020 and long-term construction delays became likely even as businesses faced reduced revenue due to COVID, the urgency of the issue became even more apparent. In the 2020 legislative session, the Maryland General Assembly set aside \$2 million in grants to help businesses impacted by Purple Line construction. The governor had discretion to allocate the funds, and they went unspent. In fall of 2020, Delegate Wilkins and local advocates led a major push for release of the funds, including a press event with small business testimonials ([Byrne, 2020](#)). PLCC helped craft a letter in support of a bill that would begin allocating the funds, and partners circulated it for signatures within their network.

In 2021, Delegate Wilkins was successful in securing \$2.5 million in mandated funding for construction disruption grants. Though initially vetoed by Governor Hogan, community mobilization once again proved essential in garnering support to override the veto. Delegate Wilkins says the engagement of business owners was key to the eventual success of the effort, and that PLCC partner organizations made that engagement possible. Partners like Fenton Village, Discover Bonifant, LEDC, and the City of Takoma Park helped recruit business owner advocates and ensure visibility on the issue and the solution.

IMPLEMENTATION TO DATE

In 2021, businesses became eligible to apply for grants of \$5,000 to off-set disruptions to business associated with Purple Line construction. Those funds were dispersed in late 2021 (J. Rivas, personal communication, November 1, 2021). The remaining \$2 million was made available through

Construction Disruption Spotlight: Bonifant St., Silver Spring



Figure 9

*Construction in front of small businesses.
Photo: Manuel Ochoa*

The future Purple Line passes through the center of Bonifant Street in Silver Spring, in a subarea of downtown called Fenton Village. Fenton Village is home to the majority of Downtown Silver Spring's independent businesses, including cafes, restaurants, and shops. With vehicular and pedestrian traffic limited by construction, businesses were eligible for \$5,000 construction disruption grants to offset losses.

an application process for each county in 2023. Partnerships ensure these grants reach the businesses most in need. Montgomery County and LEDC have both administered grants, and LEDC served as lead TA provider for the grants being distributed by FSC First in Prince George's County. LEDC's experience disseminating funds and conducting outreach to small businesses has helped with fund distribution. LEDC has also depended on relationships with other PLCC SBAT members who have trusted, neighborhood-based relationships to help get word out about the grants.

EVIDENCE OF IMPACT

Success is measured by how much money the community is able to secure in construction disruption support, and whether those funds are sufficient to prevent businesses from closing. A partner shared that even the modest \$5,000 grants the businesses received with the first tranche of funds provided "an infusion of capital" that helped cover rent and basic operating expenses while businesses are struggling (J. Rivas, personal communication, August 30, 2022).

Another metric is successful and equitable distribution of available dollars. Of the \$500,000 allocated in 2021, all available \$5,000 grants were released to affected small businesses. As of June 2023, the second tranche of funds are actively being distributed. Distribution of funds has faced some challenges, with the burden of application paperwork falling on businesses.

The ultimate metric – whether these grants will enable businesses to survive construction disruptions – is hard to assess given that construction is ongoing, and that the causes of turbulence in retail environments right now extend beyond construction disruption. In light of overlapping challenges, these grants are only a small part of the picture of anti-displacement interventions. However, many of the businesses that received funds are still operating now.

Finally, the effort was also formative in shaping PLCC's role in the policy arena. The successful engagement of community partners to mobilize small business advocates demonstrated that PLCC can add credibility and a collective gravitas to policy discussions.

REPLICABILITY AND RECOMMENDATIONS

Based on the Purple Line experience, a successful construction disruption grant program requires strong legislative champions, an engaged small business community, and thoughtful design of grant requirements and outreach strategy to achieve equitable impact. Challenges in creating such a program include scaling resources to meet the true need, which may be unpredictable. In the case of the Purple Line, construction delays of 4+ years have meant growing need without an increase in funds. Challenges in fund distribution include the tension between creating a simple and streamlined application process and targeting resources toward businesses with demonstrable construction-related losses.

For PLCC, the kind of advocacy that led to the creation of the construction disruption fund continues to be a complex endeavor. PLCC's position at UMD lends unparalleled credibility to the coalition's name. But taking specific advocacy positions is often not possible for a project housed within a public university. Partner-led advocacy continues to be crucial to PLCC's mobilization efforts.

Tool 4: Structured Collaboration for Amplified Impact

The final tool studied here is the use of a coalition in itself—how an organization driven by partnerships can facilitate efficient, effective change in support of small businesses in the community. PLCC brings diverse voices together to shape and implement a shared agenda that is larger than the sum of its parts.

Structured Collaboration: Key Takeaways

- Structured collaboration - whether it takes the form of a coalition or another framework - is well suited to the many potential approaches to small business preservation and support.
- There is a need for dedicated funding for the work of collaboration and collective impact.

CONCEPTUALIZATION

PLCC's founding built on momentum from CASA's local community organizing around displacement concerns following the announcement of the Purple Line. Gerrit Knaap, former Executive Director of NCSG and a professor in UMD's School of Architecture and Planning, had a longstanding relationship with CASA and wanted to offer support. Inspired by new TOD collaboratives in other parts of the country, Knaap approached CASA and proposed the formation of a collaborative. Enterprise Community Partners, Montgomery County, and Prince George's County joined CASA and NCSG as founding partners, with seed funding from the Maryland Transit Administration, and with an eye towards large-scale collaboration.

Collective impact ([Kania & Kramer, 2011](#)) presented a useful framework for operationalizing the complex goals of the CDA, described in the introduction. The creation of various stakeholder tables, including the SBAT, mirrored the organization of collective impact efforts nationally, and the partners at the table proved highly committed to the work of collaboration.

PLCC's coordinating role has also helped ensure a greater collective commitment to equity. Explicit commitments to racial equity made by the PLCC, especially since 2019, have impacted all the coalition's work and, by extension, the work of member organizations. One outcome of these evolving commitments was the decision to focus on the six equity areas and push for partner-led services and investment in these areas.

IMPLEMENTATION TO DATE

PLCC's work happens through a variety of connection points, including large group meetings that happen 3-4 times per year. At these meetings, 20+ partners share updates, discuss goals and challenges, and make commitments to work on joint projects between the larger meetings. PLCC also creates opportunities for learning and small group collaboration throughout the year, including walking tours, webinars, and working groups.

Funding is key to coordination. PLCC staff and consultants dedicate a great deal of time to raising and aligning resources to advance the work. This includes educating public officials on priorities, such as Main Streets, to encourage investment in projects and partners throughout PLCC's network. It also includes encouraging partners to apply for funding opportunities, and sometimes offering support letters or even direct help in crafting

Collaboration Spotlight: Queensway Restaurant

Queensway Restaurant has fed the community for 26 years. The restaurant is housed in Riverdale Plaza, steps from a Purple Line station. Tinu Ogunsalu, the owner, wants to stay in the community.

During an outreach visit to Queensway Restaurant, a PLCC consultant learned that the business had been operating without air conditioning and in a severely deteriorated building. It appeared that the owner was actively disinvesting in the property. The consultant flagged the case for further PLCC discussion, leading to a walk-through with area business owners, partners, PLCC staff, and additional

consultants. The visit revealed that a municipal code enforcement policy had recently been extended to cover commercial properties, which can also benefit other businesses. It also led to information sharing within the SBAT about state and county programs that may be useful to Tinu.

As of fall of 2022, some cleanup had taken place at this commercial plaza. However, the displacement risk persists. PLCC is forming a loose real estate working group to understand the financial, policy, and development mechanisms available to support Queensway Restaurant and other businesses in similar situations.

Figure 10

Owner Tinu Ogunsalu.
Photo: Catherine Rytkonen



Figure 12

West African fare at Queensway.
Photo: Catherine Rytkonen



Figure 11

Building deterioration.
Photo: Catherine Rytkonen



Figure 13

At an Old Takoma Main Streets walking tour organized by PLCC in fall 2021, various partners spoke with Main Streets leaders and small business owners about the operation of a successful Main Street organization. Photo: Catherine Rytkenon



proposals. PLCC staff also work to raise funds for the backbone operation, to ensure a continued space for structured collaboration.

EVIDENCE OF IMPACT

PLCC relies on a small selection of metrics to capture shared progress—including progress on the other tools described in this case study, level, and type of participation in meetings, amount of investment secured in the coalition’s goals, and success of policy and advocacy efforts.

Ideally, the coalition would also rely on community-level data to track holistic progress, which

presents a challenge and an opportunity for the coalition. Because PLCC is situated within NCSG, the coalition can tap into the data capacity of university researchers. NCSG created a Purple Line data dashboard (“[Purple Line Corridor Data Dashboard](#),” n.d.), which captures community-level data points that help practitioners understand the larger landscape connected to their Purple Line work. However, the public data currently available on the state of small business is limited. NCSG is working to encourage local jurisdictions to collect more granular data—for example, including a question about owner’s race in business licensing applications.

"What is unique about PLCC from a service provider perspective is that it's rare that you have a lens into what everyone is doing. We're all able to maximize on the strengths of the other players. I've rarely been in a scenario where it works that way, and I think there is an X factor to the PLCC that is very impactful for the end beneficiaries of the work we are trying to push forward."

—Marla Bilonick, former Executive Director of LEDC, current President & CEO at National Association for Latino Community Asset Builders

REPLICABILITY AND RECOMMENDATIONS

According to Ross, several ingredients are key to PLCC's success in facilitating effective and authentic collaboration. These include: a) recruiting trusted partners at the outset, who can attract other partners to the work and create a ripple effect; b) investing time and capacity to build trust with and among the partners; c) identifying clear challenges and goals that are bigger than any one organization can achieve, in order to build a shared understanding of the value of collaboration; d) creating specific action commitments to achieve

both short-term wins and long-term impact; and e) creating ongoing opportunities for group communication to assess progress, identify gaps to be filled, and respond to changing conditions.

There are areas of growth for the coalition moving forward. PLCC could expand its umbrella by cultivating more high-capacity partners, investors, and community groups. PLCC is also working to recruit more small business owners to contribute to and influence this work. By continuing to bring in more perspectives and more advocates, the work will grow not only in its scale but in its depth.

Analysis and Recommendations

The PLCC case study gives two kinds of insight: insight into the tools deployed by community organizations in the Purple Line corridor, and insight into the role of this coalition. PLCC is a case study in how to leverage coalition-building as a tool to drive equity and promote conscious placemaking during a moment of change.

A core foundation of this work is the conscious commitment of partner organizations to a set of shared goals, and the resulting alignment of many organizations working to make the Purple Line a positive inflection point for the community. Coalition members are also known to have their own separate missions or tactics that are not always in alignment with each other. PLCC creates a unique space to find common ground.

The tools reflected in this case study are all effective components of supporting at-risk small businesses in this region and show promise for other communities. Each is also further enhanced by the existence of a coalition that looks at any given organization's work with a fuller view and an eye towards ensuring no one is left behind. Following are a few key lessons for others seeking to draw lessons from PLCC.

Geographic Considerations

Target efforts where they will have the most impact. The Purple Line transit "corridor" is an informal geography defined by the transit project rather than formal political boundaries, crossing two counties, six municipalities, and dozens of neighborhoods. PLCC is the only entity coordinating equitable development across the bi-county area, which has repeatedly been identified as value add that the coalition brings. However,

the breadth of this geography is a challenge. Given the diversity and sheer size of the 16-mile corridor, PLCC's decision to focus on six equity areas for its small business work has allowed a greater level of focus. Even with this decision, the work of collaboration is significant.

Organizational Considerations

Funding is key. Those looking to replicate the collaborative work of PLCC should be prepared to invest in the coalition itself, as staffing is required to operate a hub that can drive continued alignment and collaboration. Funds to support both the backbone organization and partner-led work have been insufficient to meet the need, with nonprofits relying largely on modest year-to-year grants and contracts. Fundraising requires investment of time to build ongoing funder relationships – which still may not yield funds at scale. Multi-year funding for such small business initiatives is in scarce supply, and the indirect and long-term nature of such work may not appeal to funders who measure their success on short-term outcomes.

Invest in skilled capacity. To build a collaborative culture, staff must be skilled in facilitation and the difficult work of building trust among many stakeholders. Identifying an evaluation strategy early on and investing in data capacity also helps set a coalition up for success. This is an ongoing challenge for PLCC, even being situated in a world-class research center.

Build trust with businesses. Microbusinesses have limited capacity to follow and keep up with anticipated changes that the Purple Line might bring. Having partners and/or staff who can build

trust with business owners over time creates opportunity to ensure businesses are prepared to adapt to change, able to engage in advocacy, and ideally be the drivers of change.

Build local capacity. An ideal outcome of the work of PLCC is to obviate the need for a coalition. Organization-based capacity to lead this work has been limited to a handful of organizations that grapple with funding and competing strategic priorities, and PLCC has leaned heavily on consultants to drive short-term needs forward. It is a strategic goal for the coalition to cede leadership of on-the-ground efforts to local organizations, and to invest in local leadership and capacity for effective small business support. Case-making to local organizations, funders, public officials, and others to achieve this vision has been an important part of PLCC's work.

Political Considerations

Find a balanced approach to transit-oriented development. As smart growth advocacy and pro-development policies converge on the Purple Line corridor, there is a tension between the slow-boil, community-led placemaking visions being built at the grassroots level – and the potential for sudden and radical changes in the built environment. PLCC is increasingly challenged with finding ways to integrate and align sometimes competing pushes for density near transit, new affordable housing construction, and new neighborhood investment alongside the need for stability for existing small businesses and community-driven placemaking.

Advocacy capacity is key. Local advocacy capacity is critical to achieving systemic change, and a coalition framework can be helpful in bringing together voices to support effective public decision making. PLCC, although not a lobbying entity in and of itself, has found creative ways to coordinate the work of advocates around a common Purple Line agenda.

Find public sector champions. PLCC is unique among collaboratives in its inclusion of public agencies and elected officials as part of the leadership of the coalition. County Councilmembers have been vocal champions for many of PLCC's goals, working across counties in ways that would be unlikely without the presence of PLCC. However, there is sometimes difficulty in

identifying clear pathways to progress at various levels of government. Without a single agency committed to the breadth of issues affecting small business, PLCC partners must seek support from multiple local and state agencies whose primary missions span economic development, housing and community development, planning, transit, and other areas. In some cases, we have seen strong leadership and great success. But in other cases, we fall short, unable to identify public sector champions to lead the charge on addressing contentious questions like rising commercial rents. PLCC's ongoing work includes building interest in and continued energy for this work within government, which is key to achieving scale.

Looking Ahead

Looking ahead, PLCC is examining the opportunities presented by a new governor in Maryland. The coalition is looking at statewide synergies—including the revival of Baltimore's red line transit project—to attract new attention, resources, and support to equitable TOD. There have also been changes in leadership within County Councils, with several new leaders in 2023 seeking to build their agendas. With this new energy, PLCC is setting its sights on big, systemic goals, such as protecting affordable commercial spaces.

PLCC's work to align disparate voices around a common equity agenda helps address a critical gap in the planning of infrastructure projects. With at least four years ahead until the Purple Line is fully operational, the coalition is working with urgency to raise significant funds across the network, advance effective public policy, and ensure that the community has done everything it can to bring equitable outcomes for the project. ●

REFERENCES

- Avenancio-Leon, C., & Hacamo, I. (2021, February 23). [Why Black and Hispanic small-business owners have been so badly hit in the pandemic recession](#). The Conversation.
- Bogle, M., Gwam, P., Park, J., Nunna, T. (2022, April 6). [Year 2 Evaluation of the PRO Neighborhoods Purple Line Collaborative](#). Urban Institute.
- Bohnel, S. (2022, June 2). [Council approves Silver Spring Business Improvement District](#). Bethesda Magazine & Bethesda Beat.
- Bolan Smart Associates, Inc. (2015, March). [MARKET ANALYSIS BROOKVILLE ROAD](#).
- Byrne, D. (2020, November 3). [Lawmakers Call on Hogan to Provide \\$2 Million for Businesses Along Purple Line](#). Montgomery Community Media.
- Duncan, R. L. (2021). [FISCAL AND POLICY NOTE Enrolled - Revised: House Bill 114](#). Department of Legislative Services Maryland General Assembly 2021 Session.
- El Gavilan. (2020, June 30). [Discover Long Branch](#). [Enterprise Zone Tax Credit \(EZ\)](#). (n.d.). Maryland Department of Commerce.
- Fairlie, R. W., & Robb, A. M. (2010, January). [Disparities in Capital Access between Minority and Non-Minority-Owned Businesses: The Troubling Reality of Capital Limitations Faced by MBEs](#). U.S. Department of Commerce, Minority Business Development Agency.
- Fawley-King, T. (2021, August 27). [The Future for Montgomery County's Industrial Lands](#). The Third Place.
- Feola, C. (2002, July 6). [Langley Park: "Maryland's International Corridor."](#) Washington Post.
- Finio, N. (2023). Gentrification and Business Closures in Maryland's Purple Line Corridor. Journal of Planning Education and Research, 0(0). <https://doi.org/10.1177/0739456X231187119>
- Hogan, L. J. (2021, May 28). [Veto Message from the Governor of Maryland for House Bill 114 and Senate Bill 199](#). In Maryland General Assembly.
- Google Maps. (n.d.).[El Gavilan without outdoor seating]. Retrieved September 13, 2022.
- [Legislation - HB0313](#). (2020, February 3). Maryland General Assembly.
- Kania, J., & Kramer, M. (2011). [Collective Impact](#). Stanford Social Innovation Review.
- Maryland Department of Transportation. (n.d.). [Purple Line Transit Map](#). Maryland Transit Administration.
- Maryland-National Park and Planning Commission. (2009, November). [Approved Takoma/Langley Crossroads Sector Plan](#). Prince George's County Planning Department.
- Maryland-National Capital Park and Planning Commission. (2017, November 14). [The Approved East Riverdale-Beacon Heights Sector Plan](#) [Video]. Youtube.
- Montgomery County Office of Management and Budget. (n.d.). [Long Branch Town Center Redevelopment](#). Montgomery County MD Government, Capital Budget and Capital Improvements Program.
- Montgomery County Planning Department. (2013, November). [Approved and Adopted Long Branch Sector Plan](#). MontgomeryPlanning.org.
- [Northern Gateway](#). (n.d.). Prince George's County Council Legislative Branch.
- Northern Gateway CDC. (2018, October). [Northern Gateway Revitalization \[Powerpoint\]](#). Prince George's County Council.
- Ochoa, M. (2020). [Purple Line Small Business Strategy 2020](#). Purple Line Corridor Coalition, purplelinecorridor.org.
- Partners for Economic Solutions. (2021, February 19). [Downtown Silver Spring Retail and Office Market Conditions](#).
- Purple Line Corridor Coalition. (2019). [Purple Line Corridor Coalition Housing Action Plan 2019-2020](#).
- Purple Line Corridor Coalition. (2020, November 16). [2020 Progress Report](#). Purple Line Corridor Coalition, purplelinecorridor.org.
- Purple Line Corridor Coalition. (n.d.). [Small Business Support Action Plan 2021-2022](#). Purple Line Corridor Coalition, purplelinecorridor.org.
- [Purple Line Corridor Data Dashboard](#). (n.d.). Purple Line Corridor Coalition.
- [Small Business Assistance Program \(SBAP\)](#). (n.d.). Montgomery County MD Government, Department of Finance.
- Somashekhar, S., Rivas, J., Gillis, C., Ochoa, M., & Rytkenon, C. (2022). MM5 2022 Purple Line Corridor Coalition panel slides [Slide show; Powerpoint].
- U.S. Census Bureau. (2022, September 1). [Household Income \[Dataset\]](#). Maryland State Archives.

APPENDIX A: PLCC STAKEHOLDERS

A list of PLCC's Steering Committee Members [can be found here](#).

The SBAT includes:

- Representatives from Montgomery County and Prince George's County economic development departments and other county staff;
- Small business service organizations such as the Small Business Development Center (SBDC) and the small business lending-focused FSC First;
- Neighborhood-based organizations such as Central Kenilworth Avenue Revitalization CDC (CKAR) and Northern Gateway CDC;
- Public entities such as Takoma-Langley Crossroads Community Development Authority and the Silver Spring Urban District;
- Business associations such as Fenton Village and Long Branch Business League;
- Small business owners;
- and the municipal economic development departments of the City of College Park and the City of Takoma Park ([PLCC, n.d.](#)).

APPENDIX B: DESCRIPTIONS OF EQUITY AREAS

The following descriptions of the six equity areas capture the formalized development context, as reflected in sector plans for these areas, and the locally-based organizational capacity that is key to PLCC's approach to collective change:

1. Greater Riverdale

The Greater Riverdale area is a loose collection of neighborhoods near the eastern end of the Purple Line route. A Prince George's County sector plan for East Riverdale-Beacon Heights describes the built environment as largely unchanged over the last 50-60 years, though prior plans called for changes that would evolve housing, retail, and office spaces. Commercial and retail businesses are mainly situated along Kenilworth Avenue and a second dense strip just south of East-West Highway, with the remainder of the area as housing and suburban office buildings.

With three Purple Line stations planned in this area, much of the sector plan is dedicated to re-envisioning the area once the Purple Line is in place, including themes around mixed use redevelopment and easier mobility within areas around stations and between commercial and residential areas ([Maryland-National Capital Park and Planning Commission, 2017](#)). Groups like [Greater Riverdale Thrives](#), [Central Kenilworth Avenue Revitalization CDC](#), [Centro de Apoyo Familiar](#), as well as numerous faith and community leaders are delivering essential services while mobilizing the community in support of inclusive redevelopment visions.

2. Northern Gateway/Langley Park/Hyattsville

The Northern Gateway/Langley Park/Hyattsville area includes the most densely populated parts of Prince George's County. While the "International Corridor" includes a number of these PLCC equity areas ([Feola, 2002](#)), this area also includes Prince George's County's greatest number of foreign-born residents, reflected in the small businesses located in the area. (["Northern Gateway", n.d.](#))

Three Purple Line stops here will serve a large residential population, as well as retail businesses largely housed in strip malls along University Boulevard, Adelphi Road, and Riggs Road. The

neighborhood has experimented with community-level marketing support ([Northern Gateway CDC, 2018](#)). With a mission to “increase the quality of life for residents and economic potential of small businesses in our community,” [Northern Gateway CDC](#) has supported placemaking efforts in the area. Legislation approving a business improvement district (BID) for the Northern Gateway passed in late 2022, which could increase local capacity, but—as with any BID—also carries the potential to exacerbate gentrification. Further, with its roots in Langley Park, CASA is active in community organizing and service delivery in the area, as are several other organizations, such as the Langley Park Civic Association.

3. Takoma/Langley Crossroads

Takoma/Langley Crossroads sits at the nexus of Prince George’s County, Montgomery County, and the City of Takoma Park, with two planned Purple Line stations. With a combination of low-density strip commercial complexes and housing, the area’s businesses share a multicultural diversity common to many of the PLCC’s equity areas.

A 2009 sector plan for the area calls for a more pedestrian-friendly neighborhood that preserves cultural diversity while making improvements like a mixed-use center, replacing some of the physically aging structures in the area. ([Maryland-National Capital Park and Planning Commission, 2009](#)) Takoma Langley Crossroads Development Authority—a 501(c)6 business association founded by the City of Takoma Park—represents nearly 200 businesses and property owners in the Montgomery County side of the area. Many of the organizations active in Prince George’s County/Northern Gateway area are also active here.

4. Long Branch

With not one but two Purple Line stations with commercial activity in the area, the arrival of the Purple Line is a key part of the planned redevelopment of Long Branch through the Long Branch Sector Plan. Designated as a revitalization area by Montgomery County in 2014, and as an Enterprise Zone by the state of Maryland in 2013 (“[Long Branch](#),” n.d.) ([Maryland Department of Commerce, n.d.](#)), the neighborhood is receiving significant investment focused on making the neighborhood “a denser, mixed use, transit-oriented, and pedestrian-friendly place” ([Montgomery County Planning Department, 2013](#)).

In Long Branch, the challenge becomes how to leverage the arrival of the Purple Line to connect two separate commercial areas, enhance streetscapes and facades to build on an already strong neighborhood character, and ensure redevelopment is supportive of grassroots visions for change. The question of affordable housing is also an ongoing challenge, with many garden style apartments offering market rate affordability to primarily immigrant households. Montgomery Housing Partnership (MHP) has been proactively generating investment in the neighborhood to ensure long-term affordable housing, small business preservation, and placemaking that is driven at the neighborhood level. The [Long Branch Business League](#), staffed by MHP, has been organizing small business owners for over a decade. Local groups like [CHEER](#) and Action in Montgomery are organizing tenants and community residents around housing and other community development goals.

5. Bonifant Street/Fenton Village in Downtown Silver Spring

Located in downtown Silver Spring, MD, Bonifant Street, and the larger Fenton Village area are characterized by having the highest density of small, independent businesses. Over half (50.7%) of downtown Silver Spring’s independent retail businesses are located in Fenton Village, which also boasts downtown Silver Spring’s lowest retail vacancy rate (4.9%). With smaller spaces in older buildings not owned by major management or property development firms, rents are comparatively low, influencing both the low vacancy rate and the prevalence of legacy businesses ([Partners for Economic Solutions, 2021](#)).

The downtown Silver Spring area experienced a major County-led redevelopment in the early 2000s, with new investment that brought rapid change and accompanying displacement. The remaining independent businesses have built a strong and tight network, organized through the Fenton Village Inc. business association. With the Purple Line passing directly down Bonifant Street, businesses that took a hit during construction will rapidly be occupying “prime real estate” just steps away from the Purple Line station at the Silver Spring library, potentially leaving them unable to absorb increased costs during a second wave of gentrification. MHP, with support from the County, has also made a place-based commitment to Bonifant Street, with current priority to assist businesses struggling with construction disruption.

6. Brookville Road Business District

The commercial area on Brookville Road in Lyttonsville, among the last remaining light industrial zones inside the Beltway in the D.C. area, employs roughly 6,100 individuals. The total increase of visitors to the area with the arrival of the Purple Line is estimated to be moderate, and while there is value associated with preserving what is one of the few light industrial sites remaining in Montgomery County, a 2015 report does not anticipate long term shifts on the basis of the new transit. The report cites other nearby retail and commercial areas as reasons retail presence in Brookville Road are likely to remain “very limited.” ([Bolan Smart Associates, 2015](#)) However, there is a low commercial vacancy rate ([Fawley-King, 2021](#)) and the uses of commercial spaces are increasingly non-industrial—for example, a gymnastics school and a winery. There is some history of local business owners coming together to help drive local change. But there has been no robust, organized effort to date, other than the creation of a now-dated website for the commercial district.

APPENDIX C: CASE STUDY INTERVIEWEES

Lindolfo Carballo, CASA

Josefina Estrada, CASA

Paul Grenier, Long Branch Business League/
Montgomery Housing Partnership

Patricia Parker, Central Kenilworth Avenue
Revitalization CDC

Javier Rivas, Latino Economic Development Center

Kim Ross, PLCC Consultant

Jheanelle Wilkins, Maryland State Delegate

CHAPTER 5

Campaigning for Inclusive Redevelopment in London's "Latin Quarter"

Santiago Peluffo Soneyra | Co-Director
Sarah Goldzweig | Project Officer

Latin Elephant
Hampton St
London, SE17 3AN, UK

ACKNOWLEDGEMENTS

We would like to thank the individual traders and grassroots campaigners who agreed to be interviewed for this case study. Also, we extend our appreciation to the Latin Elephant Team: Patria Román Velázquez, for her unconditional support, Sarah Goldzweig and Sophie Wall for their time and effort, Natalia Pérez for her leadership, and Santiago Peluffo Soneyra for his commitment.

Finally, a big thank you to SBAN and the University of Maryland for funding this project.

For further information about this case study, please contact:

Santiago Peluffo Soneyra,
santiago@latinelephant.org

Executive Summary

This case study analyzes the set of tools and strategies implemented by London-based charity Latin Elephant over the past eight years of community work and campaigning for inclusive developments in the neighborhood of Elephant and Castle in South London, United Kingdom. In Elephant and Castle, a vast majority of small independent businesses and locals are of Black, Brown, Latin American or other BIPOC or immigrant backgrounds, and vendors in the neighborhood have been the target of commercial eviction in an increasingly gentrified area.

Latin Elephant is a non-profit organization that promotes the inclusion of BIPOC and migrant communities by increasing their representation and engagement in regeneration processes across the metropolitan area of London, UK. As an organization deeply rooted in the London Borough of Southwark, Latin Elephant has partnered with several other local grassroots organizations with

deep connections in the area and a long history of campaigning for inclusive developments.

The London Borough of Southwark, in which Elephant and Castle is located, has a very significant proportion of Black, Brown, and other racialized or migrant residents, with 46% of the borough of a migrant and/or ethnically marginalized background (London Borough of Southwark, 2017), compared to London (41%) and the UK (14%) (Office of National Statistics, 2011). Southwark is the London borough with the second highest number of Latin Americans, representing 9% of the total population, only surpassed by the London Borough of Lambeth with 10% (McIlwaine & Bunge, 2016).

Introduction

In this case study, we will shed light on key lessons learned over eight years of community work and campaigning for inclusive developments in the abovementioned area in South London, where a vast majority of small independent business owners and locals are Black, Brown, Latin American and from other BIPOC or migrant communities (King et al., 2018; Román-Velázquez et al., 2021). These communities have a long history of trading and community-building in the area and have been the target of commercial eviction in one of the fastest gentrifying areas in the UK's capital.

This case study will present a comprehensive package of anti-displacement strategies and tools used throughout years of advocacy work and campaigning, under the label *inclusive engagement of diverse communities*. These are also intended as a knowledge-sharing exercise for other organizations around the globe working with BIPOC and migrant communities at risk of commercial displacement in gentrifying areas.

These anti-displacement strategies—used by a coalition of local groups—have been implemented to benefit the local community of independent traders affected by so-called regeneration. We look specifically at the disproportionate impact of regeneration on these communities, as well as the way in which our work has engaged local traders despite

the majority coming from disadvantaged backgrounds. We also analyze the extent to which these tools have been successful.

The length of the regeneration process at Elephant and Castle, together with the lack of accountability and little consultation from the local authority and developers, has posed a serious threat to existing local businesses (Goldzweig et al., 2023). These factors have fostered a certain apathy amongst traders who have been unable to make decisions about their futures. Rent increases and the ongoing threat of displacement have meant many traders continue to be concerned about the future of their family businesses in an area that has had a Latin American population for nearly 30 years (Román-Velázquez & Hill, 2016).

There are also fears about the changing demographics in the area—impacted by an influx of new residents of expensive homes in the new development—which has caused distress among traders who feel their businesses no longer ‘fit’ in the area. There are also serious concerns about the potential disruption of the social fabric.



The length of the regeneration process at Elephant and Castle neighborhood, together with the lack of accountability and little consultation from the local authority and developers, has posed a serious threat to existing local businesses.”

Case Study Approach

Following several SBAN meetings, as well as team meetings with Latin Elephant colleagues, Santiago Peluffo Soneyra (project leader) and Sarah Goldzweig (main research assistant) discussed data gathering approaches as well as questionnaire design to understand some of the following issues:

- What is this case study intending to demonstrate?
- What were the different strategies applied for preventing displacement/ gentrification in the area?
- Why is advancing anti-displacement policy and practise important in this geographic area of focus for the case study?
- What are the major challenges and impediments to the small businesses in the geographic area of focus for the case study to which it is contributing?

- What successes were made possible only because of (or specifically because of) widespread involvement in the campaign?

Based on these questions, we started planning, organizing, and executing the research strategy. Santiago and Sarah, with the assistance of Sophie Wall, conducted a series of semi-structured interviews with local vendors affected by gentrification and representatives from local organizations whose support was fundamental to the campaign. Additional sources of information included direct observation, informal conversation, document analysis and past organizational reports.

Figure 1

Latin Elephant members voicing collective concerns.



Leading Organization

Latin Elephant advocates for the rights of small, independent traders in the London Borough of Southwark, and represents around 150 Latin American, migrant, and ethnically diverse businesses spread across several relocation sites following their commercial displacement in 2020; it also specifically serves the interest of [the Latin American community](#) (9% of the Borough's population; see McIlwaine & Bunge, 2016).

Over years of campaigning and advocacy work, we have developed strong partnerships and referral networks with organizations locally and across London and the United Kingdom. In this case study, we would like to additionally highlight the work of [35% Campaign](#) and [Southwark Law Centre](#). Latin Elephant's work spans three main areas: (1) research and advocacy, (2) supporting migrant and ethnic businesses and (3) community engagement, expounded upon below.

Research and Advocacy

Latin Elephant works with 150 local BIPOC vendors and over 10 regional and local organizations who represent residents and support the retention, growth, and sustainability of migrant and ethnic economies. We do so by:

- Engaging in research to generate evidence about the needs of migrant and ethnically marginalized traders affected by regeneration and respond to policy consultations and planning applications.
- Advocating for the contribution that migrant and ethnic economies make to London's diverse economies and cultures, and for their recognition in the London Plan and in borough initiatives.
- Facilitating channels of communication between retailers, Southwark Council, the Greater London Authority, other local organizations, and developers, and encouraging attendance at consultation events,

workshops, and conferences to raise awareness of the needs of Latin American and migrant and ethnically minoritized communities.

Supporting Migrant and Ethnic Businesses

Latin Elephant works to increase the inclusion, engagement, and participation of migrant and ethnically marginalized groups in local government forums and increase the skills and confidence of traders at risk of displacement. We do so by supporting local vendors affected by so-called 'regeneration' by informing infrastructure, community practice, urban policy, and service delivery in regeneration programmes across London. We work alongside local organizations, academics and think tanks to present a strong evidence-based case about the needs of affected populations.

COMMUNITY ENGAGEMENT

Latin Elephant organizes activities that bring different communities together and increase awareness and use of public spaces where migrant and ethnically marginalized communities are often underrepresented. Activities include workshops, walks, talks, and activities that contribute to marginalized groups' inclusion and sense of belonging in the areas in which they live.

We also collaborate with artists and local groups to inform and take forward collective actions about urban changes. Five hundred people directly benefit from workshops, exhibitions, meetings, and talks with outreach via social media reaching over 6,000 people at any one time.

Neighborhood Context

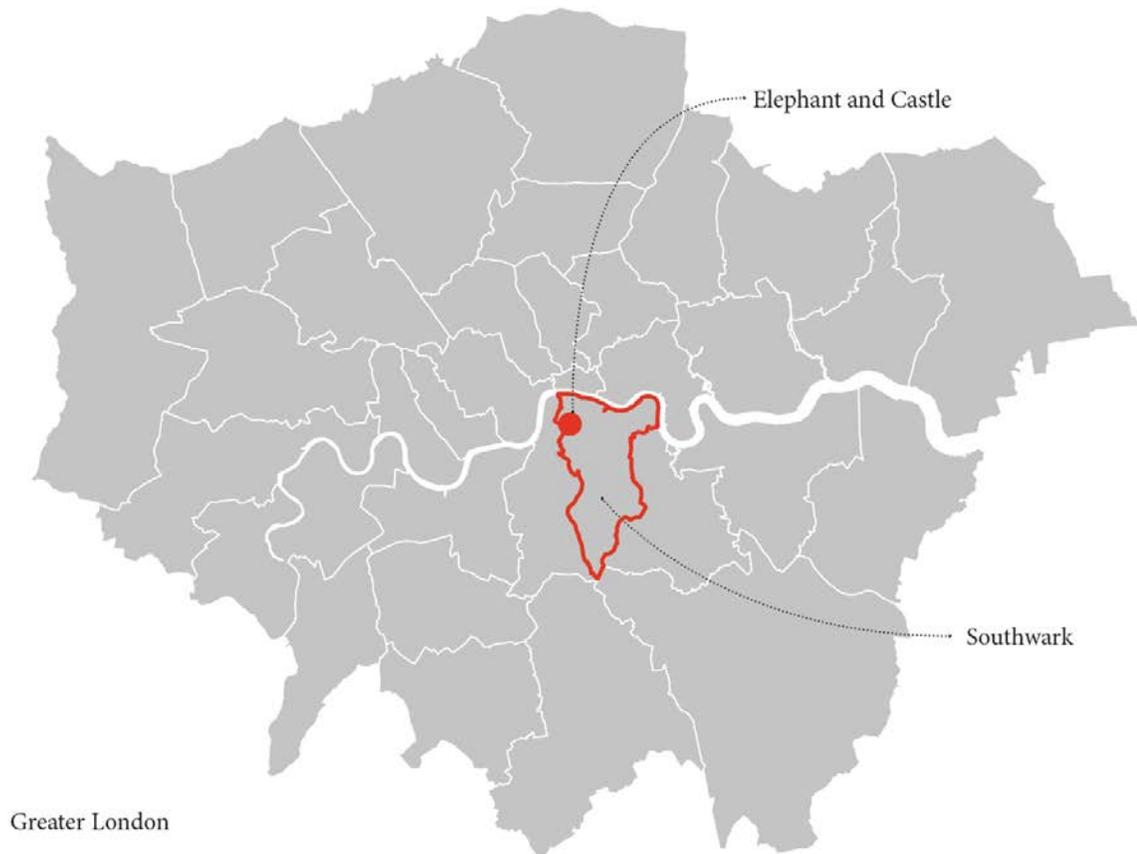
Elephant and Castle, LB Southwark, United Kingdom

As a neighborhood, Southwark has a very significant proportion of Black, Brown, and other racialized or migrant residents, with 46% belonging to a migrant and/or ethnically marginalized background (London Borough of Southwark, 2017), compared with London (41%) and the UK (14%) (Office of National Statistics, 2011). Southwark is the London borough with the second highest number of Latin Americans, representing 9% of the borough's total population; it is only surpassed by the London Borough of Lambeth (10%) (McIlwaine & Bunge, 2016).

This must also be contextualised at a regional level: Latin Americans are the second fastest growing non-EU migrant population in the city. According to research that analyzes the most recent (fully published) census of 2011, two-thirds of Latin Americans in the UK have arrived since 2000 and represent the eighth largest non-UK born population in London (McIlwaine et al., 2016). Although employment rates are high at 70%, with 90% of working age, around half work in low-paid, elementary service, caring, and processing jobs with marked concentrations in the cleaning sector (McIlwaine et al., 2011; McIlwaine et al., 2016). This is despite half of Latin Americans having some form of university-level education (McIlwaine & Bunge, 2016). According to an earlier

Figure 3

Elephant and Castle's location within London. Image: Petit Elephant



study drawing on a survey with over 1000 Latin Americans in London, 11% earned less than the National Minimum Wage, a proportion which is 10 times higher than the national rate, with around half earning less than the London Living Wage (McIlwaine et al., 2011).

Economically, socially, and culturally, Elephant and Castle has served as a hub for the Latin American community. Latin American retailers started setting up businesses in Elephant and Castle at the beginning of the 1990s and over the years, have transformed the area and, in the process, contributed to a distinctive 'Latin Quarter' (Román-Velázquez, 1999; Román-Velázquez & Hill, 2016). Indeed, research found that 85% of Latin Americans in London visited Latin American shopping areas such as Elephant and Castle (McIlwaine et al., 2011). This includes visiting restaurants, buying cooking ingredients, and sending money home; indeed, 70% of Latin Americans who remitted money did so from Latin American service points (McIlwaine et al., 2011).

Context of Gentrification: 'Regeneration'

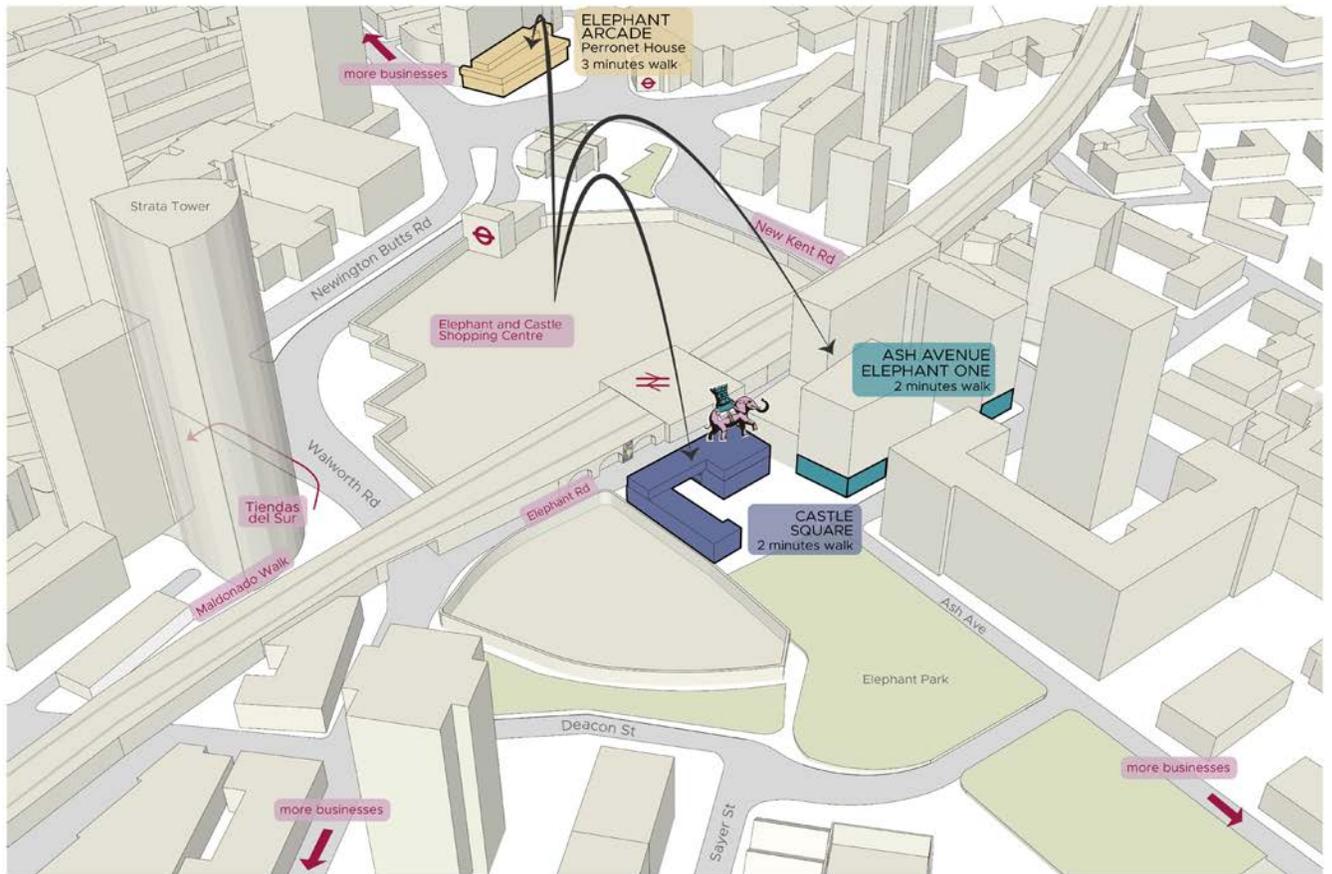
So-called regeneration in London is aggressively expanding in low-income boroughs where there is a high proportion of diverse ethnic populations (Román-Velázquez & Hill, 2016; Runnymede Trust, 2021). As a key component in a growing social movement that strategically builds power around housing and retail gentrification, Latin Elephant has raised awareness about the systemic root causes of BIPOC communities' urban displacement through research, campaigning, advocacy, and legal battles.

Over the past several years, we have taken new approaches to eradicating the ethnic bias in a planning system which ultimately decimates BIPOC and ethnically minoritized communities in London by displacing and demolishing the places that sustain their livelihoods, their communities and cultural cohesion, as in the case of the Elephant and Castle Shopping Centre.

Figure 4

Latin American traders in Elephant and Castle.





Castle Square

GF

- Unit 1 AA Grocery Story
- Unit 2 Coma y Beba (Bodeguita)
- Unit 3 Natural Herbal Products
- Unit 4 Anna Castro
- Unit 5 AR Accessories
- Unit 7 Games&Gadgets
- Unit 8 Magic Carpet
- Unit 9 Maya Fashion

1F

- Unit 10 Andrea's Beauty
- Unit 12 Kaieteur Kitchen
- Unit 13 Forever Hairdressing
- Unit 14 Raw Clothing
- Unit 15 J&Z Mobile
- Unit 16 Daddy O'
- Unit 17 Laughland Comms
- Unit 18 D & Eddy's
- Unit 19 Original Caribbean Spice
- Unit 20 El Guambra

Ash Avenue/ Elephant One

- Unit 6 Inara Transfers
- Unit 8/9 Lonnies
- Unit 10 Nicole's
- Unit 11 Medellín Moda
- Unit 12 Stella Fashion
- Unit 13 Z Repairs

Elephant Arcade

- Unit 1 House of Trainers
- Unit 2 Rare Culture
- Unit 3 Not Your Average Joe
- Unit 4 Sol Arq./Paradise Services
- Unit 5 Lucy's Hairdresser
- Unit 6 Meklit Fashion
- Unit 7 Namina's New Look
- Unit 8 El Beauty Cosmetics
- Unit 9 Oyelade Haberdashery
- Unit 10 Better Ethnic
- Unit 11A Black Cowboy Coffee
- Unit 11B Dr Juice

Other relocated businesses within Southwark:

- Miko's (Sayer St.)
- Butterfly Salon (St. George's Rd)
- Crack&Smash (Mobile repairs - 239 Walworth Rd)
- Speedy Courses (Butterfly Walk, Camberwell)
- Around 60+ more long-standing Latin American businesses around Elephant & Castle
 - Tiendas del Sur
 - Elephant Rd
 - Maldonado Walk
 - Arch St.

Figure 5

Elephant and Castle relocation map. Commonly known as the "Latin Quarter," Elephant and Castle is home to over 150 Latin American and other migrant and ethnically diverse businesses spread across multiple relocation sites in a 3-minute walk radius.

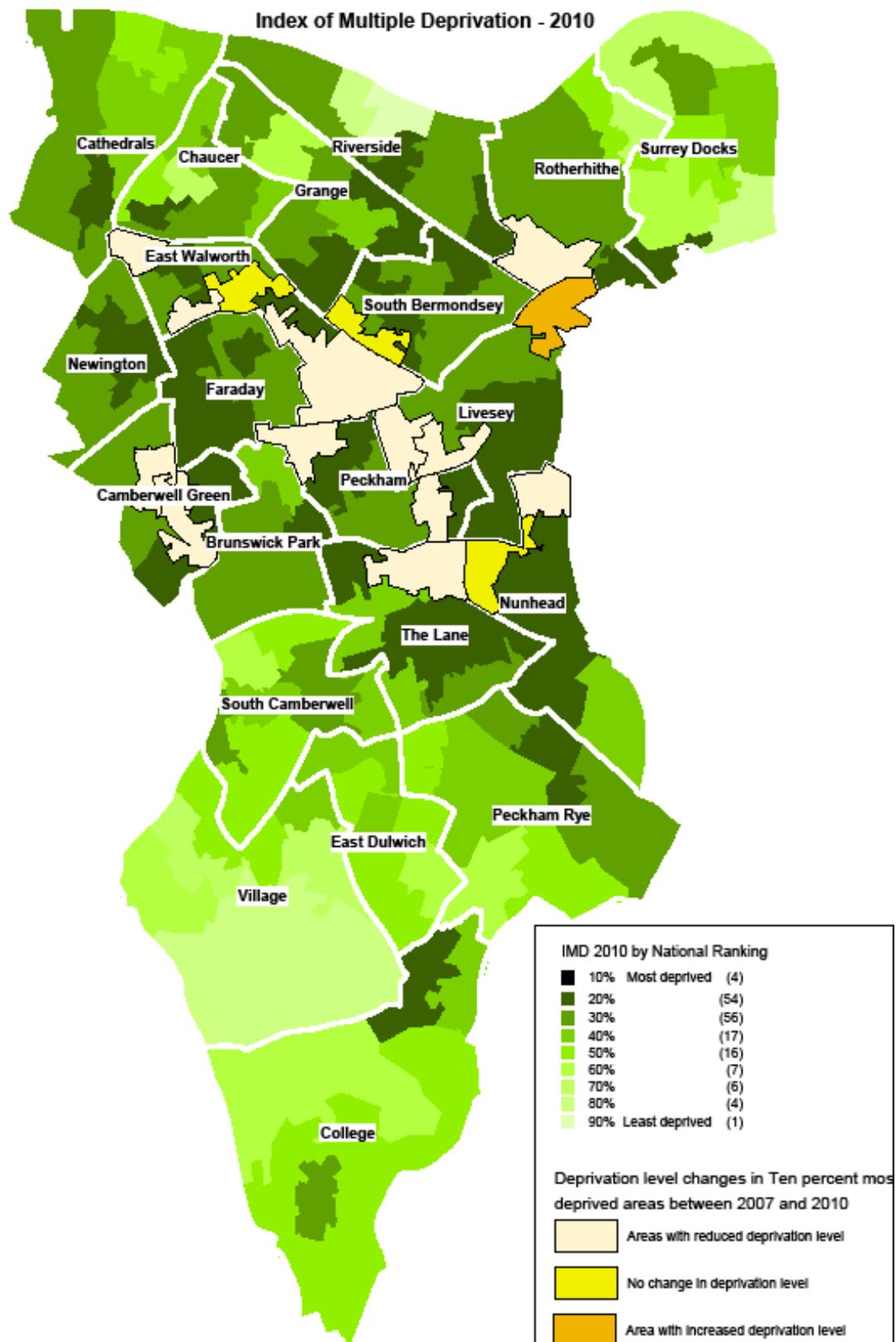


Figure 6

Southwark deprivation statistics. The Index of Multiple Deprivation (2010) combines a number of indicators into a single deprivation score for each small area of roughly 1,500 residents (called Lower Super Output Areas - LSOAs). The indicators are income deprivation, employment deprivation, health deprivation and disability, education skills and training deprivation, barriers to housing and services, living environment deprivation, and crime.

The Elephant and Castle Shopping Centre opened in 1965 as one of the first American-style indoor shopping malls in the UK and continental Europe, offering over 100 shops in a three-story building and immediate access to railway and *tube* (colloquialism for London's subway – the Underground) stations.

Home to a cluster of Latin American businesses by the late 1990s, the Shopping Centre was recognised as an important Latin Quarter in London (Román-Velázquez & Hill, 2016); although business owners and staff members in the area are of ethnically diverse backgrounds and cater to a diverse clientele, many of the traders and customers have migrated from Latin America or are of second-generation Latin American background.

The case of the Shopping Centre is not an isolated one. The Elephant and Castle area has undergone an intensive regeneration programme for almost over a decade, notably the highly controversial Elephant Park scheme on the site of the former Heygate Estate and the planned new 'town centre' on the site of the former Elephant and Castle Shopping Centre. According to developers, there

are a total of 26 projects—complete, underway or planned—in what has been established in London planning guidance and policies as the Elephant and Castle Opportunity Area.

Thus, minority ethnic groups and businesses are disproportionately affected, and, as they are often less collectively organised in institutionally recognized ways, their voices are seldom heard in planning. Their exclusion from the planning process, including from consultation on developers' plans, poses real threats to a key area of the city that has, for decades, been a cultural and heritage bedrock for local communities and Londoners in general.

As previously stated, the demolition and replacement of the Shopping Centre directly resulted in the displacement and subsequent relocation of independent traders to different sites within the area. The scheme has been subject to criticism and scrutiny from Latin Elephant, local communities, resident associations, and campaigning groups due to a perceived lack of genuine affordable housing, inadequate business relocation strategy and wider concerns of gentrification.

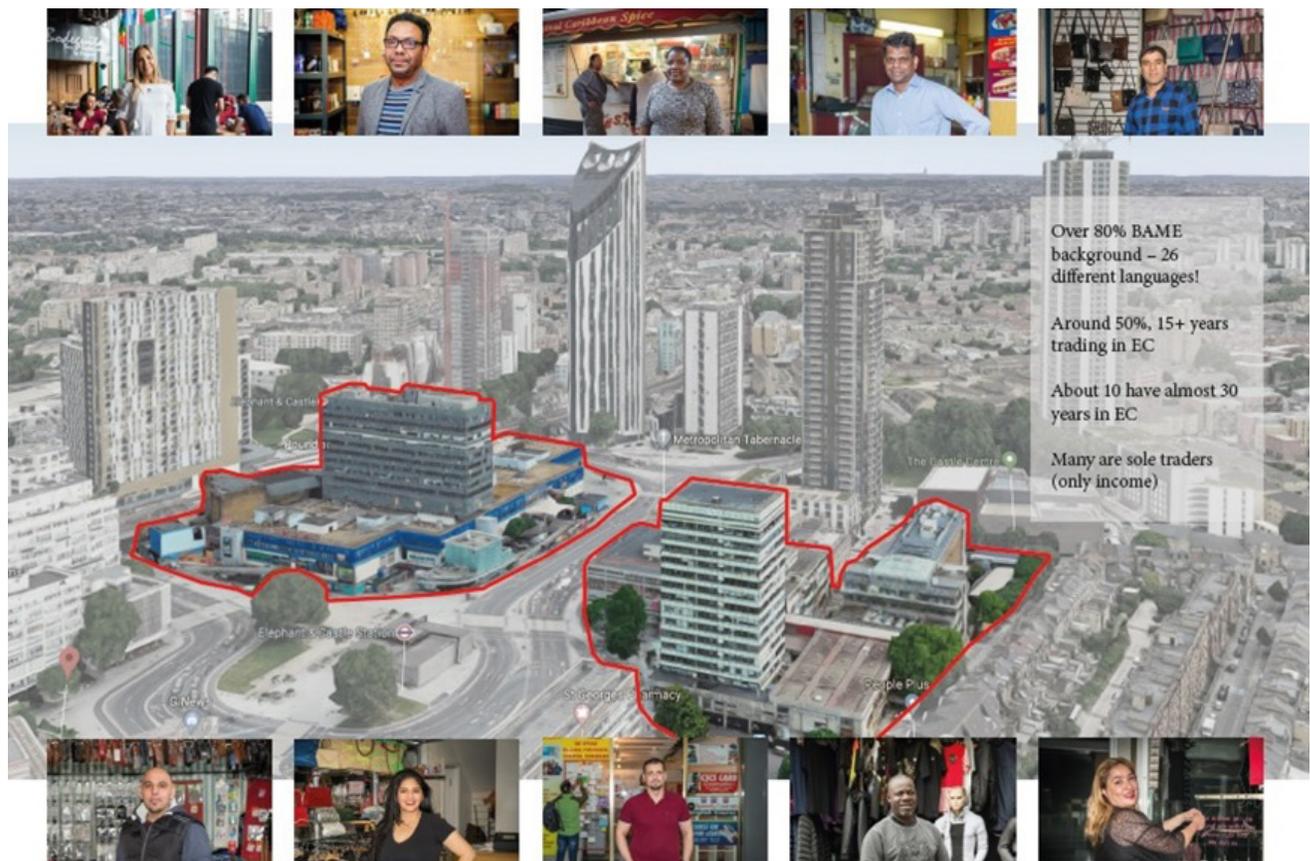


Figure 7

Elephant and Castle traders in the context of the development.

Strengths, Weaknesses, Opportunities, and Threats (SWOT) for Small Businesses



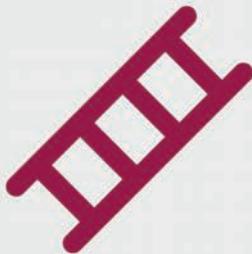
Strengths:

- Affordable specialised goods
- Deeply rooted in the community
- Trust and confidence from community members
- Great location
- Latin Quarter branding



Weaknesses:

- Permanent threat of displacement
- Weak position against developers' plans
- Not enough support from local authority
- Changing demographics in the area



Opportunities:

- Key location within London (Zone 1)
- New customers with more spending capacity
- Post-pandemic online shopping
- Further community organising



Threats:

- Unable to secure a long-term affordable space
- Developer's plans
- Wider gentrification context

Figure 8

Anti-Displacement Tools and Strategies

Latin Elephant's work has evolved over the years and has been marked by a steep learning curve and constant new challenges. As a result, we have developed the capacity to react and adapt to changing circumstances, especially as the daily reality of the redevelopment in Elephant and Castle continues to evolve. Following the past eight years of campaigning for the rights of BIPOC communities affected by gentrification in South London, we have developed a unique model in which a variety of tools intersect and combine to support a core strategy of an inclusive engagement of diverse communities.

Broadly speaking, the tools we have used are:

- Relationships
- Research
- Engagement
- Dissemination

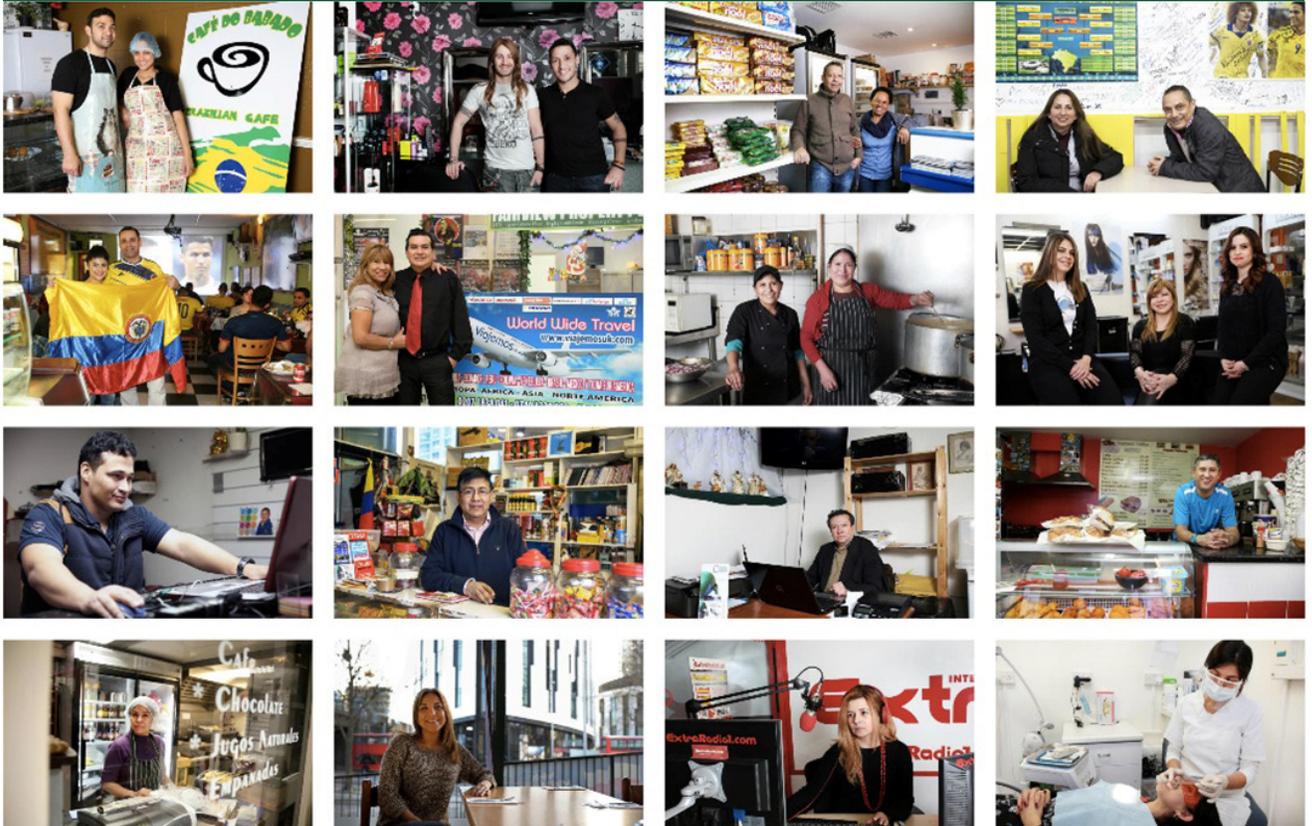
The multifaceted nature of this approach has been conceived so that if one tool is not proving successful, there is space to re-calibrate our approach and focus on the other tools in our arsenal, so that we can maintain a balanced and adaptable campaign. This also means that some tools might be more prominent during specific periods or moments. Ultimately, our strength lies in the ways these tools come together and feed off each other.

Relationships

Gaining trust and building relationships among traders and other local groups has been paramount for our work, and it goes hand in hand with our achievements. Trust-based relationships have allowed us to convince vendors of the importance of attending meetings with the Council and developers, despite their initial mistrust. Traders are best placed to explain and talk about their demands and issues—Latin Elephant can only summarize these; thus, it was and remains

Figure 9

Latin American traders in Elephant and Castle.



essential that they be present to give their own accounts. The process of building relationships with the traders was similarly crucial for our involvement in the wider campaign, as it supported our ability to manage and navigate divided interests. In fact, a community member, who has been actively fighting the gentrification of Elephant and Castle for over 20 years, shared in an interview that Latin Elephant provided essential inroads into the trader community by bridging language barriers and sustaining trader engagement.

As with other voluntary organizations, we also engage and work with London-based universities, academics, and their students to supplement some of our work and community engagement initiatives. This is important for spreading awareness of the campaign, and for accessing resources that might otherwise be costly or difficult to access. For example, we have been able to produce several maps and geographic representations of the [development](#) and [relocation](#), as well as [proposed plans for improved relocation sites](#) as the direct result of these connections.

We have always partnered with established academics, PhD candidates, and Master's and undergraduate students who approach us to offer their skills and work with us in solidarity (e.g., [Walking the Elephant](#)), rather than as a way to build their academic careers. There have been challenges related to this as well; there have been instances in which some students saw Latin Elephant as a data mine to fulfil their goals, not our needs; or those who approached us at the end of a project grant proposal—rather than working with us in developing the proposal.

Latin Elephant has worked and developed partnerships with local, national, and regional organizations and groups. Drawing on the specialist work and expertise of like-minded organizations has made us stronger, allowed us to deliver better workshops (e.g., on the changing business environment brought by Brexit) and supplemented our understanding of the planning process, commercial property law and business development. For example, working with Southwark Law Centre (SLC), the local legal aid organization, has allowed us to supplement our work with legal expertise that ensures we are better able to highlight possible legal recourse for development-related decisions.

The case of SLC is just one of several examples in which we have built formal and informal connections with nearby groups to galvanise greater support for the traders' campaign. In addition to SLC, we have worked closely with 35% Campaign, whose work began in response

to the minimal social housing proposed as part of the regeneration of Elephant and Castle, and which fights residential and retail gentrification, broadly. These two groups have been and continue to be our key partners; their expertise—in law and planning—continues to provide essential support to addressing the challenges and constant changes on the ground which we continue to face.

We have also drawn extensively on the voluntary sector experience of one of our directors: for example, for developing referral mechanisms. Finally, we have joined with and supported work by local and national networks—[Southwark Latin American Network](#) (SLAN) and the [Coalition of Latin Americans in the UK](#) (CLAUK)—to bring increased attention to the specific needs of the Latin American and other racialized groups. Among other things, this has allowed us to better signpost resources and opportunities to the Latin American community in Elephant and Castle (and London), thus further strengthening our relationship with local community members.

Funding to the voluntary sector is limited and working collaboratively has overcome capacity barriers and brought about positive outcomes, most evident in both official submissions of evidence in policy consultations (e.g., to Southwark Council and the GLA) and in our own reports on the challenges affecting our communities.

At times, our work is fraught with tension, and working through the challenges that emerge from the relationship-building side of our work has offered us learning opportunities. Ultimately, however, collective work has made our voices stronger and increased our visibility.

Research

As a registered charity, Latin Elephant is a recognized stakeholder with a significant level of legitimacy to make evidence-based claims; in turn, this strengthens our research advocacy work.

Since its founding back in 2014, Latin Elephant has [mapped](#) all the different businesses (and uses) in the area. Mapping has allowed Latin Elephant to substantiate demands and quantify objections to the local authority and developer, and to monitor the implementation of legal agreements, such as the Section 106 (S106) planning obligations. Through mapping, Latin Elephant has also built a database with information detailing rent levels, location, and use classes of the traders. We have used this in our advocacy and social media campaigns. Based on such evidence, Latin Elephant negotiated substantial improvements for

the traders, including location fund, rent reduction for traders in relocation sites Castle Square and Elephant Arcade, more units for relocation and improvements to the scheme (Román-Velázquez et al., 2021). Latin Elephant also conducted a [socio-economic value study](#) of Elephant and Castle in collaboration with Loughborough University London and London School of Economics, and published [The Case for London's Latin Quarter: Retention, Growth and Sustainability](#).

Latin Elephant has been at the forefront of [putting race and migration on the agenda in planning](#) and in the context of wider engagement relating to and understanding around gentrification. We have consistently argued that there is a gap between migrant and ethnic economies and urban planning policies and that developer-led regeneration disproportionately impacts migrant and minoritized ethnic groups and the working poor (Román-Velázquez & Hill, 2016).

At Latin Elephant, we use [collaborative participatory research techniques to map](#) and register the contribution and aspirations of those traders that are impacted by this development. We also use participatory research methods to strengthen community voices and raise awareness of the contribution that Latin American and other BIPOC vendors have made to the area using a range of multimedia formats.

Throughout the consultation period from 2014 until 2018, Latin Elephant organised a series of events, workshops and activities, which included: production of the documentary film [London's Latin Quarter](#); a photography project with BIPOC vendors entitled [London's Latin Quarter and its People](#); a ten-session participatory video and photography workshop ([My Latin Elephant](#)) leading to a public exhibition and video ([Ser Latinx en Elephant / Being Latin in Elephant](#)); a participatory urban design workshop with UCL students to explore alternative relocation sites for trader, the results of which were published in a [report](#); a series of design workshops to capture everyday use of the Shopping Centre, depicted in [Recorriendo Elefante / Walking the Elephant](#); and participation as community partners in the [Under the Same Sun: Art from Latin America today](#) exhibition.

These initiatives had goals of both knowledge-sharing and raising awareness at their core, while also producing evidence to support our work. Although getting all community

members to participate was challenging, a clear bottom-up approach enhanced the visibility of underrepresented traders and their participation in planning forums and wider community discussions and activities, as well as heightened the interest and attention of members of the community and local, regional, national, and international media.

Engagement

To raise awareness among traders in the Shopping Centre, Latin Elephant held workshops to brief traders on incoming development and to organise businesses to respond to planning proposals. To facilitate this process of bringing local businesses together to explain the importance of planning, Latin Elephant provided tailored information. Initial workshops focused on a Migrant & Ethnic [Business Readiness Programme](#) comprising four [micro-business support guides](#) covering commercial leases, Employer's Duties, building an online presence and models for business planning. The 2018 workshops focused on traders and community members and included topics such as employment rights, settlement schemes and urban planning. Latin Elephant now offers such assistance to people from [all across London](#). In collaboration with the retailers, Latin Elephant has also developed an [alternative vision](#) for a Latin Boulevard (or Calle Latina), which focuses on (retaining) local business and heritage, the provision of community infrastructure and local craftsmanship and food. Such engagement work—marked by the continuous presence of Latin Elephant and our offer of free support for traders—has been integral for forming a bond of trust with the traders.

Engagement has had long-lasting effects: as one trader explained, an important win from the campaign was that “we educated a lot of traders about their rights. A lot of traders went in knowing zero about [the planning process] and after four to five years of campaigning, they came out with information, and it is not easy for someone to deceive them or try to deny them their rights.” The trader continued: “[Campaigning] has broken my fear of attending planning committee [meetings]. They're just humans like myself and yourself. They are there to represent me, to look out for me, so they need to hear my voice. And I've learned a lot about law. Not to take things for granted—to look into legal rights before making a decision.”

Johanna Alvarez's Journey

Johanna Alvarez is the owner of Ivany Store at The Elephant Mall. Johanna is 32 years old and has been running her business for over five years. Johanna is a single mother of a five-year old girl, Ivany, after whom her shop is named. Ivany Store offers a variety of goods and services, including beauty products and clothes, CDs and DVDs and money remittance services to Latin America.

Before opening her shop, Johanna worked tirelessly in two jobs including in the cleaning sector and retail sector as a shop assistant in the Elephant and Castle area. Five years ago, Johanna became unemployed, and it became increasingly challenging for her to meet both her and her daughter's basic needs. Full time cleaning was her first available option for

income, but Johanna wanted to pursue her dream of being an independently employed woman, managing her own business and time. Johanna managed to access some capital and used her savings to open her shop at The Elephant Mall.

Just prior to the demolition of the Shopping Centre, Johanna shared that, in the context of an ongoing regeneration, she was concerned about the future and feels uncertainty around her business and the investment she made. She was concerned about the future of Arch 7—the railway arch in which her business was located—as it was being considered for demolition as part of the Elephant and Castle Shopping Centre development.

Figure 10

Johanna Alvarez at Ivany Store.



I am concerned, and I am trying to stock less as I don't want to end up with a lot of products in storage. I want to have more certainty and clarity about the future, and I am very grateful to Latin Elephant for helping me improve my business and understand the situation and my options with the Shopping Centre Development.

In 2022, Johanna decided to move her store elsewhere in the area, where it is now thriving and providing shop space to other small business owners who cannot afford to rent an entire unit themselves.

Johanna has been an active participant in multiple events and workshops focused on better resourcing the Latin American and small business communities. In the summer of 2020, she participated in an online meeting with other traders, Latin Elephant, and Southwark Council to find solutions to existing problems with accessing government grants due to Covid-19. Johanna participated actively in the meeting and sent Latin Elephant an uplifting message: "Thank you because after all they can't say we are invisible, we are here, and unity makes us

stronger." Similarly, in March 2023, she was an outspoken participant in a workshop around new voter ID laws in the UK, held by Latin Elephant and its coalition partners at CLAUK. She has continued to distribute the information she learned to make sure that other Latin Americans in the community know their rights ahead of upcoming elections. She has shared with Latin Elephant that she feels passionately about doing so because it's important that her community is not ignored by the politicians that are making decisions that impact them.

Johanna's experiences over the past five years exemplify how the work by Latin Elephant—in particular its engagement of small businesses and its sustained, trust-based relationships—has had lasting impacts extending beyond the campaign against the demolition of the Shopping Centre. Our efforts to support traders' engagement with the planning process has helped to counter systemic invisibility and disempowerment of our community.

Dissemination

The coalition members played to each other's strengths to build a social movement. Campaigners, supported by evidence submitted by the community and later included in the planning officer's report, argued that the development would have a disproportionately negative impact for racialized groups and for Latin Americans in particular. One trader recalled, "a great success was when we managed to secure £200,000 extra funding for the traders just by visiting the annual Council Assembly and expos[ing] our experience of being traders in the Shopping Centre."

Local groups shared knowledge, skills and strengths, participating in **formal opposition** at Planning Committee meetings; regular meetings with local elected representatives (**14 local councillors and candidates signed and circulated a letter against the development**); meetings with the planning and regeneration teams at Southwark Council and the **Mayor's office**; **a strong social media campaign**; meetings with

local groups and traders; petitions; stalls set up in front of the Elephant and Castle Shopping Centre; **the occupation of a London College of Communication building** by students opposed to the University's partnership in the development; and, street protests on days when the application was heard at planning committee meetings (e.g., ahead of this important meeting in **2018**).

The social media presence of the campaign was organised around **key demands**, each with a set of requests. These were amplified by all the member organizations and sympathizers of the campaign, including a variety of other locally embedded groups and campaigns across London. Such collective work also meant that the campaign gained the attention of international (**BBC, The Guardian, The Independent**), regional (**Southwark News**), local (**SE1**) and non-English-language news (**Express News**).

A year of formal written opposition, meetings, protests, building or joining campaigns, lobbying local councillors, amplification of messages

and campaigns via social media (Twitter/ Facebook) finally brought some of the results the community wanted. Concerted effort, and unified and consistent messaging, ensured that the development was policy compliant and brought tangible benefits to the local community. Notably, **concessions** were made by developers *only* after the application was rejected and deferred by SW Council's Planning Committee in response to sustained community action (Román-Velázquez et al., 2021).

As a representative from SLC explained:

The existence of Castle Square and Elephant Arcade is the result of hard work and campaigning. The presence of traders on Ash Avenue and near Elephant Park—traders felt like there was a lot of support behind them. Not just their customers, but people who really cared about them and their community. I think that it's good to remember there was some hope in that period despite real difficulties, and that really kept people going.

Figure 11

Media coverage of the campaign.



Elephant and Castle Shopping Centre Was a Vital London Food Hub. Then, Developers Shut It Down

Developer Delancy and the Labour-led Southwark Council will displace traders serving the area's Latinx community, despite the efforts of advocacy group Latin Elephant

What was gained for Traders and Residents in our campaign?



- + Participation of Traders in planning meetings
- + Equalities report to evaluate impact on users with protected characteristics

£634,700 Uncapped Relocation Fund by Developers

£200,000 Extra Fund by Southwark Council

up to £16,000 of rent reduction in Castle Square and further discounts in Elephant Arcade

around
50 traders relocated

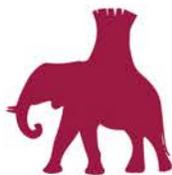


- + Three new relocation sites (Elephant Arcade, Castle Square and Ash Avenue)
- + Creation of the Traders' Panel
- + Accessibility improvements in relocation sites



116 New social-rented homes (originally only 33)

- + Increased offer of 'affordable' flats for households incomes of up to £60k



10% of affordable retail space in the new development for 'displaced' traders

75% Market rent cap for years 6 to 15 of trading

- + First refusal option for Traders and the Bingo

Figure 12

Primary gains of campaign.

Analysis and Recommendations

As mentioned, Latin Elephant has evolved from a blog to a registered charity; this transformation has come with a steep learning curve and required adaptability in the face of constantly changing circumstances. Emerging from this context is our unique model for fighting gentrifying urban change—a strategy which recognises and utilises the necessarily connected and interrelated nature of four key themes (tools): relationships, research, engagement, and dissemination.

This perspective has ensured that we can creatively address new challenges and shift our approach so that if one tool is not working as we want it to, it doesn't impact the overall strategy. Rather, we can recalibrate, and shift our focus to the other tools so that we can maintain a well-rounded and unflagging campaign. This has meant that some of our tools for achieving 'inclusive engagement of diverse communities' might be more prominent in certain parts and periods of our work—and one or more tools may overtake others in its pre-eminence for the short term. Regardless, we are always shifting to maintain balanced momentum towards our goals. Put simply, our strength lies where all these tools come together and feed off each other.

We've highlighted what has worked and the lessons we have learned, below.

What Worked

1. **Building trust** is essential, as relationships built on proven trust, and which are constantly nurtured are foundational for building sustained engagement. It's also important to remember that trust earned can be lost—it should never be taken for granted. Throughout our campaign, we have worked to build and maintain our trust-based relationships with traders, community members and other community groups. We built significant trust by meeting people where they were, whether that meant by communicating with them in Spanish, coming to speak with them at their shops or actively working to ensure they understood everything that was happening.

As a senior board member at Latin Elephant pointed out, "We identified the needs of the community during several workshops and interviews with local vendors. As a result, we published a report that was presented to local representatives and developers in a public meeting with all community members expressing their views on the area."

One trader, a leader in the campaign, recalled: "Latin Elephant really reached out to other migrants, breaking the communication barrier between themselves and other migrants from other backgrounds. They made a great effort to be inclusive. That for me is due respect." Another trader similarly remarked that, "[Latin Elephant] worked hard, organised get-togethers. I know they tried a lot...Latin Elephant were trying as much as possible to talk to us individually and get us involved." Ultimately, by proving our dedication to the campaign, and putting in the hard work to build rapport and relationships with traders, we were able to call in those who otherwise would have been gatekept from engaging with the planning process.

These efforts at meaningful inclusion not only built trust amongst the traders, but also in the eyes of the rest of the community and amongst long-time campaigners, especially as doing so helped overcome some of the challenges that ongoing anti-gentrification campaigns in the area were facing. A community member from 35% Campaign shared that, "it was very difficult to build relations inside the Shopping Centre [with] the language barrier. The Spanish [spoken the Latin Elephant team] was a great element. That was a bridge which was needed. We had no suspicion with you guys."

2. Only through **concerted opposition** did we—the community—gain some concessions. Engaging with the regeneration process and planning consultations was very painful for many; long standing local campaigners and activists were heavily involved in consultations, despite them having little trust in the process, developers, and local authority representatives. However, consistent and loud opposition highlighting glaring inequity, inequality and harm gave elected officials no choice but to demand the developers make them a better offer.

As an interviewed trader explained, "we sent the message to all developers in London: don't underestimate the power of the collective, the power of groups. We exposed a lot of truths about relocation and regeneration. And we hope that other areas will benefit from our experience."

3. The emergence of **multi-ethnic and economic coalitions** sustained our fight, and the success of such solidarity-based campaigns can be seen across London (e.g., Save Nour Brixton; Save Brick Lane; Save Latin Village/ Ward's Corner Community Benefit Society). In particular, the campaign in Elephant and Castle—as is the case with anti-gentrification campaigns in London, broadly speaking—was marked by the coming together of diverse, racialized communities, the working-poor, and housing campaigners in coalition. Contesting gentrifying development in Elephant and Castle required building solidarity amongst groups with different primary foci, but who recognised the ways in which their struggles were interconnected.
4. A **multifaceted campaign**—and a more **expansive view of what 'protest' looks like**—promoted the inclusion of many communities, with different skills and stories, into the campaign. Some people were able to support the campaign with research that helped to build evidence in favour of our demands and to draw attention to the situation. Others engaged in less commonly-recognised forms of protest—for example, salsa dancing and bingo. This encouraged people to participate in the campaign in ways that felt relevant to them; and expressions and practices of ethnic, cultural and class identity in public spaces, as protest, drew attention to loss of cultural spaces resulting from the demolition of the Shopping Centre.

Key Lessons

1. Coalition and campaign groups can act as amplifiers of demands; yet those who are the most vocal or critical might indirectly be silenced. In fact, continuous attempts by the developers to silence the loudest community voices has been a serious threat throughout the relocation process.

It has been challenging to counter certain targeted discrimination towards those local vendors who were most active—whose voices were the loudest during the campaign. The perception that developers are retaliating against the most vocal traders has been present amongst certain small business owners throughout the relocation process. Some traders have continued to challenge such differentiated treatment.

2. The process of coalition building is also fraught with fissures. It can be difficult to pin down the exact causes or motives for division; perhaps issues are rooted in old rivalries or problems. This has become an increasingly relevant challenge following trades relocation, and it is deeply worrying at a time when unity is needed more than ever before.

Maintaining the coalition can be difficult. As one trader shared, “my advice when it comes to [campaigning] is for the groups to stay in touch constantly, to be in line constantly. Just because this campaign has finished, doesn't mean that there aren't other issues that will draw us back together.”

Such fractures might be the result of the campaign's own successes—especially where successes might not be felt equally by all, or where there are perceptions that those who were particularly active in campaigning face retaliation for being outspoken. One trader acknowledged that “some [traders] realised they needed to speak out by themselves. They were the people putting everything out [on the line] for us. Some people outside demonstrating for us were very close to us. And [the developers] didn't like it.” Alternatively, it could be a failure due to protagonism or failures in leadership or even leadership contests.

3. External support from already-organized local groups was indispensable for amplifying the voice of the community of local vendors, extending solidarity links within the wider groups in the area and building on previous history of campaigning against displacement in the Borough.
4. Several local groups had previously campaigned against the demolition of one of the largest social housing complexes in the UK, with solid organization and visible platforms for protesting. Building bridges between these groups and vendors being displaced was crucial to form a solid and wide network of organizations and community members aligned against the displacement of BIPOC communities in the area.

Conclusion

Throughout this case study, we provided a comprehensive package of anti-displacement tools which we deemed pertinent to advancing anti-displacement policies, as well as representing the collective interest of BIPOC communities, specifically in the particular geographic area of focus: the neighborhood of Elephant and Castle in the London Borough of Southwark. These anti-displacement strategies and tools have been developed over many years of advocacy work and campaigning. We combine them under the label Inclusive engagement of diverse communities and can be broken down into four threads: relationships; research; engagement, and dissemination.

Above, we outlined each tool and provided examples of their successful application, as well as the lessons we have learned during the process. Ultimately, we conclude that Latin Elephant's unique model relies upon the complementary nature of the tools and, accordingly, that our strength as a local NGO and campaign group lies amongst their connections, interrelation, and bolstering of each other. ◆

REFERENCES

- Goldzweig, S., Machado Lopez, M., Román-Velázquez, P., Peluffo Soneyra, S., Perez, N. & Wall, S. (2023). *Migrant and ethnic economies in times of crisis: Displacement, Brexit, COVID and cost of living*. Latin Elephant. <https://latinelephant.org/migrant-and-ethnic-economies-in-times-of-crisis-new-report/>
- King, J., Hall, S., Román-Velazquez, P., Fernandez, A., Mallins, J. & Peluffo-Soneyra, S. (2019). *Socio-economic value at the Elephant and Castle*. Latin Elephant, Loughborough University London and the London School of Economics and Political Science. https://repository.lboro.ac.uk/articles/Socio-economic_value_at_the_Elephant_and_Castle/9464105
- Latin Elephant & UCL Bartlett Development Planning Unit. (2016). *Participatory workshop in the context of the Elephant and Castle Town Centre Regeneration plan*. https://latinelephant.org/wp-content/uploads/2016/05/Relocation%20Alternatives-EC%20Report_April2016-lowres.pdf
- Leon de la Barra, P. (2016). *Under the same sun: Art from Latin America*. Guggenheim USA & South London Gallery, London, United Kingdom. <https://latinelephant.org/under-the-same-sun-art-from-latin-america-today/>
- London Borough of Southwark. (2017). *Protected Characteristics in Southwark JSNA Factsheet: Southwark's Joint Strategic Needs Assessment*. <https://www.southwark.gov.uk/health-and-wellbeing/public-health/health-and-wellbeing-in-southwark-jsna/southwark-profile>
- McIlwaine, C., & Bunge, D. (2016). *Towards visibility: the Latin American community in London*. Trust for London. <https://www.trustforlondon.org.uk/publications/towards-visibility-latin-american-community-london/>
- McIlwaine, C., Cock, J. C. & Linneker, B. (2011). *No longer invisible: the Latin American community in the UK*. Queen Mary University, Latin American Women's Rights Service (LAWRS) & Trust for London. <https://www.qmul.ac.uk/geog/media/geography/docs/research/latinamerican/No-Longer-Invisible-report.pdf>
- Román-Velázquez, P. (2014). Claiming a place in the global city: Urban regeneration and Latin American Spaces in London. *Eptic Online*, 16(1), 68-83. <https://kclpure.kcl.ac.uk/portal/en/publications/claiming-a-place-in-the-global-city-urban-regeneration-and-latin->
- Román-Velázquez, P. (Ed.). (2016). *My Latin Elephant Exhibition Dossier*. Latin Elephant. <https://latinelephant.org/wp-content/uploads/2015/03/My-Latin-Elephant-Dossier-2016-FINAL.pdf>
- Román-Velázquez, P. & Hill, N. (2016). *The case for London's Latin Quarter: Retention, growth and sustainability*. Latin Elephant. <http://latinelephant.org/wp-content/uploads/2015/03/The-Case-for-Londons-Latin-Quarter-WEB-FINAL.pdf>
- Román-Velázquez, P., McIlwaine, C., Peluffo, S., & Perez, N. (2021). *Supporting migrant and ethnic economies through regeneration in London: Lessons from community research, activism and campaigning with Latin Elephant*. Latin Elephant. <https://latinelephant.org/ec-regeneration-lessons-learned/>
- Town and Country Planning Association London. (2020). *Planning for a Just City? Exploring how local planning authorities are embedding equality and inclusion in planning policy*. Trust for London. https://trustforlondon.fra1.digitaloceanspaces.com/media/documents/London_-_Planning_for_a_Just_City_FINAL.pdf

CHAPTER 6

Feed and Fuel: Preventing Small Business Displacement During the COVID-19 Pandemic in San Francisco's Chinatown

Amy Zhou | Senior Planner
Christie Li | Urban Planner
Irene Li | Community Organizer
Jason Chommanard | Database Administrator

Chinatown Community Development Center
 615 Grant Avenue
 San Francisco CA 94108
chinatowncdc.org

ACKNOWLEDGEMENTS

With gratitude, first and foremost, to all of the Chinatown merchants who were part of the Feed and Fuel program during the COVID-19 pandemic. Special thanks to the small business owners who took time out of their busy days to participate in this case study research.

Another major thank-you goes to the CCDC staff who supported the development of this case study with their lived experiences and knowledge. Thank you to Rosa Chen and Tan Chow for their oral histories of how the Feed and Fuel program started. Thank you to Jason Chommanard for providing much of the invaluable data used and broken down in this report, Irene Li, and Meifeng Deng for their conversations with merchants, and Deland Chan and Wai Ching Kwan for providing input and support in the writing of this case study report.

Of course, with appreciation to our funders, SF New Deal, OEWD, HSA, District 3 Supervisor Aaron Peskin, Crankstart, Room to Breathe Project, Stupski Foundation, MUFG Union Bank, The Clara Lionel Foundation, Salesforce Foundation, and

Bank of America for providing the funding to make Feed and Fuel possible.

This case study captures a narrative of Feed and Fuel as experienced by the authors and merchants. We acknowledge that there are countless other tools, strategies, and relationships built by Chinatown residents and community leaders—we are fortunate to benefit from the platform they have established. This case study would not have been possible without the generosity of the community who openly shared their lived experiences with us; their stories have been instrumental in the development of the anti-displacement tools and strategies described below. This report also does not mark the end of our work; rather, it allows us to dream of new ways to honor the rich and multi-faceted history of Chinatown.

For further information about this case study, please contact:

Christie Li, christie.li@chinatowncdc.org
Amy Zhou, amy.zhou@chinatowncdc.org

Executive Summary

In early 2020, Feed and Fuel was initiated by Chinatown Community Development Center (CCDC), a San Francisco Chinatown-based community development organization. CCDC has a portfolio of almost forty affordable housing developments housing approximately 4,500 residents and advocates on issues of planning, policy, anti-displacement, and community organizing. As a food distribution program, Feed and Fuel provided over 400,000 meals over a three-year period to more than 3,000 residents living in San Francisco Chinatown. The program ran in three separate iterations: the first was meal delivery; the second offered vouchers for seniors; and the third (which is the focus of this case study) provided vouchers to families living in Single Room Occupancy (SRO) hotels. This report uses feedback from participating small business owners (known in Chinatown as merchants) to assess the effectiveness of the Feed and Fuel program as an anti-displacement system for small businesses during COVID-19.

The Feed and Fuel program supported Chinatown during a catastrophic and frightening time; specifically, merchants lost 56% of their business between February 2020 and February 2022. Feed and Fuel was pitched to funders as a “circular food program”; the name itself was generated with a goal to feed Chinatown residents by fueling the small business economy. This report will further underscore the importance of Chinatown’s small business economy, provide context on CCDC and its role in the community as well as the broader San Francisco Chinatown community, and finally, expand in greater detail on the program’s key takeaways and recommendations. There are many lessons learned, ranging from program logistics to managing inter-community conflict, and sensitivity to unique characteristics of the community that allowed for this program to thrive and ought to be considered before implementation.

Introduction

In recent years, Chinatown small businesses have faced increasing threats of displacement, incidents of anti-Asian xenophobia, and rising living costs in San Francisco. This report focuses on the experiences of small business owners in the neighborhood who were disproportionately impacted by multiple COVID-19 shutdowns. As an example, by July 2020, over 32% of businesses along the two main corridors of Chinatown (Grant Avenue and Stockton Street) were vacant or closed (Collier, 2020).

Additionally, small businesses were impacted by the construction of the San Francisco Municipal Transit Agency (SFMTA)’s newly opened Chinatown-Rose Pak Station, which finally began operations in late 2022 after decades of advocacy and construction. Approximately 80-

100 of these small businesses (out of a total 1,394 small businesses in Chinatown) were affected by a variety of issues including street shutdowns, dust and noise, power disruptions, and basement flooding.¹ Displacement concerns have also dogged the openings of transit projects in other Chinatowns across North America, such as in [Los Angeles](#). Given that the pandemic and the transit construction were threats to small business displacement, Feed and Fuel emerged as an anti-displacement strategy to address both.

The name “Feed and Fuel” comes from the idea of a circular food system as a way to feed the Chinatown community by fueling the small business economy, therefore addressing broader concerns of gentrification and serving as an anti-displacement strategy. One beneficial by-



By July 2020, over 32% of businesses along the two main corridors of Chinatown (Grant Avenue and Stockton Street) were vacant or closed.”

product of a circular food system is an increase in opportunities for small business owners who offer food distribution in Chinatown. This initiative was in direct response to the immediate crisis of COVID-19, while ultimately working to prevent further displacement of Chinatown locals. Feed and Fuel is an anti-displacement strategy at its core, with the ultimate goal of stabilizing a community and keeping its residents in place.

This case study recounts the positive outcomes and challenges of running Feed and Fuel, a circular food program in San Francisco's Chinatown

that began in April 2020. While the program had three iterations, this case study focuses on the third and final round as it was the most consistent and sustainable version of the program. Additionally, this phase operated at the most expansive and community-wide scale, involving the aforementioned seventy-one restaurants, the highest number yet. Table 1 below outlines the different Feed and Fuel iterations.

TABLE 1: Iterations of the Feed and Fuel Program

	FEED & FUEL 1.0	FEED & FUEL 2.0	FEED & FUEL 3.0
Dates (Includes prep and outreach)	April 2020 - July 2020	January - June 2021	November 2021 - January 2023*
Delivery Method	<p>April - June 2020: Food was cooked and delivered to SRO residents in partnership with Self Help for the Elderly.</p> <p>May 2020 - July 2020: Meal vouchers from 34 participating restaurants were delivered to 600 seniors living in private SROs for Chinatown restaurants</p>	Expanded Meal voucher program with vouchers from 57 participating restaurants delivered to 3,300 SRO senior residents living in Chinatown	Meal voucher program with vouchers from 71 participating restaurants delivered to 540 SRO families living in Chinatown.
Total Deliveries	122,000 meals to over 1,000 SRO and public housing residents	234,039 meals to 3,300 SRO residents	72,042 meals to 540 SRO families
Funding Source	Multiple philanthropic organizations like Stupski, Crankstart, MUFG Union Bank Foundation and Room to Breathe; SF New Deal	Multiple philanthropic organizations like Stupski, Crankstart, MUFG Union Bank Foundation and Room to Breathe; SF New Deal; Supervisor Aaron Peskin and Mayor London Breed through various City of San Francisco departments	San Francisco Human Services Agency; some private funding

Case Study Approach/Methodology

To address the pressing economic displacement concerns mentioned earlier, Feed and Fuel utilized direct-service work in its approach. The team leading this SBAN case study of Feed and Fuel is composed of the community organizer, senior planner, and urban planner from CCDC's Planning Team. The community organizer provided resident participants with program vouchers, communicated with small business owners about program details, and served as a conduit between the Chinatown community and the planners. Following the conclusion of voucher distribution, the community organizers continued to liaise between the researchers of this report and the small business owners who chose to take part in the case study, providing translation and logistical support in data collection. The planners supported the data gathering and led the analysis and writing of the report.

To understand the more immediate impacts of Feed and Fuel as a circular food program in Chinatown, the team conducted surveys and interviews with participating merchants. To provide context on the program's origin, interviews were conducted with two CCDC staff members, one of whom is now the manager of the Planning Team and another of whom has been a resident of the community and a senior community organizer at the organization for decades.

Surveys

As contextualized above, Feed and Fuel originated during the onset of the COVID-19 pandemic, with the third round occurring from 2021-2023. The survey questions were designed to assess the efficacy of the Feed and Fuel circular food programs as an anti-displacement tool. A list of the survey questions can be found in Appendix A.

Initially, all seventy-one small business owners participating in Feed and Fuel were sent an online survey to be completed in Chinese. Twenty-four of the merchants completed the online surveys in a one-and-a-half-month window of time from August to October of 2022, and the Cantonese-proficient community organizer subsequently visited each at their business with a physical form to administer the survey in person. She assisted merchants in interpreting the form, answering questions and thoughts about the program along the way. The final number of survey responses was fifty-six.

The survey asked questions regarding the merchants' views on the viability of running a small business before and after the pandemic, allowing the team to understand how COVID-19 directly impacted their financial standings. It also inquired whether the merchants had any other means of aiding their businesses during the pandemic, which aimed to analyze the businesses' long-term sustainability in unforeseen circumstances without the assistance of Feed and Fuel. With this survey, CCDC assessed Feed and Fuel's impact on combating displacement threats to these small businesses during both pandemic and pre-pandemic times.

Focus Groups

All merchants who responded positively to participating in the focus groups shared their contact information with the community organizer, who provided them with a one-hundred-dollar gift card as an incentive for attendance. The community organizer subsequently reached out to all those willing in January 2023 with invitations to join hour-long focus groups at a CCDC building. These focus groups, conducted throughout February, were largely administered by the community organizer in Cantonese. The first session was held on Tuesday, February 14th from 2:30-3:30 PM with eight merchants, while the second session was held on Thursday, February 16th from 3-4 PM with six merchants. These groups allowed merchants the opportunity to share the impact of Feed and Fuel on their businesses, and their perspective on the replicability of the program in other neighborhoods. Most importantly, merchants engaged with their fellow business owners rather than CCDC staff, allowing for a more engaging conversation to compare their experiences on Feed and Fuel's impact during COVID-19.

The team explicitly wanted to understand how COVID-19 impacted the volume of Chinatown and non-Chinatown patrons to local establishments, and whether the merchants felt Feed and Fuel impacted the patron demographics. In addition, the focus groups were intended to hear the merchant's opinions on successes and failures. Another objective was to understand whether they thought Feed and Fuel could be replicated outside of Chinatown in other communities with a predominant ethnic group. A list of the focus group questions can be found in the Appendix B.

Neighborhood Context

Chinatown’s current location, as designated by the San Francisco Planning Department’s Chinatown Area Plan of 1995, encompasses thirty square blocks between Vallejo and Sacramento (Figure 1). The Area Plan’s designation of Chinatown’s parameters has remained consistent with the historic boundaries that Chinatown has occupied throughout the past century following the 1906 earthquake. Chinatown’s location did not spontaneously arise but was intentionally shaped by historical factors.

History of Neighborhood Change

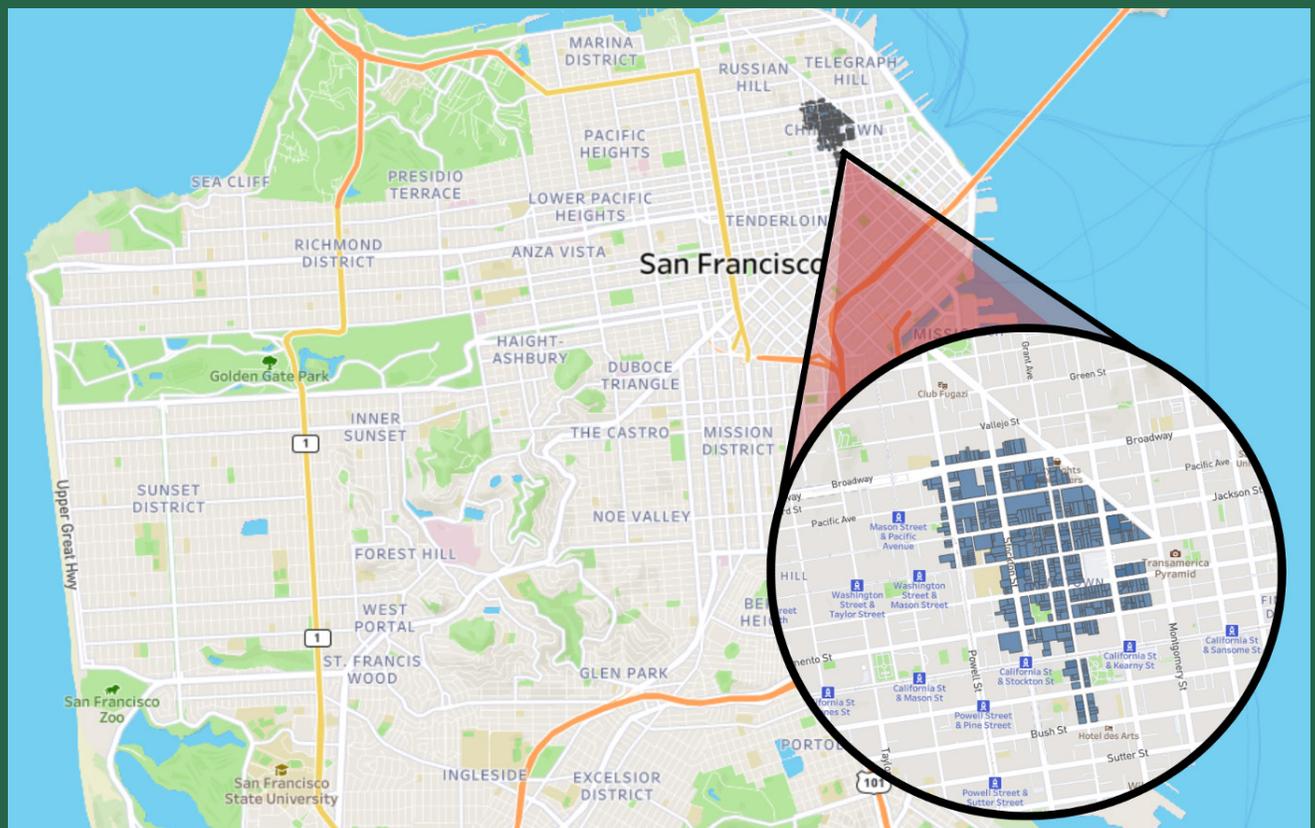
Chinatown has always played many roles in the eyes of the community—an immigrant gateway and first home for so many that have arrived and made Chinatown the first chapter of their American journey. Residents—both those who remain and those who have moved away—continue to live or rely on the neighborhood for so many aspects of

their livelihood: groceries, healthcare, community support, medicine, and social events.

Per [a report from UC Berkeley](#), the original Chinatown was initially seen as a “provision point” for Chinese workers arriving during the Gold Rush and eventually for the construction of railroads (Montejo, 2015). Due to decades of anti-Chinese sentiment (often rooted in labor disputes and racism) following the United States Civil War, Chinese immigrants clustered in Chinatown. While this clustering led to the development of strong social networks and community institutions within Chinatown, it also arose out of necessity in a society that legally enforced segregation, neighborhood disinvestment in Chinatown, and labor discrimination. These barriers prevented upward mobility and employment access to Chinatown residents, and much of the housing stock during this period was built into poorly maintained and overcrowded SROs.

Figure 1

Chinatown’s current location in San Francisco.



Current Context of Gentrification

The implementation of zoning and planning tools like the 1986 Rezoning Plan (which prohibited demolition, set lower height limits, and banned conversions of residential buildings for different uses), and the citywide 1980 Residential Hotel Ordinance (which implemented barriers for SRO unit conversions), allowed much of the existing affordable housing to remain. These efforts have played a part in helping prevent resident-serving small businesses in Chinatown from displacement. Often owned, operated, and staffed by monolingual, low-income immigrants, these small businesses play an essential role in servicing Chinatown residents, especially those in SROs with limited kitchen space. This relationship is well-established, as restaurants source their produce, workers, and other materials from within the community. According to city data from the Office of Economic and Workforce Development, there were close to one-thousand businesses within a twenty-two-block area before COVID-19, many of which were restaurants. Figure 2 illustrates the top ten types of businesses in the community, including restaurants, family associations, souvenir stores, and medical services.

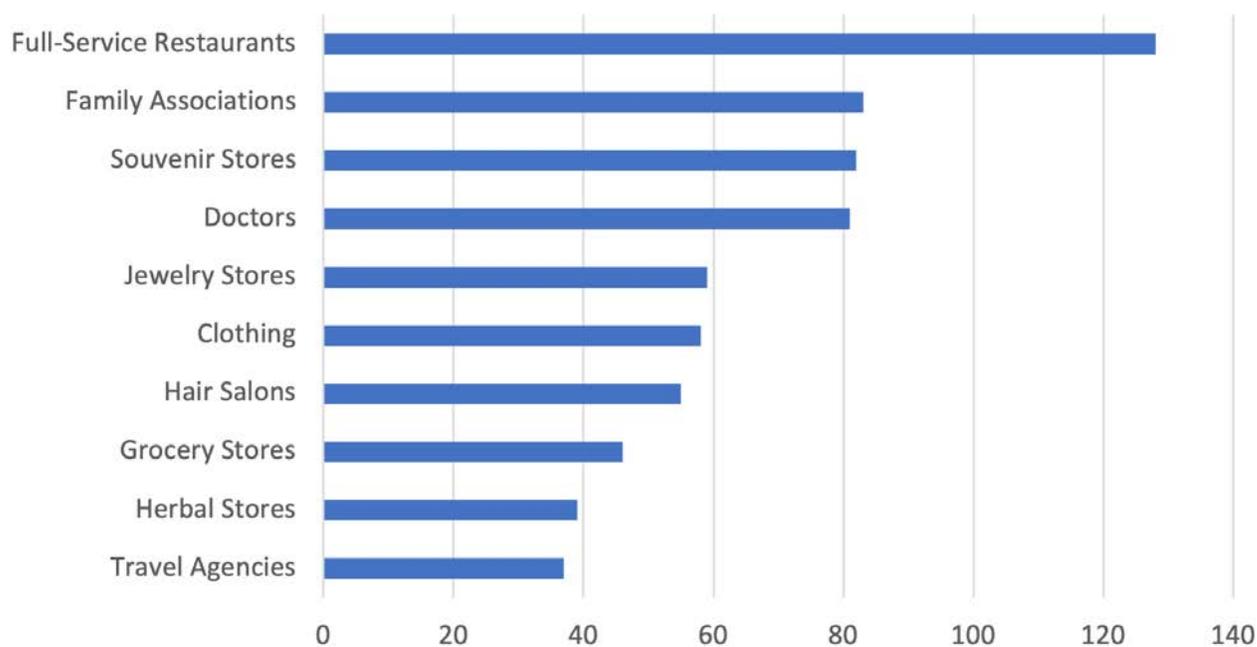
While there have since been continuous efforts to prevent further displacement, fewer affordable housing units are being developed and the

currently-standing older buildings are deteriorating due to lack of care or maintenance. SROs currently comprise over 50% of Chinatown's housing stock and the community remains predominantly renter-occupied.^{2,3} There is a low-profit potential for building new units and improving existing units since the rent collected remains quite low.

The current demographics show that Chinatown remains home to a low-income population. There is a vast gap in equity between Chinatown residents and residents living in the rest of San Francisco. Chinatown residents currently have an area median income of \$25,909, in a city where the area median income stands at \$100,850.⁴ Chinatown faces development pressures not only from the nearby Financial District but also from City and State officials who have been implementing legislation to streamline the approval process for new developments to meet California's Housing Element goals, therefore providing fewer opportunities for community input.⁵ Additionally, with aging merchants operating out of buildings with older infrastructure, maintaining the physical structure of a small business is becoming more costly, as many owners choose to sell their operations rather than continue operating at a loss. Finally, as Chinatown still navigates the post-COVID-19 recovery phase, many small business owners are experiencing lower numbers of tourist patronage in their restaurants.⁶

Figure 12

Most common types of businesses in Chinatown (top 10).



Organizational Context

Chinatown Community Development Center was formed in 1977 with the mission to bolster community empowerment and economic development in San Francisco Chinatown and has continued to facilitate comprehensive community development and capacity in a variety of domains including housing, transportation, green space, and economic development. CCDC currently has a staff of over 300, and houses departments such as Resident Services, Youth Team, Housing Development, Property Management, Community Organizing (housing counseling, coordinating tenant organizing), and the Community Planning & Policy team (descriptions in Appendix C). These different departments have allowed the organization to build deep-rooted relationships with different parts of the community, from youth and seniors to policymakers. The organization also frequently partners with other anti-displacement organizations in Chinatown and San Francisco at large, including organizations like Self Help for the Elderly.

CCDC's ability to run the Feed and Fuel program reflects the community's trust in the organization and of its deep roots in Chinatown. Many staff

members have worked at the organization for decades as organizers and planners, and CCDC itself is the amalgamation of five different grassroots organizations that came together in 1977, including a tenant association, advocacy groups for tenants, open space, and transportation (a full description is included in Appendix D). CCDC has a portfolio of around forty properties in San Francisco (most in Chinatown), serving 4,500 low-income families, adults, and seniors living in SRO buildings and former public housing buildings like the Ping Yuen apartments.

CCDC's Planning Team, which conducted the research and writing for this report, is composed of a community organizer that builds relationships with small businesses and supports them on various issues, including small business relief during the construction of the Chinatown-Rose Pak station by advocating for merchant mitigation funds. Another senior community organizer has worked at CCDC for decades and built personal relationships with many stakeholders and elected officials in the community, frequently checking in on merchants on his own time.

Feed and Fuel Implementation

Due to CCDC's history of organizing and relationships in the community, CCDC staff and organizers were able to make use of a deeply-rooted social network of business owners and employees. In the first iteration of Feed and Fuel, CCDC staff, restaurant employees, and volunteers took over various locations. Volunteers were assembled to cook, prepare, and pack food to be distributed to SRO families and residents living in the Ping Yuen public housing buildings and CCDC buildings with the immediate concern of mitigating the spread of COVID-19 for residents.

Meals for families in SROs were prepared at a kitchen in New Asia (a large banquet hall); meals for residents of the Ping Yuen Public Housing buildings were prepared at Far East Cafe (another restaurant currently serving as a large banquet hall); while meals for residents of CCDC-owned buildings were prepared at Lady Shaw Senior Housing (in partnership with another Chinatown organization called Self-Help for the Elderly). Initial menu options were somewhat limited and systematic to produce on a mass scale but still allowed New Asia to rehire sixty staff to make meals for 400 families.

CCDC partnered with Self Help for the Elderly to receive funding from the SF New Deal and generated what has now been termed the original iteration of Feed and Fuel: Feed and Fuel Round 1.0. The first round successfully delivered 122,000 meals to over 1000 SRO and public housing residents from mid-April to early July 2020, utilizing thirty-four restaurants to both distribute meals to residents' homes and accept vouchers (designed and distributed by Feed and Fuel) with merchants being provided ten dollars per voucher.

The program paused in July due to stable COVID-19 numbers and a low rate of transmission (in Chinatown, it was in large part due to residents of SROs organizing via the SRO Collaborative team, a coalition of SRO-serving organizations including CCDC). The temporary suspension aimed to decrease shared kitchen use, while resident-serving grocery stores, wet markets, and restaurants continued to operate with outdoor dining.

While Chinatown managed to stay afloat in these initial months, this stability was untenable. As the fall and winter of 2020 trudged on, it became clear that as COVID-19 rates rose city-wide, SROs also

experienced a significant rise in cases, and San Francisco's Department of Public Health ordered outdoor dining to be shut down once again. This response led to an outcry from Chinatown's restaurants, and coalitions across various Chinatown community-based organizations and merchants associations pushed for a Chinatown relief package where restaurateurs identified Feed and Fuel as a necessity for sustaining their businesses. CCDC applied for a significant increase in funding from the City's Office of Economic and Workforce Development and the Human Services Agency via a local nonprofit organization named SF New Deal, and Feed and Fuel 2.0 was born.

Feed and Fuel 2.0 ran for twelve weeks from February to May of 2021 and focused specifically on voucher distribution for SRO senior residents due to the uniquely higher-risk environment of SRO buildings, where multiple residents share kitchen and bathroom areas. This round ultimately engaged fifty-six Chinatown restaurants (including bakeries and take-out online restaurants—a departure from the last round). Residents were provided with vouchers for five weekly meals to be redeemed at the restaurants, while restaurants received ten dollars per meal or thirty dollars for breakfast, lunch, and dinner altogether.

In the third iteration, which ran from November 1, 2021, to January 31, 2023, 72,043 meal vouchers

were distributed to 540 Chinatown households. A total of seventy-one restaurants participated in the Feed and Fuel program, the highest level of participation. Participating families received an envelope of vouchers from specific restaurants (which were randomized so families could not choose their restaurant selection) from CCDC every month to redeem at the storefronts indicated on their vouchers. Typically, restaurants had a small selection of dishes that voucher recipients could choose from. In the first two parts of the third round, participating families received two vouchers a week, which increased to three after the July extension.

Measurements of Success & Feedback

Due to the immediate nature of the program to provide instant financial relief for merchants during the height of COVID-19, the indicators as specified by city grant reporting to evaluate program success were simple: the number of meals served, restaurants utilized, and resident participants. While these metrics were assessed to fulfill grant reporting, CCDC included more details in surveys (including participants' enjoyment of meals, food preferences, etc.), to allow for program improvement.

Fighting Anti-Displacement: Feed and Fuel as a Response

While the program responded to an immediate crisis, it also addressed structural issues affecting the community long before the onset of COVID-19: challenges from increased development pressures on the outskirts of Chinatown, aging landowners looking to sell their aging buildings, and business disruption from the construction of the Chinatown-Rose Pak station.

While the Feed and Fuel program was conceived by a coalition of Chinatown community-based organizations and merchant associations to

address the crises that arose from both the COVID-19 pandemic and the shelter-in-place order, it also responded to the aforementioned systemic issues that had plagued the community. After the impetus to initiate a crisis response program due to COVID-19, CCDC conceived the other Feed and Fuel iterations as a comprehensive strategy to mitigate ongoing displacement concerns shared by merchants. The program also enabled CCDC to support residents living in crowded housing conditions (SRO buildings and public housing), who were more at risk for contracting COVID-19.



While the Feed and Fuel program responded to an immediate crisis, it also addressed structural issues affecting the community long before the onset of COVID-19.”

As a longtime CCDC staff organizer emphasized in an interview: “Businesses are the backbone of Chinatown’s economy... if we lose the restaurant business, we’ll lose the economy of Chinatown.” The merchants also echoed these sentiments during focus groups and shared that “food is the most important thing to people. If people don’t have food, how do we work?” These remarks demonstrate that protecting food-

distributing small businesses was a joint priority between CCDC and restaurant owners, and doubly supported residents both working in these businesses and living in the community. CCDC, with its varied capacity in multiple areas and connections to the community, was uniquely positioned to quickly pivot to a type of anti-displacement work that directly linked residents to businesses.

Findings and Recommendations

As mentioned in the Methodology section, the Feed and Fuel program gathered feedback from participating business owners using surveys. The questions posed in the surveys were designed to understand the efficacy of circular food programs as an anti-displacement tool during COVID-19. Many respondents alluded to features that made the Chinatown experience unique—population density, walkability, and close cultural ties to their food and food providers.

Feed and Fuel’s Effectiveness for Small Businesses

One of the most important outcomes the team sought to understand was how effective the program truly was for small businesses during COVID-19, and whether it was able to support

them during the shelter-in-place pandemic. Before COVID-19, restaurant owners mentioned general challenges such as increasing rent and utility bills but maintained that restaurant patronage helped their businesses stay afloat. As one merchant stated, “before the pandemic, there were many different banquets, parties, and meetings happening in Chinatown, from March to June. From what I saw, Chinatown was prosperous.” Chinatown’s restaurant ecosystem—which had thrived as a gathering space for local residents, tourists, and office workers alike—came to a sudden stop during the pandemic. Figure 3 illustrates how two-thirds of all businesses lost more than 40% of their business revenue between February 2020 and February 2022, and the average merchant respondent lost 56% of their business revenue during this period.

Figure 3

Percentage of business revenue lost by Chinatown businesses, February 2020–February 2022.

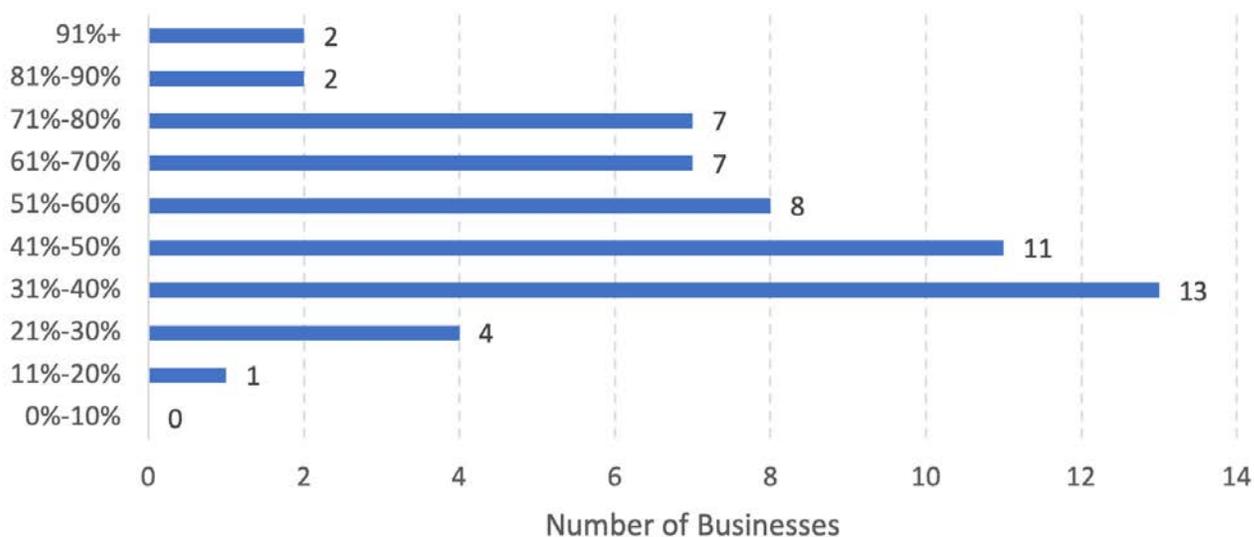
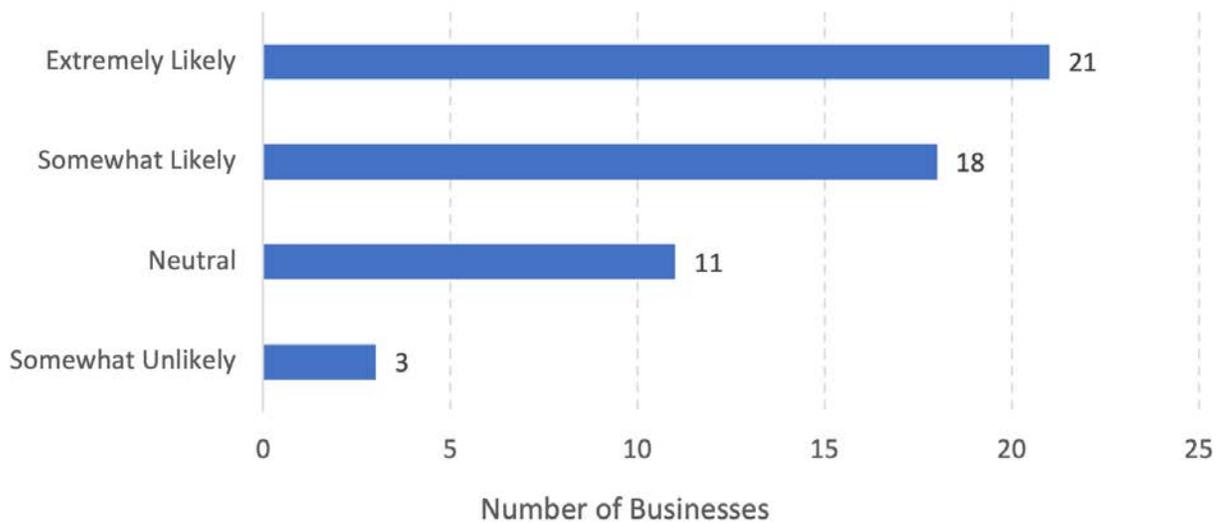


Figure 4

Likelihood of Chinatown business closures without Feed & Fuel 3.0 program.



The loss of two significant consumer demographics (office workers from the nearby Financial District and tourists) continued to decrease profits for Chinatown restaurant owners. The neighborhood's proximity to the Financial District historically drew many office workers into their restaurants and also made for convenient delivery to office buildings. Without a stream of office workers, these small business owners lost a portion of their customer base. In addition to a shortage of office workers, there was a decrease in tourists following March 2020, following both international and domestic travel restrictions. The flow of local tourists decreased as well: anti-Asian xenophobia associated with Chinatowns and perceived unsanitary food-serving practices halted the previously steady number of Bay Area visitors.

Only being able to depend on foot traffic from outside consumers, restaurants had to rely upon Chinatown locals to sustain their businesses, a reality that some business owners found rather unpromising. As one merchant stated, "if we only depend on locals—firstly, many locals are low-income and cannot afford it. For those who do have the ability, they tend to buy groceries

and cook for themselves instead of dining in." For certain merchants, low-income Chinatown residents possess less discretionary income and therefore could not be relied upon as the sole customer base. Other merchants, however, maintained that they "depended on the locals. Without their parties, we could not do anything," though once large gatherings were prohibited, their business suffered as well.

Regardless, the Feed and Fuel program provided some relief to the restaurant owners, providing SRO residents—the most impoverished of all Chinatown locals—with vouchers to spend at small businesses. Figure 4 highlights that more than 70% of businesses were somewhat or extremely likely to have closed during the pandemic without the Feed and Fuel program.

In an analysis from February 2022 to February 2023, Chinatown was one of the few neighborhoods in San Francisco to see more business closures than openings.⁷ Without Feed and Fuel, the total number of business closures could have been much higher.

Recommendations and Lessons Learned

While participating businesses were able to stay afloat through the support of the Feed and Fuel program, there were challenges specific to Chinatown, but also generalizable to other

communities. The following section offers lessons learned and recommendations for any organization wanting to implement a food distribution program in a community with predominant ethnic ties.

Operational Challenges

From a logistical standpoint, there were several challenges that voucher recipients found frustrating; as lines became congested during mealtimes, some participants found themselves waiting almost thirty minutes to redeem their meals and would sometimes not receive utensils. These situations often led to disagreements between merchants, restaurant frontline staff, and voucher recipients. As one merchant recalled, “customers came and told me that our restaurant was bad, and they would rather tear those tickets.” Indeed, staffing shortages added to the long wait times, as many restaurants found it difficult to retain workers in the early days of the pandemic. Merchants in the focus groups took care to point out that “the customers who complained said “you are too busy, and we waited for too long. But you know that we do not all have enough workers. If we had enough workers, it would not be like this.” Other merchants agreed, saying how many workers refused to report for duty following the shutdown mandate.

A few merchants were also surprised that not all voucher recipients redeemed their meals and were disappointed in the missed opportunity. The merchants themselves provided solutions during the focus group and suggested CCDC vet applicants. While it may be more difficult for program implementers to control voucher recipients’ attendance (especially given that there may be external factors that prevent them from picking up meals) program implementers could support merchants in developing a plan for redistributing extra meals, and other operational challenges, and also have culturally-competent workforce development programs in place that would not only help them build capacity, but also training in managing customer expectations.

Ensuring Equity

It’s important to design a program with sensitivity to internal dynamics; in this particular setting, merchants found fault with the demographic of Chinatown residents that received vouchers, and also the selection process of merchants who were chosen to participate in Feed and Fuel. Certain merchants wanted to participate in Feed and Fuel not only to bolster their profits but also to altruistically support the Chinatown community, namely the elderly. These merchants voiced their disappointment that seniors did not receive a larger portion of these vouchers in comparison to residents with children, sensing that they were not distributed equitably. Though the merchants’

motives in participation were indeed profit-oriented, they also held strong opinions regarding their elderly community members.

As one merchant noted:

Some elderly people are in need. I do not charge them because they have told me how much welfare they received and need to pay for their rent. I could calculate how much money they left. I usually give free meals to them because they receive the money and use it to pay for the rent. I ask them to apply through CCDC because they have vouchers for seniors. Some elderly people cannot afford the food. However, some families have more than 10 vouchers. The vouchers should be given to the elderly as they are the group who are in most need.

For organizations operating in different community contexts, it is imperative to be mindful of the cultural expectations in which they are working under.

Another equity concern was raised regarding how merchants were chosen to participate in Feed and Fuel. Merchants pointed out that “the distribution was not that transparent,” with a few restaurants only being involved in one round, while others in multiple without a discernible pattern. Additionally, as Feed and Fuel expanded, there were further questions surrounding the distribution of funding, where the larger businesses (which typically faced higher rent burdens) were given the same number of vouchers as the smaller businesses with lower rent costs. The swift onset of COVID-19 forced CCDC organizers to act quickly, prioritizing timely execution over a transparent voucher distribution process. In future program implementations, providing all participating small businesses with an outline of the selection process would be advantageous, in addition to transparency of methodology and equity in the selection.

Managing Different Cultures

During the focus groups, the broader conversation surrounding fairness in the participation process led to an argument between two restaurant owners that required intervention. Compounding these feelings of inequity were regional and linguistic differences between a Mandarin-speaking merchant and a Cantonese business owner. In their words, “I think this is unfair towards people who speak Mandarin. So you are excluding us. Because our food does not suit the taste of Guangdong people, we cannot participate.” Due to a lack of transparency in the selection order, the Mandarin-

speaking business owner believed that Cantonese-style restaurants (the Chinatown majority) were favored over their restaurant.

The complexities of implementing Feed and Fuel in a neighborhood where multiple languages and cultures exist would have benefited from more intentional communication, but the immediacy of the pandemic required a rapid response. The initial outreach to restaurants was based on an internal network of personal relationships and not necessarily through a structured, intentional outreach plan. To mitigate this, any organization interested in running a similar program ought to be aware of internal community dynamics and operate with transparency. Re-imagining community dynamics through layers of identities rather than viewing the neighborhood as a monolith would have benefited both the merchants, as well as overall efficiency of the program.

Applicability to Other Neighborhoods

Participating merchants were asked whether they believed this program could run in neighborhoods other than Chinatown, and responses were mostly negative. Due to Chinatown's density and walkability, it was easy for seniors and families to leave their buildings and go to participating restaurants down the street. One focus group noted that potential voucher recipients in other neighborhoods would have to "drive a car to pick up meals and think that's annoying...they can go to other restaurants to get the meals easily in Chinatown."

For many of the participating merchants, Chinatown emerged as an appropriate neighborhood for this program because of the high concentration of new immigrants and low-income SRO residents, many of whom work at the restaurants and often open their own businesses thereafter. Other San Francisco neighborhoods, particularly the other Chinese neighborhoods like the Richmond and Sunset Districts, have higher socioeconomic levels and were less in need of the vouchers during the COVID-19 pandemic as fewer residents lived in shared living situations like in SRO buildings.

As one business owner said:

This can be run in other neighborhoods, but they do not have as urgent of a need as we do Chinatown. We have a lot of SRO families, low-income people, elderly, and new immigrants. The other neighborhoods do not have that many new immigrants. There are not that many new immigrants who can rent a place in the Sunset for a few thousand dollars. They mostly live in Chinatown, and therefore, I think Chinatown needs this program. I am not only saying this because I have two restaurants in Chinatown.

In addition, the focus groups indicated that neighborhood geography would be a greater indication of success rather than a neighborhood with a similar racial demographic composition to Chinatown. Feed and Fuel was successful in Chinatown because of the area's density and proximity between restaurants and residents. Because of the important role that commercial-residential proximity and density of residential buildings played in making Feed and Fuel successful in Chinatown, it can be surmised that the program would be replicable in other compact urban neighborhoods with a high volume of small businesses and SRO housing stock.

Organizational Capacity & Relationship to Community

Having foresight regarding the workload and capacity necessary for a program is crucial to ensure its viability and sustainability within the organization. CCDC concluded the Feed and Fuel program in early 2023 since it was uncertain whether the capacity, or even funding, would remain available for the organization to continue running Feed and Fuel indefinitely: food justice is not a major component of CCDC's organizational portfolio.

CCDC was able to successfully implement Feed & Fuel during COVID-19 due to its history of organizing in Chinatown that began long before COVID-19 and the social network of restaurants that had already long been established and cemented. However, criticisms of favoritism expressed by newer small business owners that did not have a relationship with CCDC and ensuing discontent are potential pitfalls. No matter how well-established an organization is within the community, there remains a need to reflect on its positionality within the community and be more sensitive to shifting dynamics.

Conclusion

Chinatown is restaurant-rich and continues to be a thriving neighborhood with many interconnected branches: the workers at the restaurants and the businesses also live in the community, and they also shop at restaurants and businesses. CCDC is not a food-centered organization, and needing to pivot from housing and tenant counseling to circular food distribution at a time of great uncertainty presented its challenges. However, the outcomes of the program (being able to support restaurants, workers, and residents in the community) reveal just how critical Feed and Fuel was in maintaining and sustaining the economic backbone of Chinatown. As one restaurant owner said during the focus group: “This program is quite good because it helped people in need during the pandemic and businesses. When we were shut down, this program brought us business opportunities.”

While Feed and Fuel succeeded in its initial goal of cushioning impacts to small businesses, even preventing possible shutdowns, the program did have its share of operational challenges. Feed and Fuel was a successful stopgap for the community during the COVID-19 pandemic, but work always remains to create a sustainable ecosystem for residents, merchants, and workers in low-income urban neighborhoods. At the very least, it stemmed the tide of business closures during the pandemic, built deeper relationships between community members, and emphasized the deep, interconnected arteries of the neighborhood, where supporting one group keeps the entire body of the community alive. ◆

ENDNOTES

- 1 Information from the San Francisco Office of Workforce and Economic Development.
- 2 Data from the [City of San Francisco Annual Unit Usage Report](#) for 2022.
- 3 U.S. Census Bureau. (n.d.) *American Community Survey. DP04: Selected Housing Characteristics in ZCTA5 94108*. U.S. Department of Commerce. Retrieved June 30, 2023, from data.census.gov
- 4 City of San Francisco. (n.d.) *City of San Francisco 2023 Maximum Income by Household Size, derived from the Unadjusted Area Median Income (AMI) for HUD Fair Market Rent Area (HMFA) that Contains San Francisco*. City of San Francisco. <https://sf.gov/sites/default/files/2023-05/2023%20AMI-IncomeLimits-HMFA.pdf>
- 5 City of San Francisco. (April 28, 2023). *Mayor Breed Introduces Housing for All Legislation to Remove Barriers for New Housing* [Press release]. <https://sf.gov/news/mayor-breed-introduces-housing-all-legislation-remove-barriers-new-housing>
- 6 Data from CCDC Feed and Fuel Focus Groups.
- 7 Bay Area Council Economic Institute. March 9, 2023. *Bay Watch: A Weekly Look into the Bay Area Economy*. Bay Area Council Economic Institute. <http://www.bayareaeconomy.org/bay-watch-business-openings-and-closures/>

REFERENCES

- 2023 MAXIMUM INCOME BY HOUSEHOLD SIZE derived from the Unadjusted Area Median Income (AMI) for HUD Metro Fair Market Rent Area (HMFA) that Contains San Francisco Income Definition 1 Person 2 Person San Francisco Mayor's Office of Housing and Community Development.* (2023). <https://sf.gov/sites/default/files/2023-05/2023%20AMI-IncomeLimits-HMFA.pdf>
- Bay Watch – Business Openings and Closures | Bay Area Council Economic Institute.* (2023, March 9). <http://www.bayareaeconomy.org/bay-watch-business-openings-and-closures/>
- Collier, M. (2020). *Vacancies/closures on Grant Avenue and Stockton Street: Feb. 2020 (Pre-pandemic), July 2020, February 2021, and March/May 2023* [Powerpoint slides].
- Mayor Breed Introduces Housing For All Legislation to Remove Barriers for New Housing | San Francisco.* (n.d.). Sf.gov. Retrieved August 1, 2023, from <https://sf.gov/news/mayor-breed-introduces-housing-all-legislation-remove-barriers-new-housing>
- Montejo, N., Zuk, M., & Chapple, K. (2015). *Community Organizing amidst Change in SF's Chinatown Project Manager: Acknowledgements*. https://www.urbandisplacement.org/wp-content/uploads/2021/08/chinatown_final.pdf
- U.S. Census Bureau. (n.d.) *American Community Survey. DP04: Selected Housing Characteristics in ZCTA5 94108*. U.S. Department of Commerce. Retrieved June 30, 2023, from data.census.gov

APPENDIX A: MERCHANT SURVEY QUESTIONS

It has been more than two years into the pandemic, and we would like to know how your business has been going. We would also like to evaluate our Feed and Fuel program to see if that has been supportive of your business.

Please take your time and be honest with your response. Each restaurant can only submit it once.

The first 56 respondents will receive a \$100 gift card. We will email you if you will be getting a gift card. So, stay tuned.

Thank you!

疫情已經過去了兩年，我們想知道你們現在的生意是怎麼樣的？同時我們也想評估我們的餐券計劃是否成功，是否有在疫情期間幫助到你的餐館。

請慢慢填寫這份問卷，我們希望聽到你們誠實的意見。你只可以提交這個問卷一次。

最早提交的56個商家將會得到\$100的禮物卡。我們會在之後另行通知提取禮物卡的時間。請耐性等候郵件。

謝謝！

如果你想在網上填寫請登錄：
tinyurl.com/22mersurvey

或者親自到663 Clay St (華協中心辦公室) 提交

1. Business Name (商舖名)
2. What Year did your business start?
(商舖是哪一年開始營業):
3. Monthly Rent (舖面每月租金是多少):
4. Describe the impact of COVID-19 pandemic to your business (描述新冠肺炎對您生意的影響):
5. What percentage of your business was lost from February 2020 to February 2022?
(從2020年2月到2022年2月，這兩年您的生意損失是多少百分比?)
6. What would you have done had Feed + Fuel not supported your business? (Select one)
(如果「疫境送暖，燃亮華埠」的餐券計劃沒有進行，您會怎麼做?)

- a. Would have closed 停業
- b. Would have operated at 50%
半營業
- c. Contributed as usual
繼續正常營業
- d. Would have closed after a year
營業一年後關閉

7. If there was no Feed + Fuel program supporting your business, how probable would a complete business closure have been? 如果沒有「疫境送暖，燃亮華埠」餐券計劃支持您的生意，那麼全面停業的可能性有多大?)

- a. Extremely Likely 極有可能
- b. Somewhat Likely 有點可能
- c. Neutral 中立的
- d. Somewhat unlikely 不太可能
- e. Extremely Unlikely 極不可能

8. What percentage of your revenue during the COVID-19 pandemic came from Feed + Fuel? 在新冠肺炎期間，你的收入中有多少百分比來自「疫境送暖，燃亮華埠」餐券計劃?)

9. Would a Feed + Fuel program have supported your business without the COVID-19 pandemic and subsequent shutdowns? (如果沒有新冠肺炎大和隨後的關閉，「疫境送暖，燃亮華埠」會幫助到你的生意嗎?)

10. Do you think your business can continue operating at its current financial level? Why or why not? (您認為您的生意可以繼續以現在的財務狀況運營嗎？為什麼?)

11. Would you be interested in being contacted in the future to further discuss your responses to these questions? (您是否有興趣我們之後可以聯絡你來更多地了解你的回答?)

- a. Yes 會
- b. No 不會

12. Best Way to Reach You: (最佳聯絡方式):

APPENDIX B: FOCUS GROUP QUESTIONS

Introduction:

Thanks for attending this focus group/interview. We would like to ask you a few questions to help us understand your experience of the Feed and Fuel program. The focus group/interview should take an hour and you are welcome to stop or skip a question at any time—you can just let us know.

Are you comfortable with this focus group/interview being recorded on the phone? [Respondents answer yes or no]. We will remove your name and your business' name from the interview. We will keep the recordings in a secure location and it will not be shared publicly.

1. Interview questions:

- a. *** What challenges were you facing as a business before COVID-19? 在新馆肺炎之前，您的企业有没有面临哪些挑战？
 - i. What challenges were still relevant during COVID-19 or how did they change? 在新馆肺炎期间，您的企业还有没有面临这些困难？或者有没有别的改变？
- b. What was the relationship between your business and locals before COVID-19? How has COVID-19 and the Feed and Fuel program changed your relationship with this group? 在疫情之前，你的商店和本地人

的商业关系是怎么样的？疫情爆发与华协中心的餐券计划如何改变你们之间的商业关系？

- c. What was the relationship between your business and tourists before COVID-19? How has COVID-19 and the Feed and Fuel program changed your relationship with this group? 在疫情之前，你的商店和旅客的商业关系是怎么样的？疫情爆发与华协中心的餐券计划如何改变你们之间的商业关系？
 - d. Did you think that this program was successful? 你觉得这个计划成功了吗？
 - e. Was there something Chinatown-specific that made this program successful/unsuccessful? 有没有一些唐人街特有的因素导致这个计划成功/失败？
 - f. Do you think that this program could run in other neighborhoods? 您认为这个计划可以在其他的社区运行吗？（你觉得这个计划可以在另一个社区运行吗？）
 - g. Have you heard of other programs in such neighborhood? 你有听过这个社区的其他方案/计划吗？
 - h. Is there anything else you want to share with us?
- #### 2. Additional follow up questions:

APPENDIX C: CCDC DEPARTMENTS

PROGRAM TITLE	DESCRIPTION	SAMPLE ACTIVITIES/ACTIONS
<u>YOUTH LEADERSHIP DEVELOPMENT</u>	This program offers a variety of programs that build connections between youth empowerment and neighborhood service—youth can learn more about their community and apply their learnings to become community leaders. Many of the participants are of Chinese descent, though the majority are not Chinatown residents themselves. One program in particular, the Youth for SRO (YSRO) is primarily made up of immigrant youth.	Adopt-An-Alleyway (AAA) Youth Program was launched in 1991 and historically empowered youth to undertake alleyway maintenance such as graffiti removal, sweeping, and monitoring alleyway dumping. Now the AAA program engages youth in community service activities such as intergenerational service, tutoring, and community education.
<u>ORGANIZING AND ADVOCACY</u>	Programs include community organizing, which educates residents on pressing local issues and supports local grassroots organizations like Community Tenants Association. Programs like Housing Counseling. Counseling directly supports residents who experience displacement threats like eviction, rent increases, and rent and repair issues, as well as translation and looking for affordable housing. This ensures residents can stay housed where they currently live.	Organizers work with residents through language-proficient housing counseling services to prevent eviction and advocate for policies beneficial for Chinatown to elected city officials
<u>PLANNING</u>	The Planning team works on issues of affordable housing, physical character, zoning, transportation, and open space to ensure the community stays accessible for those working and living in Chinatown.	Advocates for increased Muni (local public transit) buses on lines serving Chinatown
<u>RESIDENT SERVICES</u>	As mentioned above, CCDC also has a portfolio of affordable housing buildings. RS includes new resident outreach, information and referrals to local resources, translation, and assistance in navigating paperwork and public health benefits. This assists residents in being able to stay housed in affordable housing.	Through housing stabilization programs, Resident Services staff work with residents to assist them in understanding tenant laws and housing issues, as well as advocating for the maintenance of their housing and conflict management.
<u>HOUSING DEVELOPMENT</u>	The Housing Development team works with the City and residential building owners to ensure that residential buildings are code compliant and serviceable to low-income residents while identifying opportunities for construction and acquisition of new developments, San Francisco-wide.	Through a partnership with the Tenderloin Neighborhood Development Corporation, CCDC's Housing Development Team won the rights to develop a residential unit at 730 Stanyan, a new affordable housing building in the Haight-Ashbury neighborhood of San Francisco.

APPENDIX D: FOUNDING CCDC ORGANIZATIONS

Committee for Better Parks and Recreation in Chinatown (CBPRC), founded in 1968, advocated for open space and recreation areas in Chinatown.

Chinatown Coalition for Better Housing (CCBH), founded in 1972, advocated and organized for affordable housing.

Ping Yuen Residents Improvement Association (PYRIA), founded in 1968, advocated for tenant rights and supported tenants in the Ping Yuen public housing complexes (which had over 400 units), and continues to be one of the most active public housing tenant associations in San Francisco today.

Chinatown Transportation Research and Improvement Project (Chinatown TRIP), founded in 1976, advocated and planned for Chinatown's transportation needs.

Chinatown Coalition for Neighborhood Facilities, founded in the 1970s, advocated for funding for a neighborhood facility in Chinatown.

CHAPTER 7

Building Resilience During Crisis: Culturally Relevant Small Business Technical Assistance in Miami's Little Santo Domingo

Francesca Escoto

Chief Operations Officer, The Allapattah Collaborative CDC

Manuel T. Ochoa

Consultant, Ochoa Urban Collaborative

The Allapattah Collaborative CDC

1951 NW 7th Avenue

Suite 600

Miami, FL 33136

ACKNOWLEDGEMENTS

This case study primarily focuses on the Allapattah Collaborative's culturally-relevant small business assistance program. The case is meant to encompass the totality of the work we started over four years ago. It also represents the viewpoints of our executive leadership, small businesses in our community, and other neighborhood canvassing efforts. Therefore, the analysis and conclusions are based on four years of quantitative and qualitative data as interpreted by the primary author of this case study.

It is also difficult to acknowledge all the people and organizations that have truly contributed to the success of Allapattah Collaborative so far. We want to give special acknowledgement to the following: our Board of Directors, who oversee our executive functions and ensure our sustainability;

our Community Board, who created us and is the heartbeat of our neighborhood; and our funders, including JPMC and [NALCAB](#), who kickstarted this project when it was only a vision—we are grateful for your vote of confidence.

It is impossible to summarize the rich and complex history of the space we occupy and honor the wisdom of all voices of the past and present that tirelessly worked—and are working—in this space. Allapattah stands today because of the many people who, across time, have made it home. We acknowledge you and dedicate this work to you. ¡No se rindan!

For more information about this case study or The Allapattah Collaborative's programs, contact:

Francesca Escoto, francesca@allapattahcdc.org.

Executive Summary

Allapattah is on the frontline of gentrification in Miami. Although the story is very much on-going, Allapattah has learned some solid lessons on how to stem small business displacement. In one of Miami's oldest neighborhoods, Allapattah has faced urban unrest, disinvestment, and rebirth as an immigrant-led small business corridors, the heart of which is Little Santo Domingo. Over recent decades, Miami has become one of the

nation's hottest real estate markets with the transformation of several neighborhoods including Allapattah's neighbor, Wynwood, a former warehouse district now known for its art galleries, trendy restaurants, and high-end stores. Having developed Wynwood, developers have now turned their attention to Allapattah.

In response to the potential loss of its commercial district and cultural heritage, residents and small businesses inspired by Dominican American students formed the Allapattah Collaborative CDC (TAC). The Allapattah Collaborative's shared vision is to create "a safe, inclusive, engaged, and intergenerational mixed-income neighborhood with spaces, opportunities, and resources where residents of all economic classes and backgrounds can live, learn, work, play and thrive." With community input, TAC prepared an equitable development action plan with a focus on preserving small businesses, making them resilient through technical assistance and funding, creating pathways for wealth building, and celebrating the community's Dominican heritage.

When the COVID-19 pandemic hit, TAC created the Small Business Resiliency Cohort (SBRC) program, providing technical assistance to help keep businesses open. The program's longer-term aim is community ownership of commercial spaces, including helping business owners buy their storefronts.

TAC's program design takes the following approach: First, relationships should not be transactional; second, programs should be designed so that participants eventually "learn how

to fish;" and third, small businesses should be able to stay true to the vision they have for themselves. Over the past several years, TAC has focused on being culturally relevant while developing various anti-displacement tools, including highly specialized technical assistance and community ownership. In this report, we describe and analyze each of these efforts, with information about design, data, implementation, and outcomes.

For this case study, TAC interviewed 184 businesses to update surveys and understand their current situation. TAC has learned valuable lessons in working to make sure small businesses pave a path for resiliency, wealth-building, and ownership.

The recommendations of the case study focus on lessons learned that can hopefully be replicable in other neighborhoods experiencing similar pressures for displacement and gentrification.

Allapattah and TAC continue to grow, evolve, and test new ideas. But as it develops and launches new programs, TAC is grounded in the voices of the community and the small businesses that are the heart of the Dominican community and its culture.

Introduction

There is a gap between the staying power of small businesses in immigrant and ethnic commercial corridors and the actual cost of staying in place in today's aggressive gentrifying development environment. Our goal at the Allapattah Collaborative (TAC) is to implement strategies that close this gap and keep the American Dream alive in our neighborhood.

That gap is exacerbated by three conditions: sky-rocketing real estate prices; a low-income

neighborhood; and cultural barriers. The COVID-19 pandemic further exacerbated the challenges small businesses in Allapattah face.

The City of Miami is considered, by some, as the [epicenter of the national real estate crisis](#) and the poster child for gentrification. The success of the neighboring Wynwood from a real estate development perspective is marred by its failure to protect the nearby Little Puerto Rico community which made Wynwood so unique. Furthermore,



The gap between Little Santo Domingo businesses' current purchasing power and the high-priced real estate market requires a tandem strategy: first, tailored one-on-one, culturally relevant technical assistance, and second, access to capital that will give them the opportunity to purchase real estate. ”

the lack of green spaces and poor walkability have made it less attractive to families. Finally, the artist community that put Wynwood on the map almost fifteen years ago, with its painted murals, artist lofts, and art galleries has now been displaced with high-end stores and restaurants. This cannibalistic form of gentrification is not unique to Miami and is reflective of other communities throughout the United States, and perhaps the world; it is what happens when development is not conscious and inclusive.

The Allapattah Collaborative believes that real estate ownership is the single most effective long-term strategy to keep small businesses in place, giving small businesses the best chance that they leave at will instead of by force. However, the gap between Little Santo Domingo businesses' current purchasing power and the high-priced real estate market requires a tandem strategy: first, tailored one-on-one, culturally relevant technical assistance, and second, access to capital that will give them the opportunity to purchase real estate.

Our signature technical assistance program, the Small Business Resiliency Cohort (SBRC), was born out of the COVID-19 pandemic, when small businesses faced barriers to accessing assistance programs and other resources while rents skyrocketed. TAC worked to prevent the 10 inaugural cohort businesses from closing by offering grants to help pay rent, helping

businesses access other capital, and providing a 12-week curriculum of training and coaching.

TAC was already working on a community ownership program and continued to hear from many business owners that they would like to own their space, particularly as the pandemic magnified the unpredictable nature of being a renter in a gentrifying area. TAC is now looking to purchase and develop its first commercial property, which will offer small business owners the opportunity to own space or rent long-term at reasonable rates. TAC has also developed bilingual training for entrepreneurs about how to purchase commercial property.

Our approach is intentionally multi-modal, with the goal of addressing co-existing displacement risk factors. The low income of our community's demographics is magnified by the prohibitive cost of real estate and is complicated by the cultural barriers oftentimes experienced by immigrants. We could not address just one of these alone, therefore we created programs and services that tackle all three challenges. The success of the Allapattah Collaborative at addressing aggressive gentrifying forces is a hopeful example to anyone that chooses to embrace our approach to combat gentrification and displacement. It is our hope that any community leader can adopt and adapt the work described herein on behalf of their constituents anywhere gentrification is found.

Case Study Approach

First, the Allapattah Collaborative listened to small businesses and residents to better understand the population it serves. This was important to ensure we had the right programmatic goals and methodology. Specifically, we wanted to know if our approach to anti-displacement was relevant to our target audience. We offer a set of services that complement each other, with the goal of building resiliency and purchasing power in our businesses and their owners. For this purpose, we hired three canvassers to interview all the businesses along 17th Avenue—the Little Santo Domingo commercial corridor. We wanted to know if they were still in operation, if they owned their site, if there had been any improvements, and learn about their current business operation.

The canvassers collected data directly from each business owner via a tablet or phone, using a Google Forms survey. Both quantitative and qualitative data were collected by interviewing as many businesses as possible. In total, we were able to collect data from approximately 184 businesses in Little Santo

Domingo over a two-week period. During our survey collection period, we also collected information for an additional 35 businesses that were impacted by a fire at the Tropicana Flea Market, a market close to the target area.

This data was collected and analyzed for patterns and themes that emerged and are discussed in this case study. Furthermore, we looked at various sources of data from the City of Miami and Miami-Dade County, online historical archives, and the Census to ensure we had a well-rounded understanding of what is happening in the Little Santo Domingo corridor.

Leading Organization

Faced with the displacement of legacy Dominican businesses in the Little Santo Domingo Commercial Corridor, Mileyka Burgos, our founder and CEO, gathered a group of community members and leaders in 2018. Known as the Steering Committee, this group became the engine for the revitalization of Allapattah that led to an [Equitable Development Action Plan](#) (EDAP) and the creation of The Allapattah Collaborative. This work was seeded by the National Association of Latino Community Asset Builders (NALCAB) with funding and capacity-building support from JPMorgan Chase and Citibank under the guidance of the South Florida Community Development Coalition, which served as a convener and the organization's fiscal agent.

The Steering Committee, later TAC's first board, is composed of businesses, residents, and leaders of Allapattah. They agreed that the best way to address the findings of the EDAP was to create an organization solely focused on addressing the displacement and preservation experienced by the community. This is how the Allapattah Collaborative CDC was born and how Mileyka Burgos became its first CEO.

The Allapattah Collaborative's shared vision is to create "a safe, inclusive, engaged, and intergenerational mixed-income neighborhood with spaces, opportunities, and resources where residents of all economic classes and backgrounds can live, learn, work, play and thrive."

The action plan has three pillars to preserve and help small businesses in Little Santo Domingo: first, make them resilient by establishing an infrastructure and funding to support existing small businesses; second, make them sustainable by establishing pathways to purchase their storefront; and finally, build legacy by recognizing existing historic and cultural importance of businesses and places. At the same time, TAC aims to diversify the corridor by incubating new tech start-ups and tech-enabled businesses to both prevent gentrification but also including Little Santo Domingo in the future economy.

Organizational Structure

We align people with the needs and goals of the neighborhood we serve. Allapattah Collaborative CDC works with four main audiences to collect information and design its programs: the Board of Directors, the Community Board; TAC staff and advisors; and its clients—Allapattah's small businesses.

The Community Board is composed of various stakeholders from the neighborhood itself, including church leaders, university leaders such as FIU, partner agencies such as YMCA, local high school, business owners, and residents. They have and continue to set the goals for the organization and are the heart and soul of our strategic focus. This group was responsible for the creation of the original Equitable Development Action Plan that gave birth to the organization and appointed its founding Executive Director & Chief Executive Officer (CEO).

Where the Community Board sets visionary direction for the organization, the Board of Directors sets policy for implementation. The Board of Directors has fiduciary responsibility, provides oversight, and sets the vision for the organization. The CEO reports to the board.

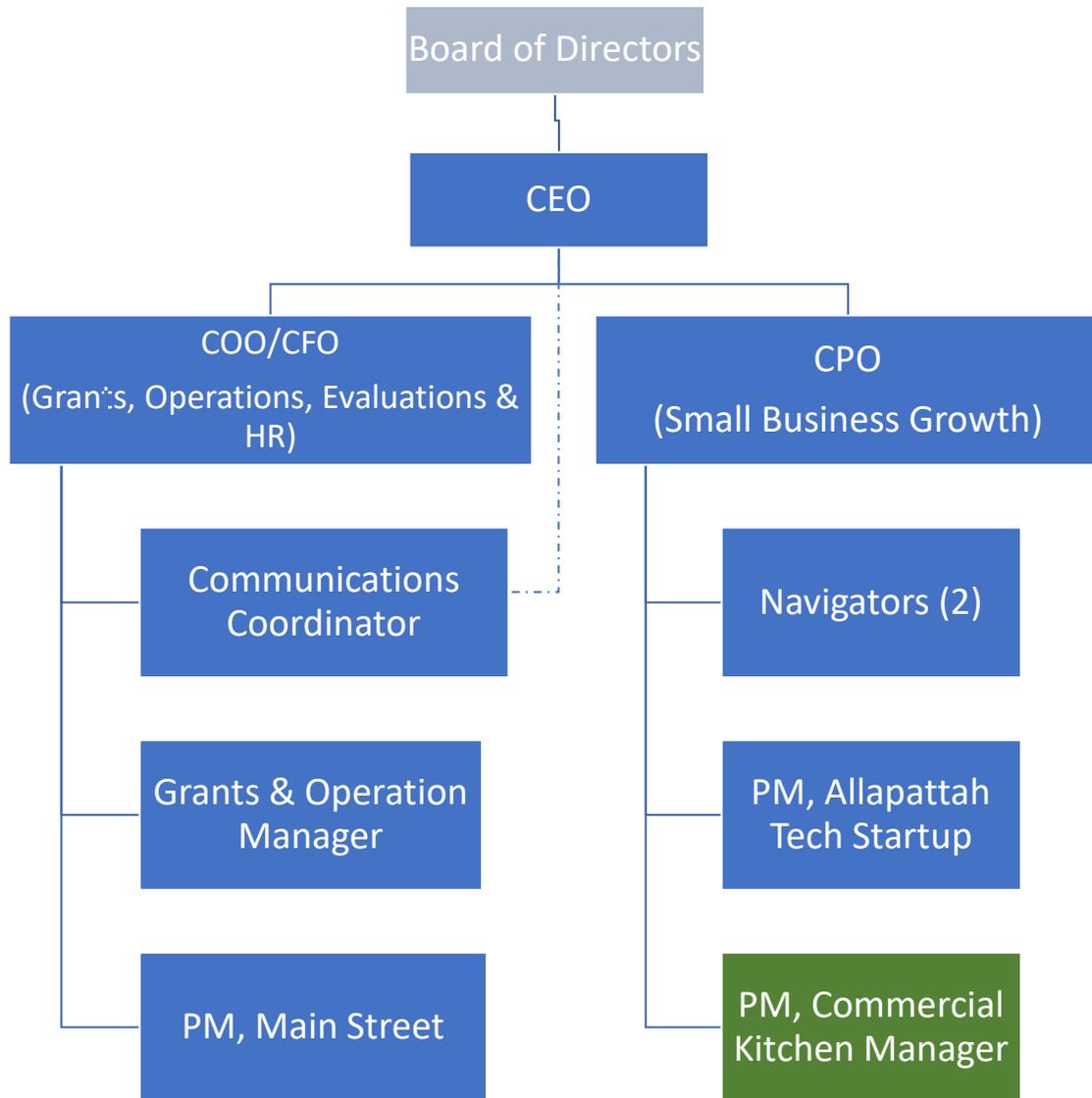
This balance has become one of the cornerstones of The Allapattah Collaborative CDC, allowing us to get both the technical expertise required of directors, along with the grassroots voice of the local neighborhood leaders.

Our CEO builds strategic partnerships and fund development at the local, regional, and national level. This is an outward-facing role, while our COO manages the staff and finances, ensuring the integrity of our operations align with our values. Our Chief Programs Officer oversees implementation of programs and the daily delivery of service through our Program Managers and Business Navigators. TAC contractors are subject matter experts that enhance our programs with hands-on assistance, typically directly delivered to our clients in the form of web development and QuickBooks setup.

Finally, our clients are always educating the organization and providing feedback on their needs and the effectiveness of TAC program strategies. Once a year, our staff conducts a commercial corridor census, visiting each and every business and gathering input directly from them. In addition, we physically visit these businesses throughout the week, building trusting relationships over time, and learning directly from them about their needs and priorities.

Figure 1

The Allapattah Collaborative Organizational Chart.



CONTRACTORS

Real Estate Development Consultant & Realtor

Fundraising (Grant Writer; Prospecting)

Strategic Communications

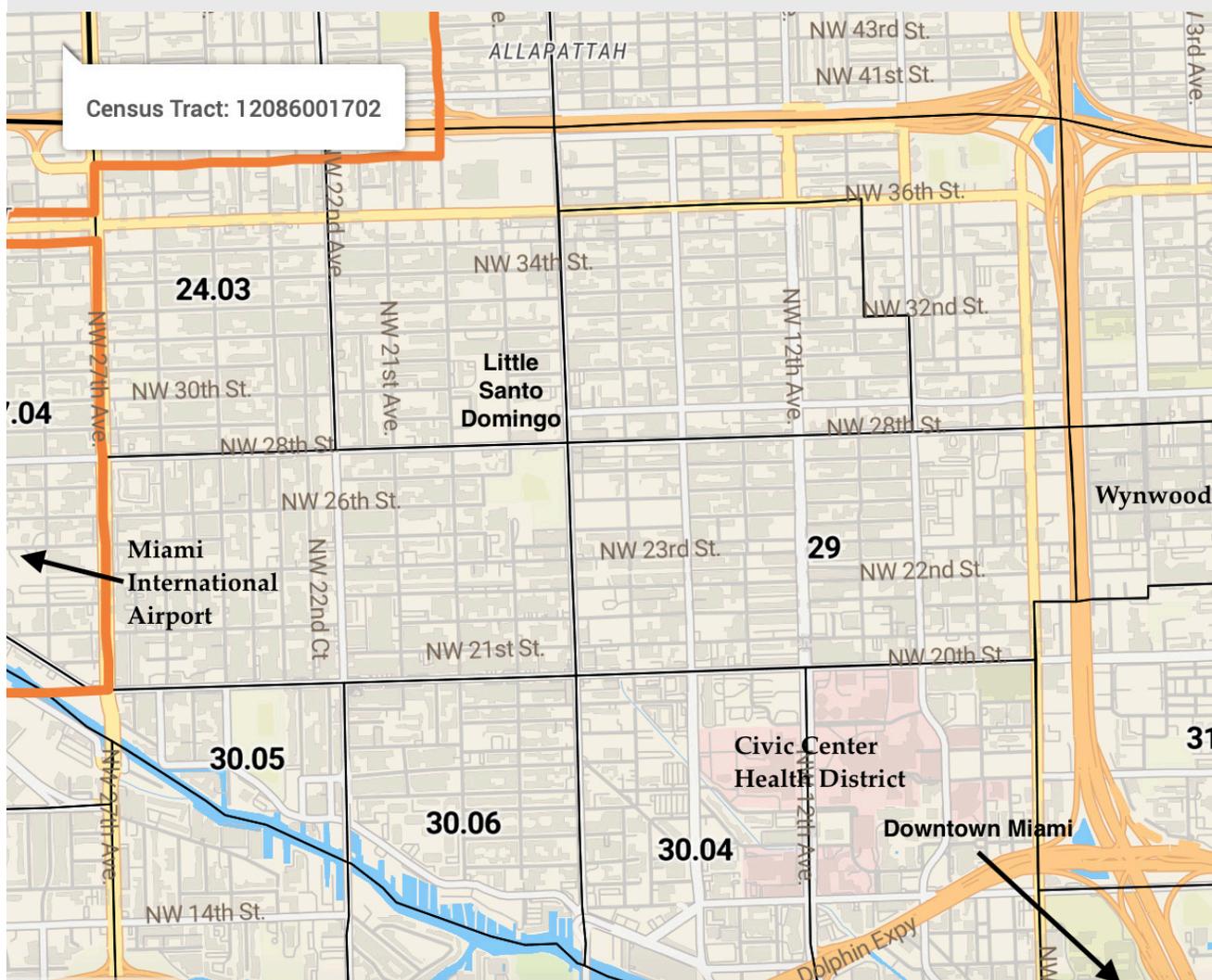
Legend:

Gray- Volunteer Boards

Blue- Current Staff Positions

Green- Positions to Hire

Orange- Contracted Positions

Figure 2*Census Map of the Allapattah Neighborhood.*

Neighborhood Context

Allapattah is experiencing severe gentrification pressures with spiraling rents, aggressively forcing out residents and businesses testing the long-term cultural fabric and resiliency of the community. The Seminole gave the community its name—Allapattah—which means alligator in the Seminole language. Like its namesake, the alligator, Allapattah has a long history of survival despite a sometimes-unforgiving ecosystem. Seminoles and other earlier indigenous peoples originally settled on a natural rocky ridge; a natural geologic spine used to construct the Federal East Coast (FEC) Railroad which accelerated the arrival of white settlers to South Florida. Settlers, who started to arrive just prior to the Civil War, established farms including citrus and coontie, a once popular starch also known as Florida arrowroot.

After Miami was incorporated in 1898, the area started to develop with homes in the 1920's leading to the establishment of commercial districts along principal thoroughfares such as 17th Avenue. Following the 1950s, a phenomenon known as “white flight” occurred due to urban renewal, highway construction, and resulting social unrest. This vacuum in communities led to the emergence of fresh ethnic groups, including an influx of immigrants following the Cuban Revolution in 1959, who occupied previously vacant storefronts.

African American communities also settled in the neighborhood through the 1960s and 1970s. Allapattah and the nearby neighborhood of Overtown are inextricably linked. Indeed, many

African American families were displaced from **Overtown**, Miami's original Black community. Overtown was originally formed by railroad workers from the South and the Caribbean, primarily the Bahamas, to work on the adjacent FEC railroad. Despite its origins as a segregated community, the community thrived and became known as Harlem of The South. The name Overtown was derived by Black musicians and artists who performed in Miami Beach but could not find lodging because of segregationist laws and policies that restricted the movement of African Americans and would go "over town" to hotels and restaurants where they could be served. Government-funded housing projects alleviated overcrowding while the emergence of an African American middle class led to the establishment of churches, hospitals, schools, and other services. However, Overtown remained fraught due to economic and social inequality that violently erupted in 1980 after six White police officers were acquitted. Despite the evidence, the officers were acquitted of beating to death Arthur McDuffie, a black insurance agent and veteran, after what should have been a routine traffic stop.

Known as the McDuffie Riots, several of Miami's commercial districts were looted and burned for several days. The uprisings also devastated Allapattah's commercial corridor. Many of the previous owners did not have insurance and were unable to rebuild. Meanwhile, Dominican immigrants who were escaping political and economic turmoil in their homeland began to settle in Allapattah reviving commerce and creating a home for this new wave of Caribbean immigrants. During the 1980s and 1990s, the community's entrepreneurial spirit gave way to many of the small businesses that still serve the community today. Over time, these business owners made 17th Avenue the heart of the neighborhood, with services that address the ethnic needs of its residents. Recognizing the Dominican communities' contribution to the revitalization of Allapattah, the City of Miami named a portion of Allapattah *Little Santo Domingo* in 2003. They also renamed the local park and a segment of Northwest 17th Avenue after Juan Pablo Duarte, the Dominican Republic's Founding Father as a recognition of the community's rich cultural and entrepreneurial impact on the South Florida community.

Allapattah has also been subject to a number of competing forces. For example, in the early 1980's, some of Allapattah's land was zoned for industrial uses and warehouses due to its proximity to Miami International Airport. The community has continued to thrive despite little investment from the City of Miami and apathy from policy makers and community leaders. Instead, businesses have faced no investment and increasing rents

Key Facts About Allapattah

36,560 residents

70% Hispanic

22.8% Black

53% foreign-born

76.5% renters

80% low-to-moderate income

28% living below poverty level

MEDIAN INCOME IS

\$33,995

50% of the adult population has less than a high school education

(2021 data)

from property owners who await redevelopment opportunities incentivized by increased density and zoning changes under the City's major zoning reform in 2009 better known as Miami 21.

These changes have affected neighborhoods across the city including nearby Wynwood, which has undergone a major transformation from warehouses to a nationally recognized arts district to a gentrified high-end community. The **once thriving Puerto Rican community** of "Little San Juan" has been displaced. Now, with little available land for high rises, developers are turning to Allapattah. Further, as climate change threatens the Miami coastline, Allapattah's position on South Florida's highest ridge has made the neighborhood much more attractive to developers.

Despite these challenges, the Allapattah community remains undaunted. The community began organizing in 2014 by a small group of Dominican students and leaders. Buoyed by efforts from the University of Miami, Florida State University and the City of Miami through charrettes, design guidelines and special designations the community began to organize efforts particularly around small businesses along the corridor. Support from the National Association for Latino Community Asset Builders, strong partners such as the South Florida Community Development Coalition, and sustained funding support from Citibank and JP Morgan Chase led to the development of an Equitable Development Action Plan that created a roadmap for the redevelopment of Allapattah that includes the existing community. These efforts led to the creation of the Allapattah Collaborative CDC.

The Allapattah CDC is dedicated to fostering its cultural identity by supporting wealth-building strategies for marginalized communities of color and advocate for policies and procedures that support equitable, comprehensive, and sustainable community development. The Allapattah CDC works to equip the community, especially its micro businesses, to participate equitably in this development, owning commercial real estate, growing their enterprises, and continuing to contribute to the long-term sustainability of the neighborhood. Since its inception, the Allapattah CDC has assisted over 75 businesses with over \$3.1 million in capital, and over 2800 hours of technical assistance to businesses along the 17th Avenue corridor.

Anti-Displacement Tools and Strategies

Our Approach

The TAC's most prized goal is to provide a transformational experience for our constituents—our small businesses. Our values are driven by this approach. In many ways, it is an intangible approach that is difficult to quantify, but we work towards it with intentionality regardless of the challenges. A transformational experience refers to the following:

Beyond transactional: We understand that transactions are needed to get the job done. However, transactions must add up to something meaningful that fosters an authentic relationship. We believe that people will forget about the exact services offered, but they will remember how they felt during these interactions. We encourage our team to truly listen. We value ongoing conversations because they build trust in relationships.

Teaching them to fish: Education is our most prized tool. While we can do a lot for our clients, the most important thing we can do for them is teach them to do it themselves. While this approach takes longer to accomplish, it is the fastest way to ensure long-term sustainability. Each business owner that learns the ropes is able to help a family member, an employee, or another business owner. By teaching them how to do it themselves, we elevate them and prepare them for future opportunities.

Holding their vision: We believe in our clients even when they don't believe in themselves.

Coming from a different culture and country, we understand that business owners may be paralyzed by fear or are afraid of making major mistakes. TAC commits itself to helping each business achieve their vision step-by-step until they fully realize their own dream. TAC's coaches, digital inclusion specialists, and business navigators are carefully vetted for dual language skills, their cultural competency, and their ability to build relationships with community members and partners. By canvassing and listening to our small businesses, we are better able to implement a culturally relevant approach.

Tool 1: Culturally Relevant Relationship-Building

CONCEPTUALIZATION

Our audience is primarily from the Dominican Republic. Many small business owners do not speak English or have limited English proficiency. Some have limited education due to limited educational opportunities in their home country. While others do not have a good grasp of the banking system, others do not trust the government—local, state, or federal. They come from places where corruption is endemic and little trust is placed on established institutions.

We establish their trust by demonstrating sensitivity to their circumstances, gradually and gently guiding them toward taking incremental steps and making discoveries. This approach

helps them build confidence in realizing the true potential of their small business in a new country.

DESIGN AND DATA

Seventy percent of the businesses in the Little Santo Domingo corridor are Hispanic-owned. Therefore, 100% of our staff is bilingual, 100% of our staff has a personal experience with immigration, 100% of our staff spends time with our constituents, 50% of our staff is or has been a business owner, and 30% of our staff comes from one of our programs.

IMPLEMENTATION

Basic native language content: Most of our clients are not college educated, and in many cases, did not complete high school. This makes their transition to English more complex, as their literacy skills are often lacking. For those who have academic credentials, work and family responsibilities have delayed their learning of a new language. Initial services are provided mainly in Spanish. During Phase 2, services are provided in both English and Spanish which is why 100% of our marketing is in Spanish or bilingual. Our programs assume low literacy and utilize simple vocabulary, large clean fonts, hands-on in-person help to fill out any documentation needed.

Meeting them where they are: There are no prerequisites to join our programs. Small business owners come to us with whatever skills they have obtained, which are typically few. We don't turn anyone away. Servicing people with very different skill sets requires that we provide extensive one-on-one sessions to teach them skills such as how to access digital online courses, how to download apps on their phone, how to perform online banking, and how to speak to their landlords. We also help them resolve a myriad of business issues such as renovating licenses, responding to IRS inquiries, reconciling billing disputes, and much more.

Tool 2: Highly-Tailored Technical Assistance

CONCEPTUALIZATION

Our first program, the Small Business Resiliency Cohort (SBRC) continues to be our signature program at Allapattah CDC. It was born from the desperate need our business owners faced at the outbreak of the COVID-19 pandemic. Limited English and lack of trust in financial institutions prevented many of them from accessing available funds and resources to stay open. At the same time, skyrocketing rents forced many businesses to close. To make matters worse, some of the businesses were not properly licensed with local

Figure 3

Impact summary for years 1-3 of The Allapattah Collaborative.



governments and could not qualify for any of the programs. We focused our energy on creating a program that could quickly prevent closures and displacement, while building small business resilience through these tough times. Over time, the curriculum became the cornerstone of our work in the commercial corridor.

DESIGN AND DATA

This program was designed from the ground up using the values described above in “Our Approach.” During the pandemic, funding from Hispanics In Philanthropy (HIP) allowed us to test our design by directly helping businesses with a direct grant that served as an incentive to participate in the program. The program was designed over the course of two months of full-time work that consisted of the following steps: 1) decide on the size of each grant provided to each business; 2) define the measurable learning objectives; 3) draft lessons using basic vocabulary to describe more technical concepts; 4) build a companion workbook for every lesson allowing participants who were literate to jot notes and keep track of questions and decisions they made along the way; 5) record videos for every lesson that could be uploaded to our online teaching platform (Thinkific.com); 6) schedule weekly coaching sessions for the cohort in order to review that week’s lesson, host a Q&A, and collect feedback; and 7) designate a Business Navigator, one person who would work with each cohort participant to help them access the course materials, the workbook, and make sure they attended the weekly coaching sessions.

IMPLEMENTATION OF THE SMALL BUSINESS RESILIENCY COHORT

We understood that the first cohort would set the pace for subsequent cohorts and would determine if we could secure future funding. Our criteria for the first cohort of ten businesses required that each business should be highly motivated to keep their business open; committed to learning something new; coachable, as demonstrated in their willingness to complete required tasks; willing to share financial data, including personal banking and tax information; and, willing to sign an agreement with requirements and expectations.

We decided to grant each business a portion of funds that would allow them to keep their doors open. Typically, this meant subsidizing any gap in rent payment that they were unable to pay due to forced closures during the pandemic. For the first three cohorts, we granted \$5,000 to each participating business. These small grants were awarded in exchange for their participation and completion of the Small Business Resiliency Cohort. The agreement they signed stipulated that, if they failed to complete the program, they could be compelled to return the funds that were granted.

ACCESS TO CAPITAL

We immediately got to work to supplement HIP mini-grants with additional grant funding. We guided our clients through several applications including the SBA pandemic relief funding, City of Miami and Miami-Dade County resources, and the federal Paycheck Protection Program. We also identified pitch competitions, private grants, and small capital loans. In a short three years, we helped businesses apply for and win over \$4 million in grants and loans. We were successful because we were able to: research and identify potential sources of funding; determine if businesses and individuals qualified for each grant or loan; assess each business’ readiness including their tax status and credit rating; assist each business with each application; assist with the application submittal process; and identify alternative options for businesses who did not qualify for a particular loan or grant.

NEGOCIOS ACTIVOS

Out of the possible 300+ businesses that are located in our community, we have worked with a total of 79 businesses. In the previous year, TAC worked with 35 businesses which represents a mere 10% of the total. How did we double the number in one year? *Negocios Activos*.

Negocios Activos means “Active Businesses” in Spanish. The premise is to offer a series of low-risk/low-engagement services to all businesses in Allapattah in order to build trust over time. We understood that not every business is willing



The Small Business Resiliency Cohort (SBRC) program was born from the desperate need our business owners faced at the outbreak of the COVID-19 pandemic.”

to commit to a 12-week program that requires submitting financial documents and other intrusive questions. We learned from marketing experts that it is important to create a marketing funnel that increases engagement over time through a series of products and services. We have adapted these concepts to brick and mortar operations and defined “conversion” as someone that joins our SBRC program.

Negocios Activos consists of a series of monthly networking and learning events. We typically invite our partners and contractors to deliver a short workshop, followed by a short time for networking. The topics range from how to successfully start a business, to banking tips, to preparing for real estate ownership. The topics align with the collective vision for the neighborhood and highlight experts in the respective fields. Experts get exposure to potential clients, and we slowly win their trust as a reliable source of connections. Our Small Business Growth department coordinates these workshops with our partners and typically holds the sessions in our building’s conference rooms, depending on audience size. At times, we partnered with other organizations depending on their availability and desire to collaborate.

OUTCOMES

We had a 90% completion rate of the first cohort (9 out of 10 that started) and a 98% completion rate overall. The one individual who did not complete the program had a health emergency which required her to devote her attention to a family member. This is often a common denominator among entrepreneurs who are women of color.

The program we first launched is what we now call “Phase 1.” Since our launch, the goal has been to get our participants to become self-sufficient. As they progress through our program, about 40% are continuing to pursue opportunities for capital on their own, without our technical assistance.

Tool 3: Community Ownership

CONCEPTUALIZATION

Early on, we heard that small businesses owners wanted to own their building. TAC is committed to helping Allapattah business owners and residents become part of the redevelopment

Figure 4

Small Business Resiliency Cohort alumni applications for business capital, pursued independently and with assistance.

Independent Application Submissions Among Cohort Alumni



of the neighborhood. We have explored various models including a community ownership model, where a non-profit facilitates the acquisition of real assets (land, buildings, etc.) and the community participates in the long-term development and ownership of this asset.

DESIGN AND DATA

About 35 out of 185 businesses surveyed are somewhat or very interested in owning their own property for their business. Allapattah has a very low rate of small business-ownership of commercial property. Gator Investments, one of the major property owners in Allapattah, possesses a portfolio exceeding 10 million square feet across the nation. They own some of the most important commercial real estate in the neighborhood and do not seem interested in selling. In some cases, their rents have increased up to 260% since the pandemic. Buildings are not always well maintained, and when the tenant makes any improvements, the rent goes up.

At the same time, the cost of commercial real estate has been heavily impacted by speculation. A half-acre lot that was purchased three years ago for \$250,000 is selling today for \$3.6 million with no improvements. The typical downpayment requirement is 30% of the selling price. Using the same example would require \$1.2 million in cash just to secure a mortgage. A mortgage of over \$2 million results in a monthly mortgage payment well beyond the income of most microenterprises.

For these reasons, our programs are focused on two approaches: affordable units and long-term vacancy. We can facilitate the ownership of commercial “condos” by taking on the development of land and building mixed use properties. This type of building is composed of residential units in the upper floors with commercial units in the first and second floors with necessary amenities such as parking. Mixed-use properties offer an affordable path to ownership for both commercial and residential purposes. Considering lease-to-purchase initiatives and the alternative of long-term vacancies, we are also planning to provide extended tenant agreements with fair rents to safeguard both business sustainability and the neighborhood’s distinctive character for those who are unable or disinclined to own.

IMPLEMENTATION

The Allapattah Collaborative has worked for years to develop its community ownership program by finding and working with the right partners including non-profit real estate consultants and planners with development experience, local organizations with

experience in real estate such as the South Florida Community Land Trust, national intermediaries and foundations who have experience in real estate development such as the National Association for Latino Community Asset Builders, and the Miami Foundation. TAC is currently ready to purchase and develop its first building. In preparation for its first purchase, the TAC has developed a first-time commercial buyer program, the Thrive-in-Place Fund, and the Open for Business grant. TAC is in the process of designing the first-time commercial buyer, a Spanish-language course on how to purchase a commercial property.

This course focuses on location evaluation, site evaluation, deal evaluation, financing options, creating the right team, and due diligence steps. The course will be delivered in person and be available via recorded videos online. We anticipate that we will offer this course twice per year but are open to on-demand training. Secondly, TAC created the Thrive in Place fund, a fund to facilitate the participation of investor—large or small, who wants to be part of Allapattah’s effort for equitable development. Individuals, corporations, and investors are invited to be part of this effort. The fund will assist small business owners in the pre-development phase who need to cover costs such as environmental studies, architectural drawings, pro forma analysis, and more. Third, Allapattah has created Commercial Acquisition, an invitation-only fund with selected partners to acquire and develop major sites in Allapattah. Finally, TAC has also been able to access the Open for Business fund, a series of grants from the Miami Foundation for organizations like The Allapattah Collaborative CDC and small business owners to assist with a downpayment for commercial acquisitions. Through this grant, we have secured a generous fund toward 25% of our first acquisition.

OUTCOMES AND IMPACT

Through Open For Business, we have secured a generous fund toward 25% of our first acquisition. In addition, we are assisting our clients with the grant application and several of these businesses have already received OFB funding for capital projects. We have also secured matching funds for our pre-development costs in the form of a restricted grant from Miami Homes For All. Lastly, the First Time Commercial Buyer program is scheduled to launch in October 2023 during Hispanic Heritage Month.

Recommendations and Lesson Learned

The following recommendations are a compendium of what we've learned in regard to our small business programs and as an organization.

Recommendations Related to Small Businesses in Particular

Sustain client results: Upon completing Phase 1 of the Small Business Resiliency Cohort, we realized that a 10-12 week course of work was not sufficient to help businesses achieve their goals. For example, we created Instagram accounts for small businesses, but they didn't have a full strategy for managing content in social media. We found ourselves rushing and trying to cram too much on their schedules. So, we developed a Phase 2 that focuses on digital inclusion and internal controls. One of our local business owners helped us develop a course with actionable steps that helps small businesses move from “el cuadernito” (a little notebook) to QuickBooks. Ultimately, our aim is to equip a business owner with the skills to manage their online presence or at least have the skills to properly supervise a person responsible for the function. The Phase 2 program allows for more time between each client and the professional consultant to resolve the issues that we identified during Phase 1.

Invest in advocacy for small business owners: Our clients are not very comfortable speaking to public officials. They come from countries where they are either completely ignored or where speaking up may have serious repercussions. While our staff works to advocate for small businesses on all sorts of issues at city hall, we would like small business owners to be advocates for themselves. In response to this need, our staff created a new program, Tu Voz Cuenta, a five-hour program that teaches small business owners to deal with elected officials, city staff, and learn to advocate for themselves. Through this course, 15 business owners learned to craft their own email, create scripts for phone calls, and meet with elected officials.

Help businesses manage capital: Helping businesses access loans and investments is only useful if they are also able to use funds to increase their revenues. Their ability to pay back their loans will increase their credit worthiness and also help each business achieve long-term sustainability. The goal is to help them grow sustainably and for each business to be resilient, not to get them into debt.

Do not offer your programs for “free”: While services can be free of charge, participants should understand the cost of these services. Participants should understand what is expected of them as well as any “homework” they are expected to complete. We learned from our first cohort that we needed to adjust the program, including requiring an application as a simple exercise to determine commitment and weed out applicants who are simply seeking grant dollars. We continue to work to find the right balance between emphasizing direct technical assistance with direct grant assistance to small businesses.

Balance in person vs. virtual: TAC started the program during the pandemic, so we had to work with a virtual platform that allowed us to serve people virtually. However, as soon as we were able to congregate in person again, we started experimenting with a hybrid model that minimized contact while enhancing connection and networking. This proved to be a hit. In-person activities allow our small business navigators to see who is struggling, create camaraderie among small business owners, and provide more opportunities to ask questions.

Overall Recommendations

Manage scope-creep: In 2022 and in 2023, the Tropicana Flea Market had two major fires that displaced over 100 tenants. Because of TAC's reputation helping microbusinesses, the county asked us to provide direct technical assistance to businesses and assist them by connecting businesses with county programs and funding. The effort has taxed our staff so we are currently evaluating how we can continue to sustain this operation. While we received additional funding to continue this work, we want to ensure that this new program does not dilute our original mission to revitalize the Little Santo Domingo corridor.

Hire a team with a mix of expertise and eagerness: Our lean and mighty team has senior level staff with 20+ years of experience, balanced with “newbies” to the nonprofit world who are either starting or switching careers. Experienced staff mentor new staff which has been an important strategy to successfully grow our organization.

Maximize contractor value: We have been able to get work done through a fraction of the cost by focusing on small projects one at a time. Even if you can't afford full-time staff, you can definitely break a big project into smaller milestones and hire local consultants to help with the work. It's easier to obtain funding for small pieces of work with small grants than asking for larger grants to fund work when an organization may not have a proven track record.

These are the primary lessons we've learned from our three tools. Most of these are programmatic, but there are other larger organizational considerations that have administrative and financial impacts that should also be considered as an organization designs new programs. As Allapattah and the TAC continue to grow and evolve, new ideas and programs will be tested based on our approach. By prioritizing the needs of residents and small businesses at the core of the Dominican community, we ensure our efforts are rooted in preserving not only the continuity of these enterprises but also the rich history and culture they embody. ◆

REFERENCES

Black Florida (n.d.). Retrieved from <https://www.blackflorida.org>

Miami History (n.d.). Retrieved from <https://miami-history.com>

Migration Policy Institute (2019). Dominican Immigrants in the United States. Retrieved from <https://www.migrationpolicy.org/article/dominican-immigrants-united-states-2019#distribution-state-cities>

Southeast Florida Climate Compact (2020). Sea Level Rise Projection Guidance Report. Retrieved from https://southeastfloridaclimatecompact.org/wp-content/uploads/2020/04/Sea-Level-Rise-Projection-Guidance-Report_FINAL_02212020.pdf

NBC Miami (n.d.). Miami Commissioner Joe Carollo Found Liable in Ball & Chain Lawsuit. Retrieved from <https://www.nbcmiami.com/news/local/miami-commissioner-joe-carollo-found-liable-in-ball-chain-lawsuit/3045344/>

Florida Bulldog (2022, March). Troubled Alex Diaz de la Portilla Takes Control of \$66 Million Omni CRA. Retrieved from <https://www.floridabulldog.org/2022/03/troubled-alex-diaz-de-la-portilla-takes-control-66-million-omni-cra/>

NPR (2023, May 30). Florida Anti-Immigration Law Draws Comparisons to 1718 Desantis. Retrieved from <https://www.npr.org/2023/05/30/1177657218/florida-anti-immigration-law-1718-desantis>

ArcGIS Story Maps (n.d.). The Human Cost of Sea-Level Rise in Miami-Dade County. Retrieved from <https://storymaps.arcgis.com/stories/33d28b4ae86840b5b27ea8ba4b4bcc4d>



Mount Pleasant Main Street, Washington, D.C.

PART 3

STRENGTHENING COMMUNITY ASSETS

Small businesses are vital community assets and institutions. Strengthening and supporting small businesses and commercial corridors helps preserve the communities of which they are a part. It keeps wealth circulating locally, maintains social and cultural spaces, ensures local entrepreneurs can access new opportunities and benefit from investment, and maintains community control of commercial assets. The case studies in Part 3 show how

organizations have used community ownership of commercial property, protections for entrepreneurs that operate in the informal economy, loans and leasing programs that help small businesses access affordable spaces, and innovative Main Street models to preserve BIPOC- and immigrant-owned small businesses in gentrifying neighborhoods. For more information about how these and other tools work, visit the [***Small Business Anti-Displacement Toolkit***](#).

CHAPTER 8

Community-Owned Real Estate (CORE): A Mission-Driven Approach to Preventing Small Business Displacement in Los Angeles

Chih-Wei Hsu | Research Associate
Prince Osemwengie | Senior Policy Associate

Inclusive Action for the City
2900 E Cesar E Chavez St.
Los Angeles CA 90033

ACKNOWLEDGMENTS

Special thanks to the Community Owned Real Estate (CORE) project's tenants and stakeholders, who were willing to share their experiences and lessons learned managing commercial properties and leasing commercial spaces as tenants. If the reader finds this research comprehensive, it is because of the contributions of our interviewees and peer-reviewers.

Interviewees

- **Andi**, Latin X With Plants
- **Enrique**, Aguilera's Barber Shop
- **Kris**, Boyle Heights Beat
- **Lucia**, Las Fotos Project
- **Porfirio**, Mundo's Upholstery
- **Roberto & Angela**, Eastside Cafe
- **Ruben**, Malinalli Superfoods
- **Sohi**, Sohi Threading

- **Yessica**, Dulceria Seis Oriente
- **Tak**, Little Tokyo Service Center
- **Pavlin**, GenesisLA

We also want to acknowledge those who contributed to this study at Inclusive Action for the City: Briana Tetsch, Operations Manager; Julie Jung, Director of Operations & Finance; Marco Covarrubias, Development & Content Manager; and Nicole Anand, Deputy Director.

Finally, a special thanks to the SBAN leadership team and staff who advised Inclusive Action on this case study: Willow Lung-Amam, Bobby Boone, Dejuan Johnson, and Reemberto Rodriguez.

If you have questions about this case study or Inclusive Action's programs, contact:

Prince Osemwengie, info@inclusiveaction.org

Executive Summary

Small business displacement, or the phenomenon where existing businesses are forced to close or relocate due to various factors linked to gentrification, such as rent hikes, urban revitalization, and pro-development policy, is not a new phenomenon. However, public discourse around small business displacement has been growing, especially after the height of

the COVID-19 pandemic, in which thousands of small businesses around the nation permanently closed their doors due to the economic impact of the pandemic in addition to changes in consumer behavior, inflation, and more. In Los Angeles County, it is estimated that over 15,000 businesses closed their doors due to the pandemic and over 5,300 businesses fell behind on rent

in the City of Los Angeles. While businesses seek to rebound from the impacts of COVID-19 and, more recently, inflation, it is also important to acknowledge the plight of small businesses battling displacement by gentrification.

This case study provides an overview of Inclusive Action for City, a Los Angeles-based CDFI/non-profit approach to supporting small businesses battling displacement by gentrification. More specifically, this case study details Inclusive Action's mission-driven commercial real estate acquisition and management program, called *Community Owned Real Estate* or CORE for short. In 2018, Inclusive Action, in partnership with two community-based

organizations, acquired five commercial properties in LA neighborhoods—Boyle Heights, East Los Angeles, and El Sereno. CORE provides retail space for local business owners at below-market rates and wrap-around small business technical services to ensure commercial tenants are supported beyond the scope of a tenant. The objective of this case study is to highlight our small business anti-displacement tool and strategies via CORE and provide tangible steps on how other organizations can replicate our approach. While our CORE program is based in our community, this case study provides program design recommendations and key lessons learned that can be replicated or modified by any organization regardless of location.

Introduction

What happens to local small businesses when their community undergoes gentrification? How are business owners protected (if at all) against displacement from gentrification? What can local businesses do to combat displacement from gentrification?

While there is no silver bullet to stop gentrification and displacement entirely nor unanimous consensus on the causation or impacts of gentrification, the purpose of this case study is to introduce replicable community-driven approaches to preserve small businesses in gentrifying neighborhoods. This case study does not provide empirical evidence on the causes of small business gentrification or introduce a new discourse on the impacts. Instead, Inclusive Action functions within the framework that views gentrification and its consequences as a comprehensive threat to local small businesses, particularly due to predatory landlord practices.

Thus, the objective of this case study is to explore strategies to make local small businesses less vulnerable to gentrification and displacement. In short, Inclusive Action seeks to answer, by proof of concept, the following question: does community-driven stewardship and intervention make local

businesses less vulnerable to displacement caused by gentrification? Ultimately, we argue affirmatively, and our goal is to share our approach and lessons learned through our small business anti-displacement interventions.

Overview: Community-Owned Real Estate (CORE)

Inclusive Action for the City's approach to small business anti-displacement interventions tests the hypothesis that providing local business owners with below-market rate rent and wrap-around services insulates commercial tenants from gentrification forces. Inclusive Action tested this hypothesis through a program called "Community-Owned Real Estate," or CORE. CORE launched in 2018 in partnership with two community-based organizations—Little Tokyo Service Center and East LA Community Corporation. The primary goal of CORE is to combat displacement and gentrification through strategic commercial real estate acquisition in gentrifying and transitioning neighborhoods, where Inclusive Action and CORE founders can serve as community stewards. Properties acquired can then be leased at below-



Inclusive Action for the City's approach to small business anti-displacement interventions tests the hypothesis that providing local business owners with below-market rate rent and wrap-around services insulates commercial tenants from gentrification forces."

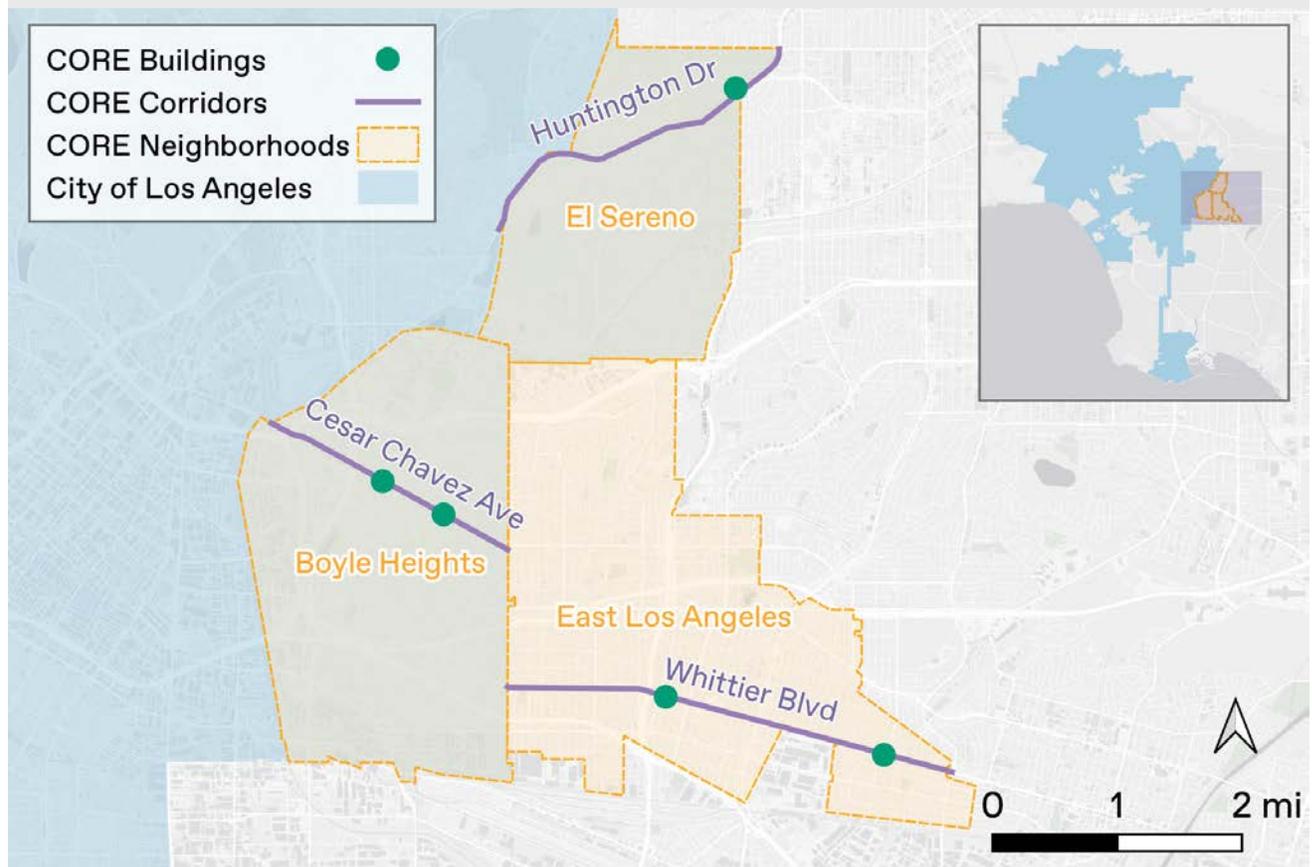
market rates to local business owners, who can obtain wrap-around services such as one-on-one business technical support and training. CORE also provides tenants an opportunity to build equity and/or take minority ownership in the CORE real estate portfolio as an added community benefit.

Today, the CORE portfolio encompasses five commercial properties in three gentrifying Los Angeles neighborhoods—Boyle Heights, El Sereno, and East LA. Collectively, the CORE buildings

feature over 29,000 square feet of retail space and 23 retail units; presently, 21 of the 23 units are leased to 15 local small businesses, including non-profit organizations. While government and policy intervention are needed to address commercial tenant displacement and gentrification on a large scale, this case study aims to showcase how community-oriented organizations can combat gentrification and replicate anti-displacement techniques and strategies from CORE.

Figure 1

CORE building locations on the commercial corridors in El Sereno, Boyle Heights, and East Los Angeles.



Case Study Approach

Inclusive Action for the City conducted this research with advisory support from the Small Business Anti-Displacement Network. The primary goal of this case study is to illustrate a tangible approach to preserving small businesses. This study features three major components: interviews, secondary research, and commercial real estate data analysis.

- **Interviews:** In total, 11 interviews were conducted with two CORE stakeholder

groups: tenants and partners. Interviews with CORE tenants were conducted to gain insight into the effectiveness of CORE's holistic tenant approach, i.e. strength, and areas of improvement. Similarly, interviews of CORE Partner stakeholders were conducted to gain insight into the efficacy of CORE's formation of strategic partnerships, tenant ownership structure goal, and approach to strategic commercial real estate acquisition.

- **Secondary Research:** This case study's neighborhood and cultural context were informed by publicly available scholarly articles, journals, census data, and newspaper articles.
- **Commercial Real Estate Data Analysis:** Real estate data was gathered and collected from CoStar to analyze commercial real estate trends in Boyle Heights and East Los Angeles. CoStar allows one to compare historical and present commercial real estate data and trends.

About the Organization: Inclusive Action

Inclusive Action for the City is a 501c3 nonprofit and **Community Development Financial Institution (CDFI)** based in Boyle Heights, Los Angeles. Inclusive Action, known initially as Leadership for Urban Renewal Network (LURN), was founded in 2008 by Alfred Fraijo, Boyle Heights native/land use attorney, and Rudy Espinoza, Executive Director of Inclusive Action, along with fellow founding members Ginger Hitzke, Ricardo Mireles, and Reagan Maechling. Then LURN's primary mission was to organize thematic meetings to highlight important issues impacting their community, such as affordable housing, the criminalization of sidewalk vendors, small business development, and more.

Since 2008, Inclusive Action's mission has expanded and formalized into serving underinvested communities, especially BIPOC, immigrant and women-owned businesses, and communities. As an organization, Inclusive Action is a team of 26 full-time staff members with nearly 50 years of combined experience in microfinance and lending, policy research and analysis, consulting, and leading grassroots coalitions and policy campaigns. Similarly, Inclusive Action's Board members feature prominent Los Angeles economic development leaders spanning relevant sectors in business

lending, real estate development, law, consulting, and academia.

Organizational Mission

Inclusive Action for the City's mission is to serve underinvested communities and build thriving local economies by improving access to transformative capital and advancing policy through collaborative research and community-driven advocacy. Inclusive Action accomplishes its mission by pairing transformative access-to-capital programming via microfinance lending and business coaching with research-informed policy advocacy and anti-displacement real estate initiatives. The organizational structure is divided into three segments: (1) access to capital—leads micro-lending and technical assistance initiatives, (2) policy advocacy & research—leads policy campaigns and coalitions to support sidewalk vendors, public budget advocacy, and equitable economic development policy, (3) and last community innovation—leads organizations endeavors in real estate advising and development.

Please refer to our appendices for an in-depth dive into our organizational pillars.

TABLE 1: Socioeconomic Characteristics of the CORE Neighborhoods, Based on the 2020 American Community Survey

2020	Boyle Heights	El Sereno	East Los Angeles	Citywide
Population	77,000	38,000	120,000	3.9M
Median household income	\$47,508	\$60,667	\$51,320	\$65,290
Median home value	\$475,196	\$547,485	\$447,857	\$516,113
% of population with bachelor's degrees	11%	23%	10%	36%
% of renter occupied dwelling units	75%	47%	65%	63%
Median rent	\$1,015	\$1,120	\$1,085	\$1,393

History of Neighborhood Change

Over the past century, the CORE neighborhoods—Boyle Heights, El Sereno, and East Los Angeles—have experienced shifts in population and household demographics spurred by a combination of federal and local policies and development pressure.

Boyle Heights, El Sereno, and East Los Angeles

Unlike adjacent neighborhoods, Boyle Heights did not have a racial covenant that excluded non-white Angelenos. Boyle Heights was settled in the early 20th century, where Jewish residents accounted for over 40% of the population. By 1940, Boyle Heights was home to 35,000 Jewish, 15,000 Mexican, 5,000 Japanese, and 700 Black Americans (Sánchez, 2021). The neighborhood's demographics shifted in the 1940s and 1950s; federal mandates, such as the 1942 Executive Order, forcibly removed Japanese residents from the neighborhood. Meanwhile, new Mexican arrivals continued to settle in Boyle Heights, and Jewish residents and their businesses started to relocate to other non-redlined neighborhoods. The construction and expansion of the major freeways—5, 10, 60, and 101, which bisects Boyle Heights—also contributed to the displacement and shift in population demographics. Similarly, the development of El Sereno and unincorporated

East Los Angeles originated at the turn of the 20th century. Historically, monumental events such as the East Los Angeles Walkout and Chicano Moratorium took place in East Los Angeles. Today, Boyle Heights has a population of about 77,000, of which 92% is Latino, and approximately three-quarters of dwelling units are renter-occupied.¹ Whereas East Los Angeles has a population of 120,000, and over 95% of the population is Latino—the highest anywhere in the U.S. outside of Puerto Rico.²

Gentrification in the Eastside and CORE Neighborhoods

Major public events and infrastructure investments by the City and the County of Los Angeles are fueling development and market speculation in the CORE neighborhoods. Los Angeles is slated to host the 2026 World Cup and 2028 Olympics; these world events are ushering billions of public and private funds in infrastructure projects for the region (Uranga, 2022). Similarly, the Los Angeles River Master Plan, along with numerous capital improvement projects on the riverfront areas in Boyle Heights, is fueling development. Lastly, the new Sixth Street Bridge—touted as the largest bridge project in the history of Los Angeles—opened in 2022 and connects Boyle Heights to Downtown's



Figure 2
Whittier Blvd.

thriving and gentrified Arts District. While all development is not bad, rapid development without intentional safeguards to support existing residents and businesses can displace existing stakeholders and drastically alter neighborhood characteristics. Although the Boyle Heights [Community Plan](#) highlights the importance of anti-displacement priorities for residents and businesses, City and County pressure to meet the housing demand has prompted policymakers to incentivize rapid development with lax guardrails to curb displacement.

Retail Market Real Estate Analysis

CoStar market data from January 2012 to April 2023 were analyzed to obtain insight into local retail market trends impacting commercial tenants. This analysis assessed commercial retail trends: (1) average sales price per square foot, (2) market rent, (3) asking rent in the retail submarket of the CORE zip codes 90022 (East Los Angeles), 90032 (El Sereno), and 90033 (Boyle Heights), Southeast Los Angeles, and the City of Los Angeles.

Based on our analysis, we found the following: First, land value sales price per square foot (PSF) in the neighborhoods of Boyle Heights (90033) and El Sereno (90032) is experiencing a notable appreciation of over 20%, surpassing the rate of increase seen in surrounding neighborhoods in the SELA market. For local small businesses seeking to

purchase or lease in Boyle Heights and El Sereno, the appreciating retail property can present a financial obstacle if they cannot pay higher rent or close on a more expensive property.

Second, property owners are constantly asking for 28%–30% more than market rent in the CORE neighborhoods. The high asking rent trend indicates that property owners in the El Sereno and Boyle Heights neighborhoods seek to raise rent in these communities. What this data doesn't illustrate is the full story of challenges local business owners are facing, such as tenant harassment and bad-faith landlord practices. Please refer to our appendices for an in-depth retail real estate market analysis.

Small Business Strengths, Weaknesses, Opportunities, and Threats (SWOT)

Inclusive Action has a unique advantage as a community development financial institution (CDFI) that provides technical assistance and financial products (i.e., loans and grants) directly to hundreds to thousands of local small businesses annually. Ultimately, our SWOT analysis is a synthesis of observational analysis of our community, commercial real estate data analysis via CoStar, and qualitative and quantitative analysis of our CDFI clients. Please refer to our appendices for an in-depth SWOT analysis.

Figure 3

Caesar Chavez Ave.



Anti-Displacement Tools and Strategies



Figure 4

Inclusive Action's CORE office.

Community Owned Real Estate (CORE), established in 2018, is an evolving community ownership collaborative in Los Angeles with two primary goals: (1) combat small business displacement via strategic commercial real estate acquisition and (2) expand access to community ownership to CORE tenants.

CORE's founding partners include two community development corporations (East LA Community Corporation (ELACC) and Little Tokyo Service Center (LTSC)) and a community development financial institution (Inclusive Action for the City (IAC))—the collaborative works closely with non-shareholding partner Genesis LA on organizing the financing for the project. The founding partners acquired, rehabilitated, and continue to manage the five commercial properties in neighborhoods where they have a solid connection.

Major Components of CORE's Small Business Anti-Displacement Strategy

ORGANIZATIONAL & OPERATIONAL STRUCTURE

CORE's organizational and operational structure is built on the existing working and personal relationships the partners already have. A mutualistic legal partnership was established with three separate LLCs—Community Owned Real Estate LLC (CORE LLC), CORE Manager LLC, and CORE Leverage Lender LLC. The LLCs are owned to a different extent by each of the founding partners. CORE LLC owns the commercial properties in the portfolio. CORE Leverage Lender LLC consolidates the capital for the New Market Tax Credit (NMTC) investment fund used to acquire and rehabilitate the properties. Lastly, CORE Manager LLC manages the properties, although the day-to-day property management is split among the two majority holders of CORE LLC—ELACC and IAC.

FINANCE & FUNDING STRATEGY

CORE's finance and funding strategy is predicated on leveraging public and philanthropic funds. The NMTC fund includes \$7M philanthropic support from the Weingart Foundation and the California Endowment in the form of grants, program-related investments, and affordable loans made to the founding partners and \$3.2M of NMTC equity from Chase Bank enabled through the federal public tax credit finance program (Figure 5). The fund was used to purchase, rehabilitate, and operate the properties.

There are three distinct phases of CORE—the acquisition phase, interim operation phase, and ownership transfer phase. CORE is currently in the operation phase and actively planning out

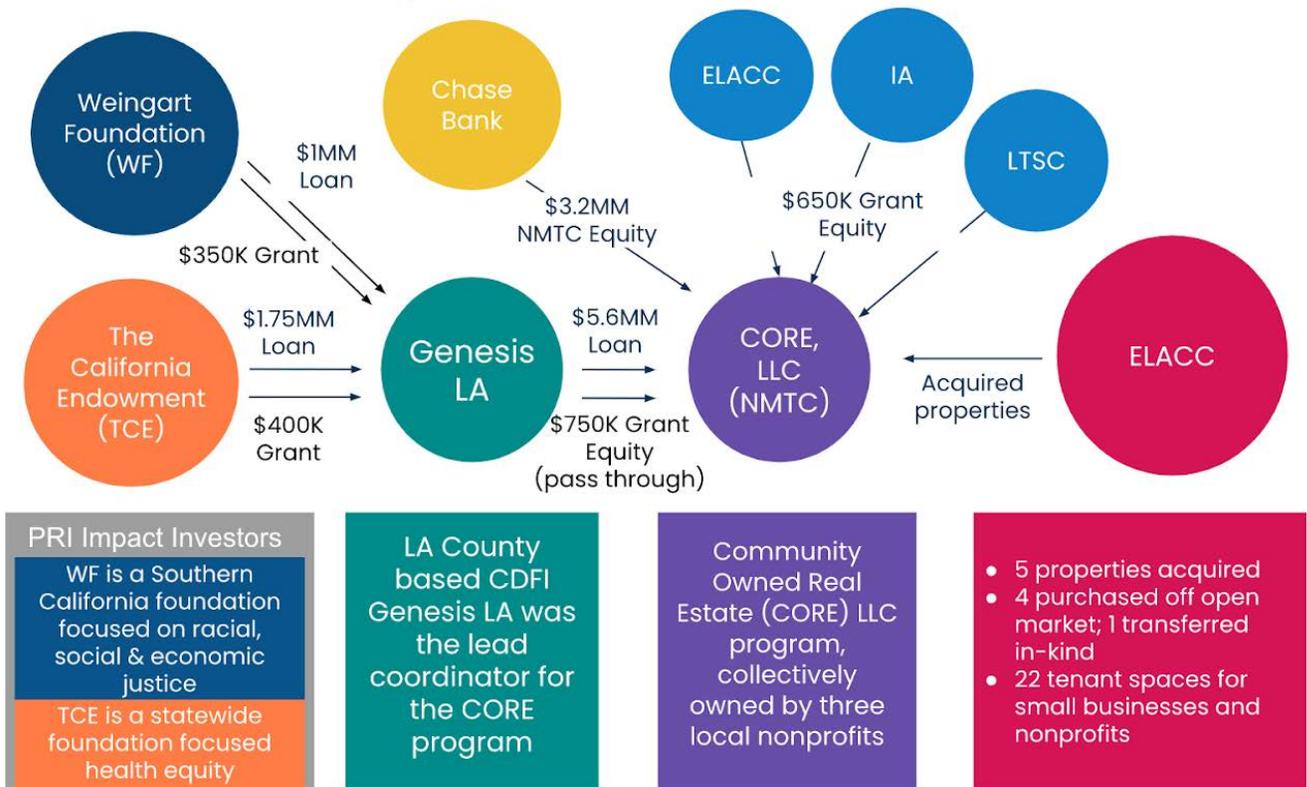


Community Owned Real Estate (CORE), established in 2018, is an evolving community ownership collaborative in Los Angeles with two primary goals: (1) combat small business displacement via strategic commercial real estate acquisition and (2) expand access to community ownership to CORE tenants.”

Figure 5

CORE financial breakdown.

Investors: The California Endowment, Weingart Foundation | Investee: Genesis LA Economic Growth Corporation



the ownership transfer phase. In the acquisition phase, CORE acquired the properties with a loan from Genesis LA's community development fund, that's funded by the New Market Tax Credit investment fund. CORE LLC added an additional \$1.7M worth of value to the properties through rehabilitation. The acquisition and interim operation phases helped achieve CORE's two primary goals—remove commercial properties from the speculative market and preserve local businesses and organizations.

CORE's first two phases resemble a short-term land bank in which land is preserved on behalf of the community. These first phases are similar to the **Community Asset Transition Fund** model providing loans to help the local organizations temporarily acquire properties to buy time for ultimately transitioning the ownership to the community, for example, via [a cooperative or alternative investment methods](#).

COMPREHENSIVE TECHNICAL ASSISTANCE SUPPORT FOR TENANTS

CORE's third small business anti-displacement strategy is comprehensive technical assistance

support. CORE provides tenants access to below-market-rate retail and office space, wrap-around technical assistance support services such as one-on-one business coaching, grant writing support, and loan application assistance.

Future Implementation Plans: CORE and Tenant Ownerships

CORE's last stated goal is to provide tenants an opportunity to build equity and/or take ownership in the CORE real estate portfolio. Below are the important questions that need to be answered to determine the model for CORE's community ownership transfer:

- What will be the new governance structure, and who will be the primary decision-makers after the ownership is transferred?
- What financial mechanism is going to be used for the ownership transfer?
- What mechanisms will be utilized to ensure community ownership in the long run?

- What mechanisms will be put in place to protect community investors?
- What role do CORE founding members play after the ownership transfer?

CORE's next phase, in the broadest sense, will likely rely on some form of community equity investment model to transfer the ownership of the properties. The mechanism will likely vary per building and neighborhood. If ownership were to be limited to tenants, the model would resemble a cooperative commercial property or tenancy in common in which the members co-own the business that owns the property or the property directly. The tenants and owners-to-be can obtain ownership at a more affordable cost via a cooperative or tenancy in common compared to individually owning property directly. The broader community, however, does not directly reap the wealth-building benefit from a cooperative commercial property model.

If the ownership opportunity is extended to the broader community, CORE would resemble a community investment trust. This model provides community members and tenants the opportunity to purchase equity shares of the commercial properties in the portfolio. There are a few variations for the ownership transfer mechanism, such as [community development IPO](#) (initial public offering), [selling of shares of common stock](#), as well as a [real estate investment trust](#). Under these mechanisms, the local residents and the business patrons too could own a part of the properties, but these mechanisms are often more complex to set up and are subject to more regulations compared to the cooperative commercial property model. All in all, CORE is a hybrid community property ownership model that incorporates short-term land banking with property rehabilitation, the interim operation with tenant support to improve overall project financial viability, and finally, the community equity investment mechanism for ownership transfer.

Evaluation and Analysis of CORE Tools and Strategies

To evaluate CORE's three tools and strategies, Inclusive Action interviewed two CORE stakeholder groups: tenants and partners. Interviews with CORE tenants were conducted to gain insight into the effectiveness of CORE's comprehensive technical assistance support. Whereas interviews with CORE's founding partners were conducted to gain insight into the effectiveness of CORE's strategic organizational & operations structure and finance and funding strategy. To analyze CORE's affordability value-add and savings to tenants, CoStar data was analyzed in contrast to CORE's rent schedule.

Tenant Profiles

CORE currently has 15 tenants: four nonprofit organizations and 11 small businesses; each business occupies one unit, with the exception of Inclusive Action, which occupies four units, including a [community event rental space](#). The CORE tenants provide a wide range of products and services, ranging from barbers, a plant nursery, a tattoo parlor, restaurants, an indigenous vegan cafe, a candy store, and more. On average, the CORE tenants have been in operation for 15 years, similar to the averages for the corridors; half of the tenants moved into the area at CORE's launch.

CORE's Positive Impacts On Tenants

RENT AFFORDABILITY

The positive impacts CORE has on its tenants include rent affordability and flexibility, tenancy stability stemming from potential ownership stake and mission-driven property owners, and meaningful locations. These are also the same reasons why many tenants decided to move into CORE locations after CORE acquired the buildings in the first place.

CORE's affordable rent is an intentional program design enabled by the mission-driven sources of the initial project capital stack—a mix of grants, program-related investments, affordable loans, and New Market Tax Credit equity—from philanthropic support and public capital. On average, the rent for CORE properties is double digits percent lower than the surrounding areas' retail market rent prices.³

FLEXIBILITY IN BUSINESS OPERATIONS AND REPAYMENT TERMS

Tenants expressed rent payment flexibility as another positive feature of CORE. During the COVID pandemic, CORE partners adopted new equitable processes to enable CORE tenants to pay back owed rent. CORE does not penalize tenants on late payments and designs repayments



Figure 6: Small business Latinx With Plants in Boyle Heights.

“One of the main reasons why I gravitated towards staying at Inclusive Action [and CORE] was because I know and trust Rudy [IAC’s executive director] and he knows what I’m about. And I feel supported by him. But also, you know, we’ve been seeing this anti-gentrification movement, and all the issues have been popping up and I wanted to know how I could combat that.”

— Andi, Owner

around how much the tenant can afford based on their revenue, debt owed, and current rent; the goal is to help tenants by meeting them where they are opposed to burdening them with unsustainable repayment plans.

STABILITY

According to tenants, having property owners that have their best interest in mind is a major benefit. Interviewees shared that prior to CORE, they routinely dealt with property owners drastically raising their rent or not renewing their lease agreement so they could sell the property. For these business owners, finding a storefront property with a good property owner like CORE was crucial for both their mental health and their strategic business goals. For local businesses, moving and relocating can be a disruptive process that can significantly impact their client base, revenue, and business operations.

“CORE is great because I don’t have to worry about the owner selling the property underneath me or drastically raising my rent. I can sleep better at night knowing that I would really have to mess up [their business plan] to be evicted here.”

— CORE Tenant #1

Challenges Faced by Tenants

CORE has shortcomings, primarily from a lack of commercial property managing experience and unclarity and changes in CORE partner roles and responsibilities.

LACK OF CLARITY ON PROPERTY MANAGER ROLES

The division of management duties between CORE partners has contributed to some tenant confusion on who to contact for support and inconsistency in tenant services provided. This, combined with a lack



Figure 7: Small business Malinalli Superfoods in East LA.

“The patience that CORE had with me and the intention that we had here [assisting small businesses], you can’t imagine that.”

— Ruben, Owner

of dedicated property managers and standardized communication channels, has contributed to tenant confusion. In one instance, a tenant was notified that they had missed rent payments only to find out they had been sending rent checks to the wrong organization. Whereas in another case, available services, such as business coaching, were not initially shared with all CORE tenants.

CONSTRUCTION DELAYS AND TIMELINES

During the height of the pandemic, project construction timelines were shifted and delayed due to unforeseen circumstances. While tenants were empathetic to uncontrollable delays. The overall lack of timeline clarity and communication negatively impacted their business operations and sales.

MISCOMMUNICATION AND MISALIGNMENT WITH CORE PARTNERS

Misalignment and miscommunication are natural phenomena when engaging community stakeholders, and so, disputes between CORE

tenants and partners are to be expected occasionally. Unbeknownst to the CORE partners, one tenant, in particular, had sought to acquire their building prior to the CORE partners purchasing the property. Since CORE partners have acquired the building, said tenants have expressed their frustration in not obtaining ownership of their building outright from the start of CORE.

Figure 8

CORE property Big Whittier building rehab.



CLARITY ON COMMON SPACE ACCESS

Lack of clarity on shared common spaces has spurred unexpected conflicts between tenants and business plan changes. In one instance, one tenant shared they had to make a last-minute blueprint change for a site renovation after learning the backyard was shared. Fortunately, these tenants, who had a pre-established relationship before joining CORE, were able to reach an agreement. In another case, a CORE tenant shared they had to advocate for their right to use the shared space equitably with another tenant.

Analysis: What Worked Well

AMICABLE PARTNERSHIPS

Historically, CORE was founded through like-minded community-based organizations that complement each other with their strength and experiences who banded together to manage and operationalize CORE. The CORE partner organizations play the following roles. Inclusive Action provides small business technical assistance and supports with property management; ELACC provides property management; and Little Tokyo Service Center oversees portfolio financial management. While CORE partners have experienced challenges due to COVID-19, and changes in organizational capacity, ultimately, the partnership has remained strong. The partners have formalized consistent monthly check-ins and planning sessions as a team in the past year.

RAISING CAPITAL TO ACQUIRE PROPERTIES

Similarly, CORE founding partners' relationships with Genesis LA, a local community development financial institution, gave the partners an opportunity to pursue NMTC to finance the commercial acquisitions of properties. In addition to NMTC equity, CORE partners, in addition to Genesis LA, were successful in attracting philanthropic funding to supplement their capital stack.

Analysis: What Can Be Improved

TENANT SUPPORT

Depending on the site location, tenants are managed according to their assigned CORE partner organization. A drawback of this approach is that tenant management and services can vary depending on the organization and project manager's lead. A few critics expressed by tenants were lack of awareness of which partner to outreach to elevate issues.

OPERATIONAL CAPITAL

While CORE was undoubtedly successful in obtaining funding to acquire properties using philanthropic funding and NMTC equity, CORE founders expressed that more thought could have gone into planning for securing funds to sustain CORE's operating costs, such as rehabilitation costs, repair expenses, maintenance, and tenant improvements.

IN-DEPTH STAKEHOLDER ANALYSIS

Ultimately, mission-driven real estate processes are about the people in the community and the stakeholders that inhabit the space. Admittedly, more time could have been allocated to thoroughly understanding existing relationships between CORE partners and CORE tenants, as well as existing relationships amongst business owners in their respective buildings and communities. A tenant stakeholder analysis could have informed how CORE partners structured its contracts and management style with tenants from the get-go.

CORE Assumptions and Limitations

CONSISTENCY IN PROJECT MANAGEMENT SUPPORT

An assumption made early on was that CORE partners would manage tenants in a similar manner across organizations. Additionally, assumptions were made regarding the chain of communication between tenants and CORE partners if a primary project manager could not respond to a tenant's request promptly.

TENANT COMRADERY

While CORE is a community development initiative, that alone does not equate to CORE tenants engaging one another, unprompted, in solidarity. Although CORE partners encourage tenants to engage and learn from each other, we cannot assume that busy business owners will naturally engage each other, especially if they are scattered across five properties.

STAKEHOLDER AWARENESS OF CORE

Surprisingly, we found not all tenants were aware of CORE, let alone had any knowledge of the founding organizations outside of the property managers organization that works with them. As noted previously, one cannot assume each managing organization will onboard a tenant the same and inform them of CORE and its mission. Its critical concentrated effort is put into adequately

onboarding tenants that explain what CORE is, who the partners are, and the benefits of CORE.

REHABILITATION AND PERMITTING

The construction process to renovate and rehabilitate commercial buildings can be complex, costly, and time-consuming, as well as require multiple stakeholders and capital to complete. Much of the construction process, such as obtaining permits and executing construction plans, is outside the direct control of a developer. In particular, the rehabilitation of one CORE property experienced numerous delays in the permitting process from the planning department, setbacks in the construction timeline, and unexpected new additions to the construction scope of work.

Figure 9

CORE property Big Whittier exterior.



Acquiring and Managing Commercial Properties: Key Lessons Learned

COMPREHENSIVE FINANCIAL PLANNING

For traditional commercial development projects, a developer or property owner acquires, rehabs, or constructs a new commercial unit and offsets total cost and maintenance by charging tenants market rent. However, for mission-driven projects such as CORE, which sets tenants below market rate rent, providing pro-bono technical assistance services,

Recommendations

The recommendations in this section were developed based on the triangulation of information from interviews with CORE tenants and managing partners, analysis of real estate

offsetting costs through high market rent is not an option. To successfully maintain a program like CORE over time, it is critical to develop a strategic plan to raise capital through alternative sources, such as philanthropic organizations, fundraising, and government grants and resources. Furthermore, securing capital should be an ongoing initiative and requirement for all partners to make valid efforts to secure capital to subsidize maintenance and operation costs.

PROACTIVE, TAILORED TENANT SUPPORT THROUGH CASE MANAGEMENT

Small business owners manage a plethora of business operations and commercial tenant duties. According to business owners, more often than not, their immediate duties limit their ability to find and apply to government programs, connect with fellow CORE tenants, and plan for the future. While CORE offers pro-bono technical assistance support to commercial tenants, interviewees shared that they struggle to leverage resources due lack of understanding about what CORE partners do and how they can support them. Ultimately, the mere existence of technical service offerings is not enough for most tenants. To ensure technical needs are adequately met, assigning tenants a ‘case manager’ who can proactively and thoroughly support their specific needs via routine check-ins and consistent resource sharing may be key to a tenant’s future success.

CONTINGENCY PLANNING FOR UNFORESEEN CIRCUMSTANCES

Strategic planning is critical to ensuring CORE is financially stable and key stakeholders are satisfied. While planning is critical, it is impossible to plan for everything. In the case of CORE, the COVID-19 global pandemic impacted CORE tenant business operations and CORE’s original financial projections. Additionally, unexpected delays or expanded construction scope of work can also adversely impact projects like CORE. To hedge against unforeseen circumstances, it’s important to develop contingency plans and set aside capital reserves for crisis management and in any event that the financial health of the program is jeopardized.

data, and review of commercial tenant law. These recommendations are categorized into three buckets of consideration: (1) operations & management, (2) tenant relations and case

management, and (3) policy. It is important to underscore the importance of the existing strategic partnerships, finance and funding strategy, and organizational and operational framework deployed to jumpstart and maintain CORE. These proposed recommendations are considerations to support enhancing CORE's sustainability, impact, and replicability.

Operations and Management

Interviews with CORE founding partners and tenants informed recommendations to strengthen the operations and management of the CORE program. These two recommendations are not exclusive to CORE and are applicable to all community-oriented commercial real estate projects that share multi-organizational ownership.

DEVELOP A STRATEGIC FINANCIAL PLAN

There are two costs associated with CORE, the upfront cost to acquire and rehabilitate the five CORE properties and the recurring cost to maintain the properties. The cost to operate and maintain a commercial property can easily be overlooked. On average, it costs approximately \$200K a year to maintain and operate CORE. In traditional commercial property management projects, landlords tend to offset operation costs by charging market-rate rents and rising rents. However, in the case of CORE, which charges below-market rents, managing partners must raise additional capital by fundraising through philanthropic organizations or applying for public grants.

For a project the size of CORE with multiple managing partners, it is critical that partners commit to creating a co-fundraising plan and set annual or quarterly targets to reach them. Each partner should be responsible for contributing to the pot of funds. The specific dollar amount and frequency will vary depending on the project's specifics. Beyond managing income and decentralizing fundraising, managing partners must stay on top of expenses and forecast what might cost more or less over time. In sum, managing partners must develop a robust financial plan to ensure that operation costs can be covered regardless of the situation.

DEVELOP A CONTINGENCY PLAN

According to Tak Suzuki, CORE founding partner and Director of Lending at LTSC, "without the strategic partnership and good relationships LTSC personally had with GenesisLA, Inclusive Action,

and ELACC's leaders, CORE would have never happened." While trusted partnerships are crucial, developing a contingency plan for the partnership is just as important. A contingency plan helps partner organizations adapt if one or more partnered organizations experience hardships or management changes that can impact the project's mission and services.

Five factors to consider in a contingency plan:

- 1. Establish Communication Protocols:** Establish clear communication protocols, regularly scheduled meetings, and preferred modes of communication, i.e., email, text, and call. Communication protocols should also clarify how to best document and share how and what decisions were taken, and who and how people managed the changes in project goals, scope, and timeline.
- 2. Forecast Potential Risks:** Forecast potential risks that could impact the real estate program. Internal risks can relate to program management, financing unexpected expenses, partnered organizations' stability, overall funding, and tenant case management, including unreasonable tenant demands and nonpayment. External risks may relate to property management (e.g., maintenance), construction, including delayed entitlement and permitting processes, lawsuits (e.g., personal injury), and tenant pipeline.
- 3. Develop Scenarios and Tradeoffs to Mitigating Risks:** Risks are hard to forecast and manage proactively, but developing multiple scenarios to those identified early on can help draw out other less visible risks. Scenarios should focus on how risk may play out over time. With each scenario, approaches to mitigating the risk can be outlined. With each approach, a list of tradeoffs can be laid out to determine which approach would work best under which conditions.
- 4. Assign and Establish Clear Responsibilities:** Assign clear roles and expectations for each organization. Roles should indicate leads and support for each operation and management task.
- 5. Establish a Financial Plan:** Create a financial plan that outlines all expected costs, sets a target fundraising goal, and specifies expectations of each organization to contribute to grant finding and securing capital to maintain management and operations and add to a reserve fund.

Tenant Relations and Case Management

One of the most important metrics of a successful community-oriented and owned commercial real estate project is the overall well-being of the commercial tenants. Projects such as CORE take a “whole person” approach to supporting commercial tenants and hence offer comprehensive wraparound services such as business coaching, tax assistance, referrals to legal support, media engagements, marketing opportunities, and event placement. The three recommendations to strengthen tenant relations and case management support are heavily informed by the lessons learned from the experiences shared by CORE tenants.

FORMAL TENANT ORIENTATION WITH MANAGING ORGANIZATIONS

Strategic partnerships are one of the primary key strengths of CORE’s operations and management. As previously noted, there would be no CORE without the partnerships of the founding organizations. While managing partnerships is critical, a key finding from CORE tenants was the discrepancy or lack of consistency in the case of management support between managing partners. An unintended consequence of this CORE tenants’ limited awareness of available technical assistance services. Community-based organizations seeking to replicate a program like CORE should provide all tenants a structured, in-person orientation to walk existing or new tenants through their rights as a tenant and all the available wrap-around services they can access. All managing partners should collaborate to develop the orientation plan and a written document outlining critical information.

Key orientation materials to develop and provide to tenants:

- 1. Property Management Contact List:** Key points of contact within managing organizations and their contact information for tenants to ask questions and voice concerns as needed.
- 2. Third-Party Contact List:** A list of recommended third-party contacts for plumbing, repair, electric, and city-related issues.
- 3. Wraparound Service Guide:** A list of all available technical assistance services such as business coaching, grant writing support, tax assistance, loan application assistance, business marketing support, and more.

- 4. Community Agreements:** A list of community agreements that includes rules for shared common spaces, including what is permitted and what is prohibited. Contact information to report any issues related to the shared common space areas should be provided to tenants.

ASSIGNED SITE LEADS & PROACTIVE TECHNICAL ASSISTANCE SUPPORT

For CORE-like projects with multiple managing organizations, tenants can grow frustrated if not provided clear direction about which organization or key staffer should be contacted to address particular issues. It is recommended that each tenant be assigned two property managers, a lead full-time property manager who can be their first line of contact and a second part-time property manager to be their backup contact if they are unable to reach the lead. This is especially important when a tenant is making an informed business decision based on a site repair or renovation, and they must stay current on the project timeline.

Additionally, for some tenants, having a property manager who plays a proactive technical assistance role and helps them apply for and secure available local, state, and federal public funding and programs is important. According to one CORE tenant, small business owners are not accustomed to tracking public policy because they focus on running their businesses; tenants appreciate unprompted support to acquire a small business grant. To best service, a commercial tenant’s technical assistance needs, a part-time staffer should be hired to track policies and programs and help tenants apply for and secure public funding.

FOSTER TENANT NETWORKING AND ORGANIZING

CORE tenants have a lot in common, including challenges to entrepreneurship and tactics to overcome them, so it is only natural that they might benefit from sharing their experiences with each other. Several interviewed tenants expressed an interest in networking and building relationships with other CORE tenants. Facilitating an environment for tenants to meet, network, and connect formally or informally would enable CORE tenants to collaborate with other local business owners, grow their client base, and provide services or sell their goods to other CORE tenants.

To promote networking opportunities, consider these two recommendations:

1. **Bi-Annual Social Events:** Host bi-annual social events for CORE tenants to celebrate their businesses and entrepreneurial successes. This can also serve as a learning exchange for tenants to share their business experiences and learn from each other.
2. **Quarterly Group Meetings:** Provide CORE tenants with a stipend to schedule quarterly group in-person or virtual check-in meetings. These meetings enable tenants to meet one another, share ideas and news, discuss opportunities to collaborate and gather collective input to update management on-site or business issues to be aware of.

TRANSPARENT OPERATIONS AND MANAGEMENT DECISIONS

Transparency and effective communication are important to sustaining a strong tenant-to-property management relationship. A key trend that was identified from CORE tenant interviews was the need to improve communication between CORE tenants and managing partners. It is critical to ensure that tenants are informed and allowed to provide input to inform big decisions impacting their well-being. Tenant input is especially needed for a community-driven project like CORE, which will eventually provide tenants with some form of ownership in the CORE portfolio. Tenant engagement and input should always be a priority rather than an afterthought, and this can be accomplished by involving tenants in the entirety of a major decision-making process.

Policy and Advocacy

Changing the political systems that govern development is critical to preserving local businesses. Policymakers must be engaged and activated to address the unjust inequities impacting local small businesses, especially those in gentrifying communities. Below are four recommendations to do this.

STRENGTHEN LOCAL COMMERCIAL TENANT LAW

Despite local and State commercial tenant ordinances and civil codes to regulate commercial tenant property owners, commercial tenant laws tend to favor the rights of property owners. Inclusive Action has found three common challenges impacting commercial tenants in gentrifying neighborhoods: (1) significant increases to their rent beyond their financial thresholds, (2) inability to renew their lease agreement, and (3) 'not-at-fault' evictions due to landlords seeking

to remove all tenants to sell their property to a developer to demolish and build new.

To overcome the challenges posed by existing commercial tenant law in Los Angeles, the following commercial tenant protection policies should be advocated for:

1. **Just Cause Eviction Protections:** Require landlords to have a valid reason for evicting a tenant. Reasons for eviction include non-payment of rent, violation of the lease agreement, damage to the property, illegal activity on the premises, and nuisance behavior that negatively affects other tenants or neighbors.
2. **Longer Notice for Commercial Tenants:** Require landlords to provide 60 to 90 notices to commercial tenants for the following: (1) 60-day notice for increases in rent of more than 10%, (2) 90-day notice for terminations of tenancies.

FLEXIBLE PUBLIC CAPITAL

A key component of CORE's finance and funding strategy was its use of public dollars, such as New Market Tax Credits (NMTC), to acquire five commercial buildings totaling \$10 million. While NMTC offers developers access to affordable commercial financing, solely relying on NMTC is not sustainable. According to Pavlin, Director of Lending at Genesis LA, NMTC has two primary drawbacks. First, NMTCs is a scarce resource and highly competitive, so obtaining funds or finding a project to make it worthwhile is not guaranteed. Second, NMTC has fixed transactional costs, so any deal that is under \$8M to \$9M does not make sense because the transactional cost will eat up the subsidy that remains in the project. Fixed transaction costs include, but are not limited to, legal and accounting fees, transaction management fees (i.e., underwriting, due diligence), closing costs, administrative fees, and compliance costs (i.e., monitoring, financial reporting, and tax compliance).

A flexible public capital program is needed to help supplement the capital required to acquire, rehabilitate and/or construct, and subsidize affordable commercial rent for local business owners. A possible program local governments should consider is a guaranteed loan program for community-based organizations for commercial real estate. This loan product should be readily accessible to nonprofits and designed to be patient capital, so it can support alternative community-ownership approaches to commercial real estate development. The County and City

should consider referencing the SBA 504 loan program to develop a guaranteed commercial loan program.

To implement the program, the local governments should partner with philanthropic organizations to set aside a pool of funds for the guaranteed loan program. Similarly, trusted local financial institutions and partners should lead in providing technical assistance, administration, and underwriting the loans. At the Federal level, more tax credits and incentive programs should be considered based on the success of NMTC.

EXPEDITED PERMITTING FOR COMMUNITY-ORIENTED COMMERCIAL PROJECTS

The permitting process emerged as a critical pain point and threat to this work. For commercial developers, the permitting process delays obtaining required building and safety reviews and documents, such as certificates of occupancy. Delays in the permitting process can impact both the commercial developer seeking to lease a space and the commercial tenant seeking to open a shop to provide services and goods. The entitlement process for CORE from the schematic phase to the construction/rehabilitation phase was 14 months. An interviewed CORE tenant stated unexpected delays in waiting to occupy a retail space going through permitting and rehab resulted in a loss of tens of thousands of dollars in projected revenue.

Conclusion

Local small businesses are vital assets to the communities they serve; they provide jobs, resources, culture, and charm to communities. Despite the vital role local small businesses play, they are vulnerable to displacement spurred by multiple factors - some natural market forces and some through aggressive real estate development pressures. What CORE sets out to do is put forth a replicable small business anti-

To streamline the permitting process for commercial developers that create affordable and community-oriented retail space for local businesses, the City and County of Los Angeles should consider piloting a fast-track permitting process for community-oriented commercial retail developers. This program can mirror LA City's Mayor Bass's Fast Track Affordable Housing Permitting program by prioritizing community-driven commercial development projects with affordable commercial tenant rates and bumping them into the front line for review.

It is important to clarify that commercial development projects should not compete with affordable housing development projects. Rather, community-oriented commercial development projects should be assessed within their pool of commercial development projects and be prioritized accordingly. To validate authentic "community-driven" commercial development projects, the initial property assessment review should provide an online and in-person option for developers to outline their project's commercial tenant affordability components and their organization's mission. Evaluation of self-identified affordable commercial development projects should then be assessed accordingly and streamlined based on their project readiness to be leased to a commercial tenant, affordability components, the community it's serving, and the intended goal of the project.

displacement strategy that addresses critical issues impacting business owners and provides stable rent and property management, wrap-around technical assistance services, and a stake in their property. Our goal is to share our approach and lessons learned with mission-driven organizations and entities, so they can continue iterating on our approach and better service businesses in their community. ●

ENDNOTES

- 1 U.S. Census Bureau, 2020 American Community Survey 5-Year Estimates, Table B25008.
- 2 U.S. Census Bureau, 1980 Decennial Census.
- 3 Based on CoStar commercial asking rents per square foot for the properties in the following ZIP codes: 90022, 90032, 90033.

APPENDIX A: ORGANIZATIONAL MISSION

Inclusive Action is working toward a future where diverse communities have equitable and sustained access to resources and exercise agency over their futures. Inclusive Action's organizational structure permits us to scale our impact and implement various small business anti-displacement interventions across all facets of our organization.

Below are a few examples of our small business anti-displacement interventions within the scope of each of our three organizational structures.

Access to Capital

To better serve local entrepreneurs and small businesses, Inclusive Action has developed microloan programs informed by the needs of our clients. Inclusive Action has developed five loan products with equitable underwriting terms and below-market interest rates. These loans offer local business owners opportunities to acquire non-predatory financial services, which is critical given that many of our clients have poor or limited credit histories and reside in underserved/underbanked communities. In 2022, IAC deployed over \$1,000,000 in micro-loans and grants to small businesses and entrepreneurs.

Community Innovation

Inclusive Action's community innovation programs span across three areas: (1) land & real estate in which CORE resides, (2) micro-equity, and (3)

REFERENCES

Sánchez, G. J. (2021). *Boyle Heights: How a Los Angeles neighborhood became the future of American democracy*. University of California Press.

Uranga, R. (2022, June 15). People mover, new bike paths and bus lanes: 2028 Olympics could fuel a transit boom in L.A. Los Angeles Times. <https://www.latimes.com/california/story/2022-06-15/how-l-a-is-building-transit-for-2028-olympics>.

people power. An example of micro-equity in our micro-equity work is the Open Air-Economy program and Cultivate program. Both of these programs are technical assistance programs, which provide non-financial resources and support provided to business owners through business coaching, financial literacy/credit counseling, business plan reviews, business incubation, technology services support, and loan/grants application assistance.

Policy Advocacy and Research

Policy advocacy and research are significant components of Inclusive Action's anti-displacement intervention strategies. Inclusive Action's Policy Advocacy & Research is composed of three focus areas, (1) budget advocacy, (2) justice-oriented investments, and (3) removing red tape. These three focus areas help advance Inclusive Action's public policy advocacy which is informed by the community and stakeholders we serve. Most recently, the California Sidewalk Vendor Campaign (CASVC) celebrated a successful state regulatory win with the passage of **SB 972**; SB 972 ensures street food vendors will no longer get misdemeanors or criminal citations in California. Policy advocacy and coalition building enable Inclusive Action to advocate for equitable policies and community-oriented programs that have a large-scale impact on small businesses and entrepreneurs' access to resources, services, and ability to operate.

APPENDIX B: RETAIL MARKET REAL ESTATE ANALYSIS

To best understand the market conditions impacting commercial tenants and the effectiveness of CORE’s retail space affordability, it’s critical to understand the neighborhood’s commercial retail market at large. Please note, Inclusive Action is not asserting that any increase in property value or rent alone equates to gentrification and displacement; however, we do assert, based on the local entrepreneurs we serve as CDFI, that changes in rent do impact small business owners. The extent of the impact of rent increases can ultimately lead to small business displacement if rent is going up faster than local small businesses can absorb. This data alone doesn’t tell the entire story of the experiences of local businesses in the area. What this data doesn’t show is the cases of tenant harassment and predatory practices landlords are engaging in to pressure tenants to pay back owed rent from COVID or evict tenants to sell their properties.

To obtain insight into local retail market trends, CoStar market data from January 2012 to April 2023 were analyzed. This analysis assessed

commercial retail trends: (1) average sales price per square foot, (2) market rent, (3) asking rent. The geographic scope of our analysis included the retail submarket of Southeast Los Angeles, the City of Los Angeles, and zip codes 90022 (East Los Angeles), 90032 (El Sereno), and 90033 (Boyle Heights), where the five CORE properties are located. The Southeast Los Angeles (SELA) submarket is a macro-market view that includes the CORE neighborhoods, in addition to communities of East Los Angeles, Whittier, Commerce, Pico Rivera, and La Mirada (Costar).

Retail Market Sales (PSF): East Los Angeles and Los Angeles Market

Across all geographic study areas, the average retail market sales PSF has risen since 2012. Upon initial glance, the SELA market and 90022 zip (East Los Angeles) have followed an almost identical growth and decline trend, with the 90022 zip code retail market PSF generally lagging 40 - 60% under the SELA retail market. Whereas zip codes

Figure 10

Retail market sales. 2023 data is still being gathered and analyzed, so this chart does not include 2023 Southeast Los Angeles (SELA) sales PSF.

Retail Market Sales (PSF) - East Los Angeles & Los Angeles Market



90032 (El Sereno) and 90033 (Boyle Heights) since 2013, have generally outperformed the SELA retail market sales PSF.

In 2018, for the first time, both zip codes 90032 and 90033 retail PSF sales outperformed the SELA market. Most notably, zip code 90032 retail sales PSF jumps 15% from 2018 - 2019, and 45% from 2019 - 2020 before cooling off in 2020. A notable explanation for the decline in price PSF from 2020 to the present could be the COVID-19 health pandemic, which shuttered thousands of small businesses across the nation. Nonetheless, from 2019 - 2022, zip 90032, surpassed the Los Angeles retail market sales PSF by as much as 34% in 2022. This is interesting to note, because the Los Angeles retail market includes prime commercial real estate neighborhoods such as Fairfax and Hollywood.

Ultimately, what this data indicates is that land values in the neighborhoods Boyle Heights (90033) and El Sereno (90032) are appreciating at a higher rate, $\geq 20\%$, than surrounding neighborhoods in the SELA market. What this data doesn't illustrate is the volume of sales, vacancy rate, and absorption

rate which can provide more insight into the retail market conditions of these communities. All in all, for local small businesses seeking to purchase or lease in Boyle Heights and El Sereno the appreciating retail property can present a financial obstacle if they are unable to pay either higher rent or close on a more expensive property.

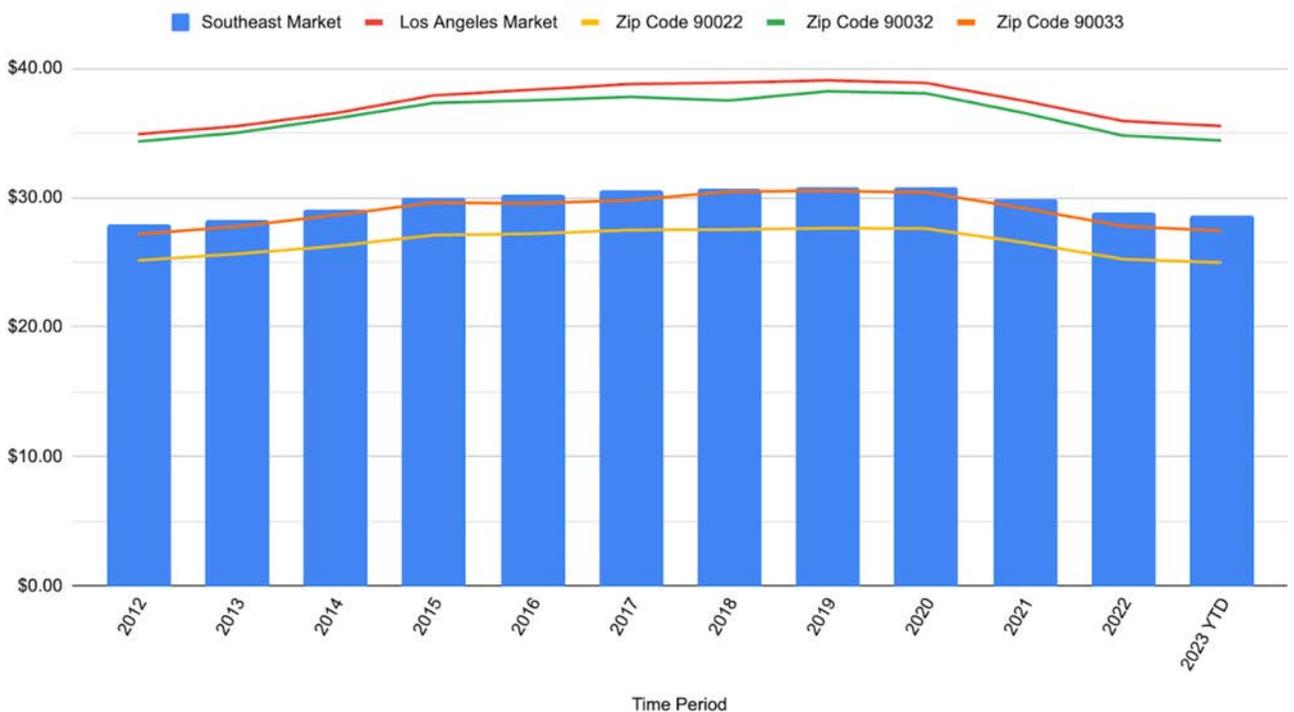
Retail Market Rent (PSF): East Los Angeles and Los Angeles Market

Figure 11 illustrates the retail market rent (PSF), from 2012 - April 2023; this chart is adjusted for inflation. Market rent refers to the prevailing rental rate tenants are willing to pay for a specific market at a specific time; the market is based on the actual rates observed in the market for comparable properties (Costar). Furthermore, similar to the retail market sales (PSF), the SELA market and zip 90022 (East Los Angeles) in contrast to the zip 90033 and the Los Angeles market, tend to be relatively less expensive to rent by upwards of 20% since 2012. Whereas the retail market sales (PSF) had double-digit percentage increases and decreases over

Figure 11

Retail market rent over the last 10 years.

Retail Market Rent (PSF) - East Los Angeles & Los Angeles Market



time, the retail market rent (PSF) across all geographic areas has remained fairly constant over time. From 2020–present, all geographic areas experienced an average 4% decline, which is mostly due to the impact of the COVID-19 pandemic. For commercial tenants, the relatively stagnant retail market rent is a positive because their rent expenses are not drastically going up.

Retail Asking Rent (PSF): Zip Codes 90032 and 90033

Figures 12 and 13 illustrate the asking rent for zip codes 90032 and zip 90033; please note the incomplete CoStar data for zip 90032 for year 2021. The asking rent represents the initial listed or advertised rent set by property owners; the asking is primarily influenced by the property

owners' perceived value and financial goals (Costar). In both charts we can see in 2019, the asking rent surpasses the market rent in both zip codes. At its peak, property owners asked for 30% more than market rent in zip code 90022 in 2019 and 28% in zip code 90033 in 2020. For local small businesses, the high asking rent can deter them from renewing their lease or signing a new lease in the area from the get-go. What is not shown is the absorption rate which will provide insight into how fast tenants are filling retail spaces.

At this point in time, the market in both zip codes is less than the asking rent by double-digit percentage points. Nonetheless, the high asking rent trend indicates that property owners in the El Sereno and Boyle Heights neighborhoods seek to raise the rent in these communities by upwards of 20% above market rent.

Figure 12

Market and asking rent for zip code 90032.

Market Rent & Asking Rent For Zip Code 90032

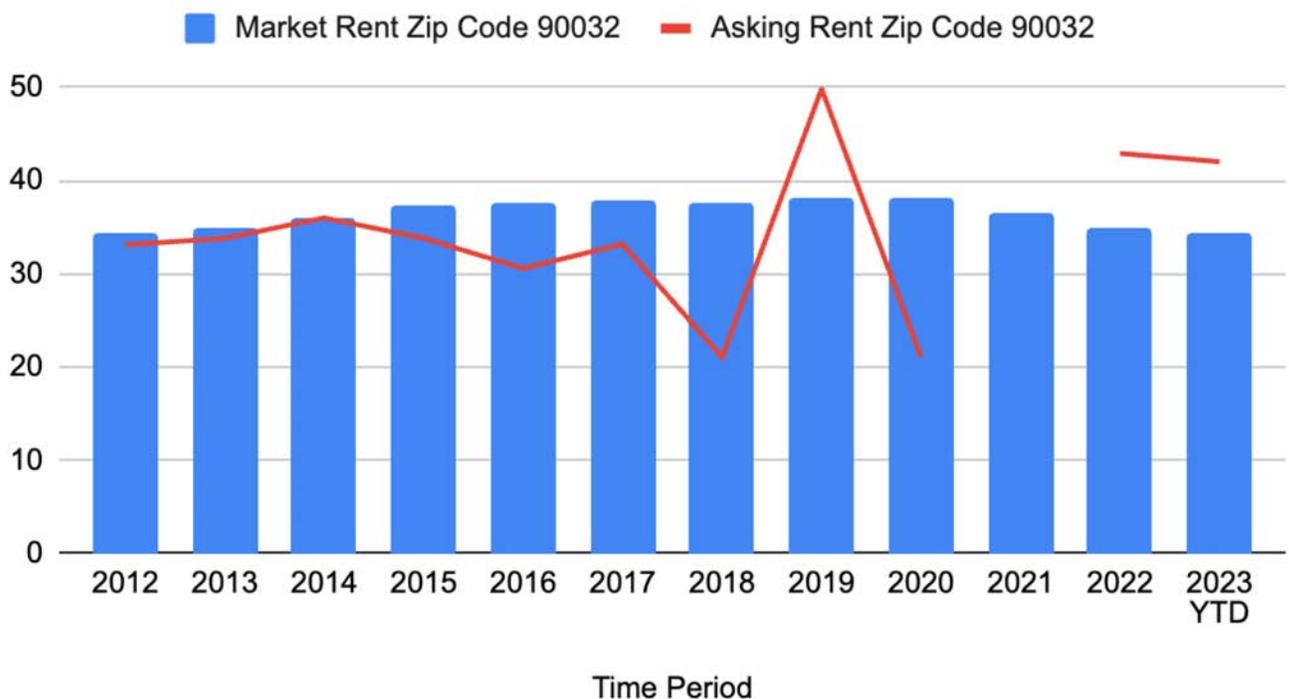
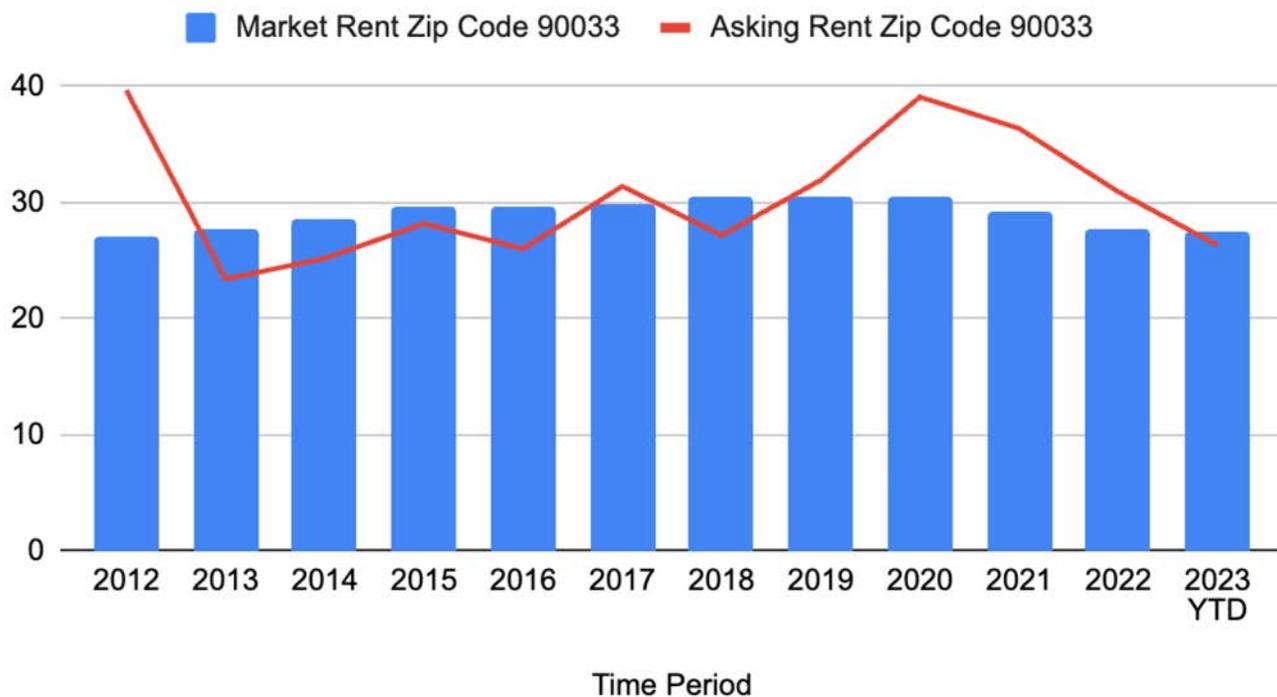


Figure 13

Market and asking rent for zip code 90033.

Market Rent & Asking Rent For Zip Code 90033



APPENDIX C: SMALL BUSINESS STRENGTHS, WEAKNESSES, OPPORTUNITIES, AND THREATS (SWOT)

Inclusive Action has a unique advantage as a community development financial institution (CDFI) that provides technical assistance and financial products (i.e., loans and grants) directly to hundreds to thousands of local small businesses annually. A big advantage of being a CDFI is that Inclusive Action is able to gather data and insight into the challenges impacting local small businesses through our loan application process, technical assistance services, and small business development workshops.

Additionally, through Inclusive Action's small business coalition advocacy and on-the-ground canvassing, we're able to gather insight into the challenges we are seeing in the field. As well as through anecdotal reports we hear from our community-based organization partners that provide legal assistance, micro-financing, and business coaching services to local small businesses. Ultimately our SWOT analysis is a synthesis of observational analysis of our community, commercial real estate data analysis via CoStar, and qualitative and quantitative analysis of our CDFI clients.

Strengths

Local small businesses in Boyle Heights, El Sereno, and East Los Angeles generally have four key advantages to leverage based on the neighborhoods' culture and population demographic. First, CORE neighborhoods have a diversity of business typologies ranging from swapmeet markets, sidewalk vendors, franchise stores, and sole proprietor entrepreneurs that sell everything from medical supplies to fresh food, clothing, jewelry, and more. The majority of the businesses located on the CORE commercial corridors are single-location businesses that are predominantly run by Latino owners (see Table 2 below).

Second, sidewalk vending and food truck businesses in CORE neighborhoods are welcomed and provide residents access to quality goods and employment opportunities for residents. Third, the majority of residents in the CORE neighborhoods are Latino, accounting for 90%+ of residents, which provides a large customer base with similar cultural characteristics and product preferences.

Last, Boyle Heights and East Los Angeles have a strong history of community activism where under-represented groups challenged and fought back against public and private entities seeking to displace, gentrify and disinvest the

community. Today, the spirit of activism is seen through the community's organizing efforts to ensure affordable housing is prioritized and local businesses are not pushed out in place of non-culturally relevant stores.

TABLE 2: Profiles of Commercial Corridors Where CORE Properties are Located

Corridor	Top 5 business sectors by business count	Average business age	Single location business %	Business executive ethnicity			
				Latino	AAPI*	White	Black
Huntington Blvd (El Sereno)	Restaurants, dentist offices, salons, insurance, auto repair	16	94%	40.2%	10.3%	17.1%	1.7%
Cesar Chavez (Boyle Heights)	Medical businesses (mostly in one single medical plaza), restaurants, travel agents, dentists, tax services	18	97%	26.1%	18.2%	17.2%	0.4%
Whittier (East Los Angeles)	Physicians & surgeons, restaurants, dentists, salons, insurance	18	95%	30.9%	11.2%	9.5%	0.3%

*Asian American and Pacific Islanders

Weaknesses

Boyle Heights and East Los Angeles are historically redlined communities. Like most redlined communities, limited access to capital is a common challenge. Boyle Heights and East Los Angeles are underbanked communities. The limited access to financial institutions leaves residents vulnerable to predatory lenders (i.e., Payday, Cash Advance), which fill the financial institution void. Additionally, the lack of financial institutions hinders local business owner's ability to build working relationships with banks to acquire lending products needed to scale their businesses.

Opportunities

Two policies have created new opportunities for small businesses in CORE neighborhoods to leverage. First, the passage of [State Bill-972](#) modifies the California Retail Food Code to streamline the health permitting process, update the outdated food cart requirements, and open up underutilized kitchen spaces for sidewalk food vendors. Furthermore, SB-972 ultimately provides sidewalk vendors a viable pathway to vend in their communities without fear of their goods being confiscated by the local Department of Health authorities. Second, in 2022, the City of Los Angeles launched its [Legacy Business Program](#). The Legacy Business Program is accessible to

businesses that have been in operation for 20 years or more and contribute significantly to their community's history or identity. In addition, enrolled legacy businesses are provided legal services to help negotiate lease terms, grants, and marketing support from the City.

Threats

Small businesses in CORE neighborhoods face three key challenges based on our assessment of these communities: bad faith landlords, growing commercial investor interest, and residential displacement. First, bad faith landlords, or landlords that seek to take advantage of commercial tenants by charging above market rate rent, exploiting vulnerable tenants in lopsided lease agreements, and pushing existing tenants out to make way for higher-paying tenants. The actions of bad-faith landlords can impact small businesses' stability by drastically raising the rent or outright evicting tenants. Regardless of the cause, when businesses are forced to relocate,

they risk losing their customer base, paying even higher rent, and starting from scratch in an entirely new neighborhood.

Second, in Boyle Heights, El Sereno and East Los Angeles, small businesses and residents are at risk of growing investor interest in their communities. Throughout Los Angeles, we're seeing a rise in the closures of swapmeets by property owners seeking to sell their property to the highest bidder. For example, in March 2023, over 600 vendors were displaced from the Alpine Village Swap meet near the City of Torrance. In surrounding neighborhoods, thousands of vendors in swapmeets are at risk of being displaced by property owners who are evicting vendors to sell or redevelop their property.

Third, CORE neighborhood residents are at risk of displacement. Roughly 75% of Boyle Heights is renter occupied and vulnerable to being priced out or pushed out through not-at-fault evictions. For small business owners relying on their clients, the threat of their clients being pushed out threatens their sales.



Figure 14

Sidewalk food vendors.

CHAPTER 9

Formalization of the Informal Sector through Hawkers' Unions in Kolkata, India

Binita Mahato, PhD

Assistant Professor, Community Planning Program, Auburn University

Arindam Roy

PhD Candidate, School of Planning, University of Cincinnati

ACKNOWLEDGMENTS

We would like to thank the Hawker Sangram President Saktiman Ghosh, and other HSC members, staff, and union leaders, including HSC secretary and Calcutta Hawkers Mens Union's leader Murad Hossain, HSC vice-president and Bidhannagar Hawkers Union leader Kirtiman Ghosh and secretary Pratip Nag, Sector V (NabaDigonto) Hawkers Union leader Bhabotosh Sarkar, All India Women Hawker Federation member Rekha Marik and leader Aparna Jha, Kalikapur Mandirpara Hawkers Welfare Association leader Basudev Naskar, KMC Area Hawkers Union leader Debasis Das, Ballygunje Hawkers Association leader Rabi Saha and other members, Gariahat Indira Hawker Union leader Abhijit Saha, and Kalighat Vivekananda Hawkers Samannay Samity leader Sukdeb Som Choudhury for their kind hearts, and valuable interviews.

We would also like to thank the hawkers of the Gariahat Indira Hawker Union and Ballygunje Hawkers Association, who left their shops and

participated in the interviews and treated us with snacks and drinks. We also appreciate the time contributed by Kolkata Municipal Corporation's Mayor in Council (Hawkers Rehabilitation Plans), Debasish Kumar. We are extremely grateful to OmDayal Group of Institution's assistant professor, Arnab Jana, and his student, Debanjali Paul, for supporting our project and helping with the interview transcriptions. A very hearty thanks to Koyel Lahiri of the Centre for Studies in Social Sciences, Kolkata, India, for connecting us with HSC.

Lastly, we are thankful to the SBAN case study facilitators, Reemberto Rodriguez and Dejuan Johnson, for their constant assistance during the process.

For further information about this case study, please contact:

Binita Mahato, binita.mahato@auburn.edu

Executive Summary

Street hawkers constitute a majority of the informal sector in India. They face constant challenges of displacement and systematic insecurities. Hawkers' unions are formed by the geographic locations of hawking and vending and are led by the informal workers of the area. Most of these unions operate under Hawker Sangram Committee (HSC), the largest and most powerful federation of hawkers' unions in Kolkata. This study presents the case of HSC, ten HSC-affiliated hawkers' unions, and their hawkers to understand both the macro and microlevels of formalization of the informal sector.

Before the dawn of November 24th, 1996, about 10,000 cadres and police assembled with bulldozers and attacked hawkers' semi-permanent stalls, marking the beginning of the infamous 'Operation Sunshine' where 1640 stalls were destroyed, 102 hawkers were arrested on that night, and eighteen hawkers committed suicide. This case study describes the journey of the formation of HSC to fight against inhumane eviction and create national coalition bodies to finally pass the Street Vendors' Act of 2014 and legalize hawking and vending.

In Kolkata and India, the practice of unionization has been effective in protecting numerous informal businesses from being forced out. This study focuses on the origins, operations, legitimacy, successful efforts, current challenges, and future plans of HSC through a case study approach. The research involved reviewing archives and literature on the topic, as well as

conducting 36 interviews with HSC members and leaders. The study identifies the tool of unionization and briefly discusses it, as well as analyzes the major strategies employed by HSC to legitimize hawkers. The paper ends with guidelines on the reciprocation of the tool and the application of the strategies in other geo-political contexts.

Introduction

The study demonstrates the process of unionization through which the informal sector, an enduring economic power, formalizes to prevent displacement and other adversities of informality. The contemporary global economy is heavily influenced by the informal sector, which encompasses a wide range of unregulated economic activities. A significant 52% of the world's total employment is situated within this informal sector. Notably, the breakdown by country types reveals that developed nations, including the United States, contribute 15%; emerging nations account for 57%; and developing nations, exemplified by India, contribute a substantial 81% (Bonnet et al., 2019, p. 4). Specifically in India, a staggering 80.9% of the employed population derives their livelihood from the informal sector (International Labour Office, 2018, p. 88). A majority of this informal sector is composed of immigrants who migrate to urban areas from rural areas and neighboring countries in search of a better livelihood.

Although the informal sector includes a wide variety of informal employment, including household or construction works, the focus of the study is on vending (aka hawking)¹ activities in public spaces, such as squares, streets, or sidewalks. Hawking and vending on streets are the primary modes of livelihood for many urban poor in India. However, their occupation is subjected to the risks of insecurities, economic stability, health hazards, territorial conflicts, and displacement. Among many such challenges, the street hawkers and vendors in India have been facing constant pressures of displacement owing to class differences and polarization in society. Often deemed as nuisances and eyesores by the upper socio-economic cohorts, several city-led spatial purification movements were initiated in the 1970s and 1990s to displace and evacuate informal hawkers and vendors from the public spaces of major metropolitan areas of India, including Kolkata in the state of West Bengal.

In response to these inhuman displacement actions, informal business owners and migrant workers stood against the government and

protested for legal rights and protection. They earned their legitimacy through the unionization of informal businesses by forming hawkers' unions in the late 1990s. A more effective tool against the displacements was the formation of the Hawker Sangram Committee (HSC), a non-political alliance of unions in the city, in 1996 that protected the informal hawkers and their rights in Kolkata.

HSC is a “voluntary, non-sectarian, non-profit making organization” that believes in “secular ideas and struggles for the survival of hawkers who cater to the needs of the poor and the middle class through almost a ‘parallel economy’ where quality products are made available at prices which are affordable owing the cost and concern that HSC members share for those sections of society that have shoestring budgets” (HSC Constitution, 2022). Since the formation of HSC, the informal sectors increasingly gained protection from the Central Trade Union Organization (CTUO), originally established by the Trade Union Act of 1926. A more legitimate affiliation and protection of the street hawkers, however, was established only recently by the 2014 Street Vendors Act of India.

Hawkers' unions are formed by the geographic locations of hawking and vending and are led by the informal workers of the area. Government organizations, such as the Labour Department of the Government of West Bengal, endorse and manage all the trade unions in the state and the city. Kolkata currently houses 6,301 trade unions, including 119 hawkers' unions, which are particularly accountable for maintaining the legitimacy of the informal hawkers (Labour Department, 2020). Most of these unions operate under HSC, the largest and most powerful federation of hawkers' unions in Kolkata.

Street hawkers constitute a majority of the informal sector in India and the world and face similar challenges of displacement and systematic insecurities. Although HSC was initiated in Kolkata, they have expanded their work across the nation through the formation of the National Hawker

Federation, the largest federation of hawkers in India. HSC has been very successful in making street hawking and vending legal in the country. Although they continue to face many challenges, their initiatives represent good practices that can be adopted across geographies in addressing similar issues of displacement of the informal sector. The case of HSC demonstrates a bottom-up approach to insurgence with various levels of adaptation and implementation. This study presents the case of HSC, ten HSC-affiliated hawkers' unions, and their hawkers to understand the formalization of the informal sector.

Unionization continues to protect thousands of informal businesses from displacement in Kolkata and India. The tool ensures the legitimacy of street hawkers and vendors, manages spatial conflicts of hawking and vending in the city, and provides equity and justice to the urban poor. HSC also helps maintain economic diversity, especially migrant-owned businesses that

largely support the livelihood of the urban poor in countries like India. The presence of these unions also helps the city to control the growing number of hawkers and vendors and their occupancy of the city's public spaces. With the growing number of informal and migrant business owners across the city, unionization provides some sense of formality to the otherwise uncontrolled informal sector.

Despite the achievements of HSC, challenges continue to exist for the informal sector. In more recent times, the privatization of public land, city development projects, online shopping, COVID-19, inflation, and the reluctance of the government have posed new challenges to the legitimacy of the informal hawkers. The study, therefore, also highlights some of the recent efforts of the organization in fighting contemporary challenges of the informal sector, which can be adapted and replicated by similar informal sectors around the world.



Unionization continues to protect thousands of informal businesses from displacement in Kolkata and India. The tool ensures the legitimacy of street hawkers and vendors, manages spatial conflicts of hawking and vending in the city, and provides equity and justice to the urban poor.”

Context

The study presents the case of hawkers' unions and their member street hawkers and vendors, majorly in Kolkata, the capital city of the state of West Bengal and the third largest metropolitan city of India, and its neighboring satellite townships, Bidhannagar and New Town. The Kolkata Metropolitan Area (KMA) is comprised of parts and whole of six districts of West Bengal—Kolkata (city and district), South 24 Parganas, North 24 Parganas (including Bidhannagar and New Town), Haora, Hugli, and Nadia (Figure 1). The contexts of the studied neighborhoods are discussed below.

Kolkata (formerly known as Calcutta) was founded in 1686 with the conglomeration of three villages—Sutanuti, Govindopur, and Kalikata, by the East

India Company for the expansion of the British Raj. The city was the capital of British rule from 1772 until 1911, when the capital was shifted to Delhi. Today, the city houses a population of around 4.5 million, while the KMA has a population of around 14 million (Census 2011). The city has a population growth rate of 4%, owing to the migrants from neighboring states and countries like Bangladesh, Nepal, and Bhutan. Almost 23% of the city's population resides in informal settlements, such as slums, 19% of the population is below the poverty level, and more than 20% are unemployed. Of the total workers in the city, around 52% are migrant workers. Almost 65% of such migrant workers stay in the city for more than ten years residing in slums or other forms of informal settlements and

earning livelihood through informal commercial activities. In India, approximately 2.5% of the urban population is engaged in street hawking and vending, contributing to around 10 million street hawkers and vendors. The rise of such hawkers and vendors is owed to the inability of the formal sectors to provide jobs and livelihood to the working population. A large share of the street hawkers and vendors are migrants for whom acquiring jobs through the formal sector is difficult, time-taking, and often impossible due to identification issues.

Bidhannagar, also known as Salt Lake City, is located at the northeast edge of Kolkata. This satellite town was planned and developed between 1958 and 1965 to house the rapidly growing burgeoning population of Kolkata. Bidhannagar has a population of around 2.1 million (Census, 2011). New Town, also known as Rajarhat, is

another planned satellite city of Kolkata located on the eastern border of Bidhannagar. The city was developed in the 1990s as a major technological, residential, industrial, and infrastructural hub. While Kolkata has witnessed street hawkers and vendors predominantly since the 1980s, Bidhannagar and New Town have witnessed a constant rise of street hawkers and vendors since the early 2000s. As the latter cities are planned and have more controlled development, the numbers and concentration of street hawkers and vendors are much fewer than in Kolkata. However, with the rapid development and population rise in these cities, the issues with hawking and vending are augmenting. The residents in Bidhannagar and New Town are upper middle classes and economically prosperous, unlike Kolkata, which houses a variety of social classes. Figures 2 through 8 describe the studied areas.

Figure 1

Location of the studied hawkers' unions in Kolkata.

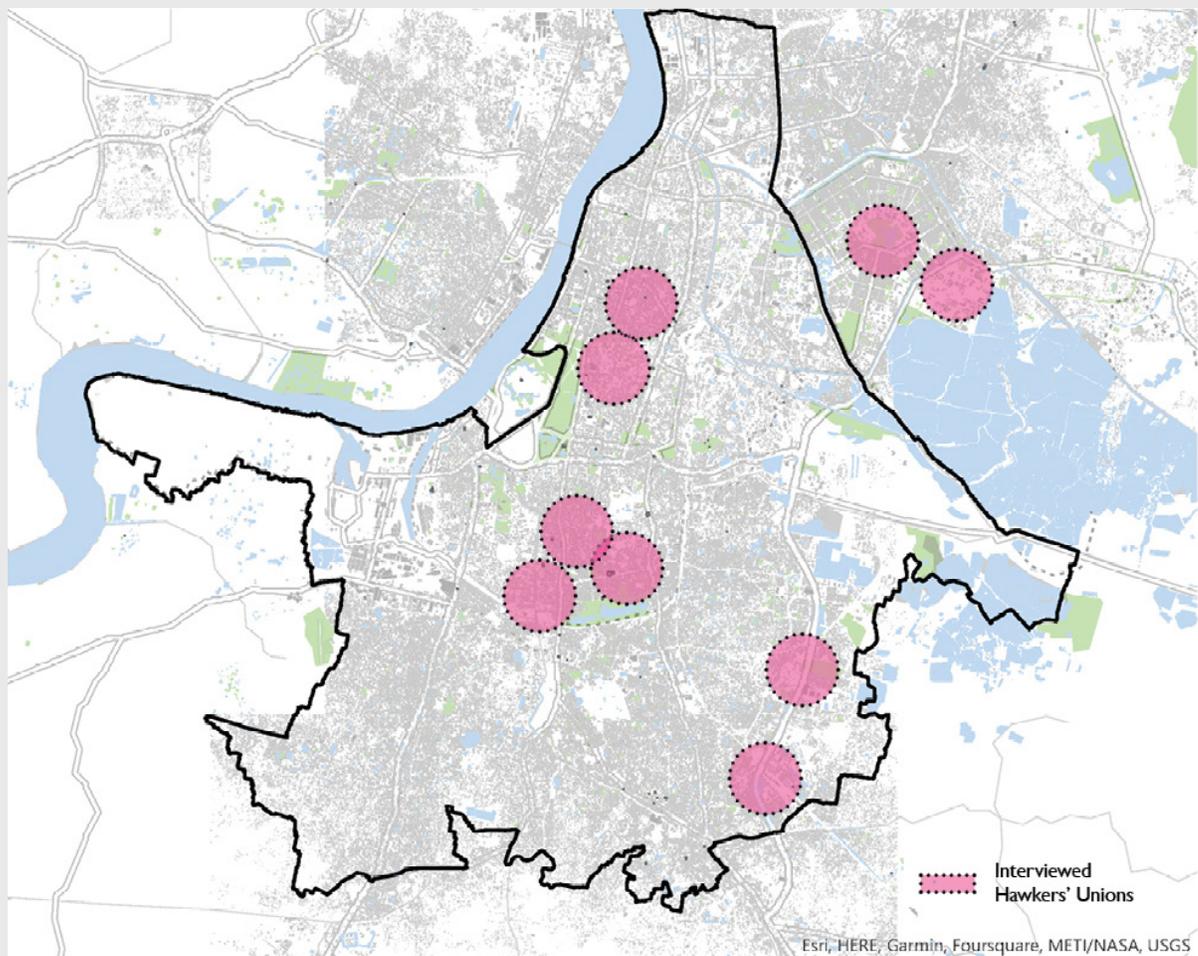
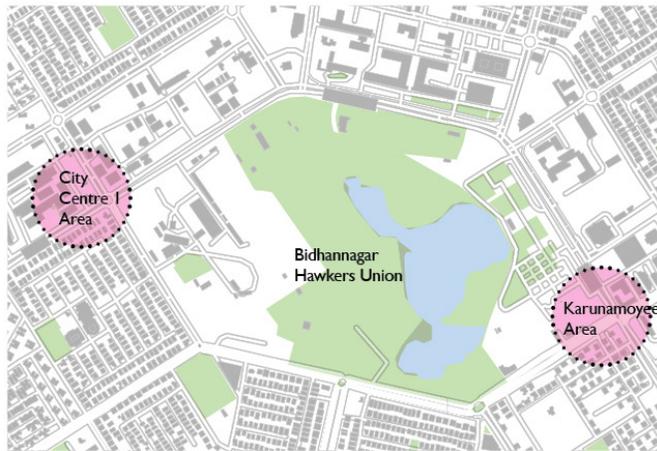


Figure 2

Bidhannagar Area.



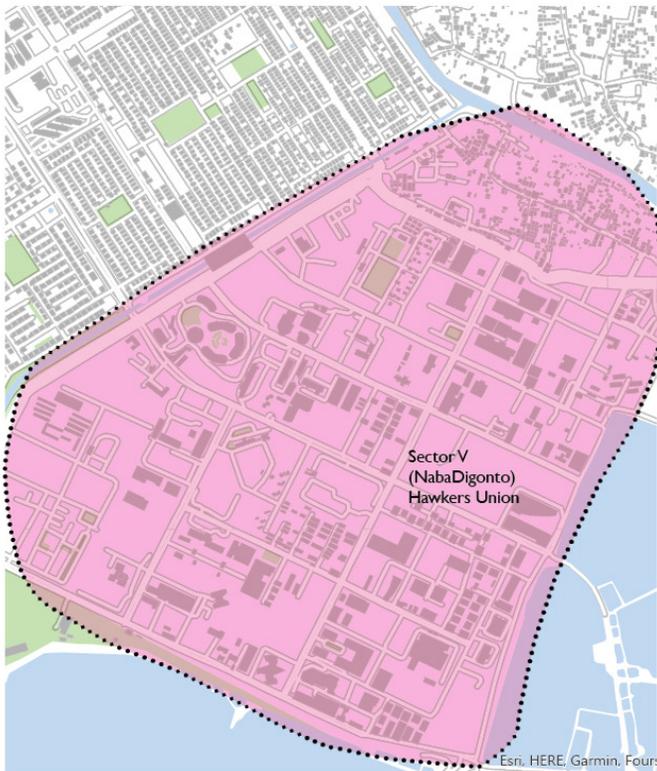
Bidhannagar:

Bidhannagar Hawkers Union is located in the neighboring Bidhannagar city – a planned and comprised of mostly residential neighborhoods. The city is planned with wide roads, along with service roads and sidewalks on both sides. The city is divided into blocks with two predominant types of residential zones – one to two-floored single-family houses and five-floored multi-family houses, along with parks, market areas, schools, hospitals, and office areas. The density is lower than in Kolkata, with more open spaces.



Figure 3

Sector V Area.



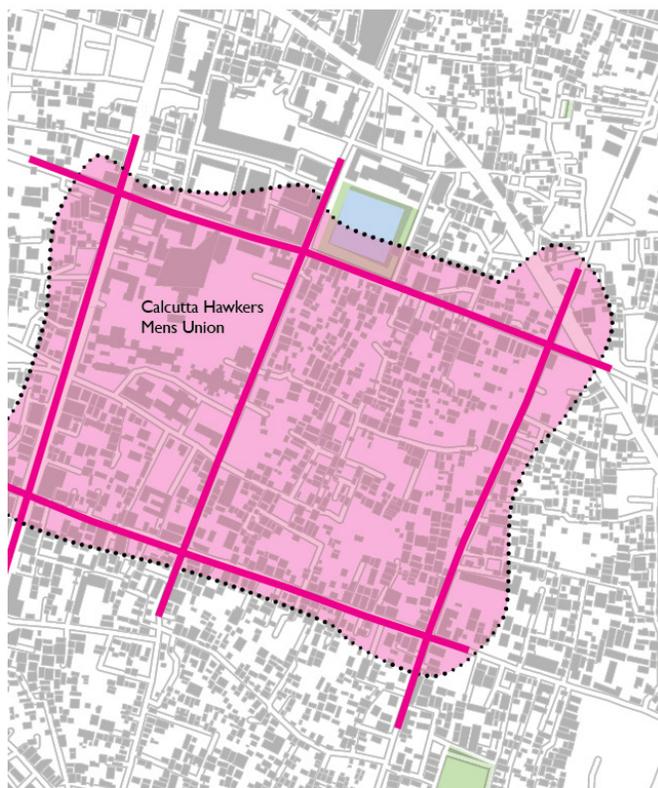
Sector V:

Sector V Nabadiganta Hawkers Union is located in New Town – the newest satellite town of Kolkata and the IT hub of the area. This area is predominantly surrounded by offices with no residential houses. The buildings are eight to ten floors high. The streets are wider with wide sidewalks. The neighborhood caters to young adults who work predominantly in the IT sector and belong to the higher middle class. The area is still developing and has many vacant lots with ongoing construction. Sector V is also situated between Bidhannagar and New Town, where middle to high-income families live.



Figure 4

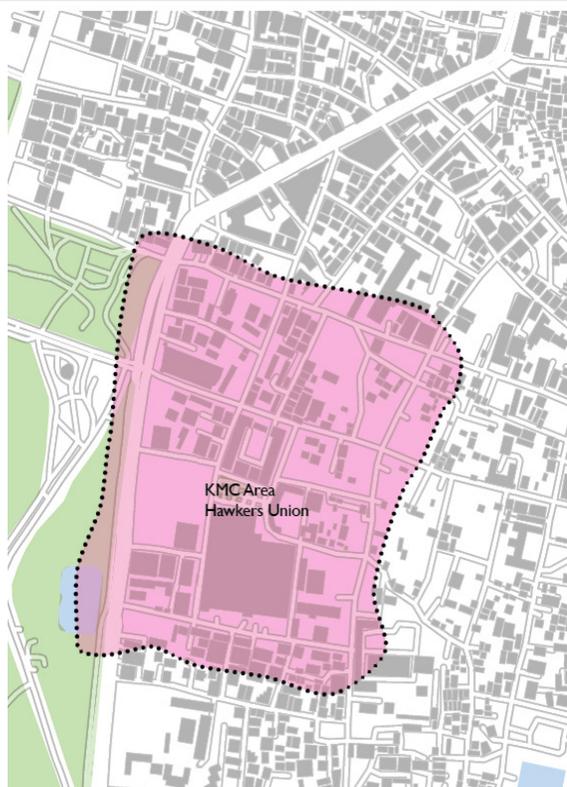
Central Kolkata Are.

**Central Kolkata:**

Calcutta Hawkers Mens Union is one of the first hawkers' unions to be formed in Kolkata in 1978 to protest the evacuation of hawkers in the central area of the city. This area is densely populated with small offices, shops, hospitals, colleges, and universities. The roads are narrow, with even narrower sidewalks full of street hawkers and vendors. The buildings in this area are fairly old, often dilapidated, tightly standing, and three to four floors high.

**Figure 5**

Kolkata Municipal Corporation (KMC) Area.

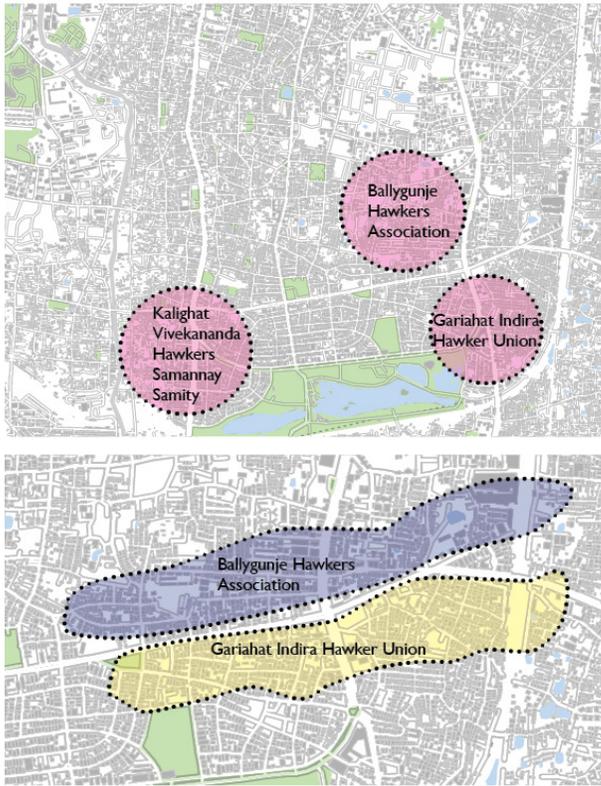
**Dharmatala Area:**

Kolkata Municipal Corporation (KMC) Area Hawkers Union is located in the Dharmatala area of the central business district. This area houses municipal offices, hotels, museums, parks, a major public market—S.S. Hogg Market (New Market) and other shops, congregation grounds, a central bus transportation hub, and a major tourist destination. Land use is predominantly commercial, with shops on the first floor and offices or hotels on the upper floors. The streets and sidewalks are wider than Central Kolkata, packed with street hawkers, vendors, and shoppers. The area has a mix of old historic buildings with colonial architecture with no more than three to four-floor building heights.



Figure 6

South Kolkata Area.



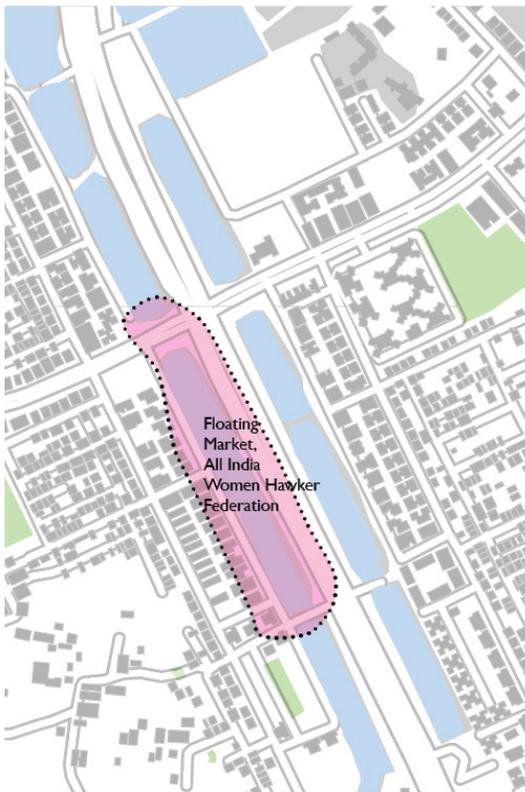
South Kolkata:

Ballygunje Hawkers Association, Gariahat Indira Hawker Union, and Kalighat Vivekananda Hawkers Samannay Samity are located in the South Kolkata area of the city. This area is predominantly a residential area for middle to upper-income groups. The density is comparatively lower than in Central Kolkata, with wider roads and sidewalks. The houses are a mix of small apartment buildings and single-family houses. This area is known as a bustling shopping district for garments and other household accessories, consisting of formal shops, shopping malls, and street vendors. Being one of the prosperous residential neighborhoods of the city, the area witnessed some of the few early and notorious street hawker displacement movements.



Figure 7

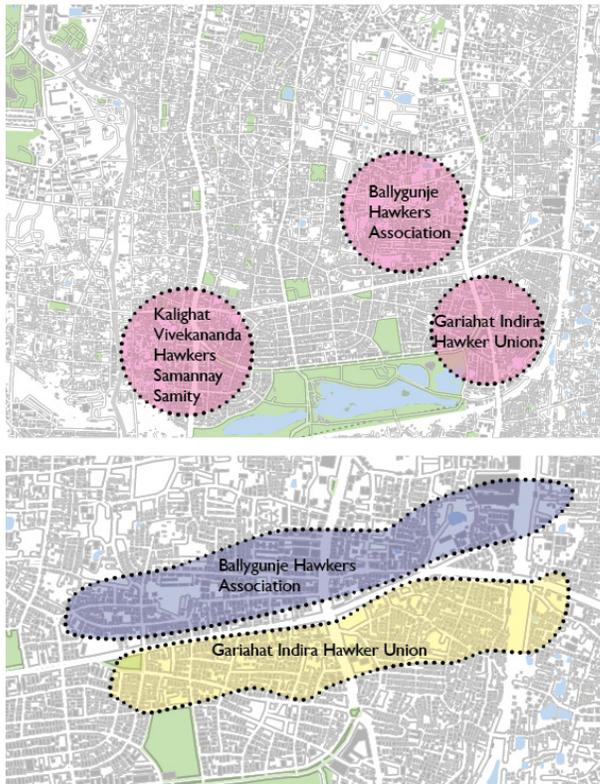
Eastern Metropolitan Bypass (EMB) Area 1.



EM Bypass Area:

The Eastern Metropolitan Bypass, once marked the eastern periphery of the city, is now a major thoroughfare and a rapidly growing corridor of the city. This area houses some of the newer neighborhoods and commercial areas characterized by high-rise apartment buildings, gated communities, major healthcare facilities, and shopping malls, along with traditional markets and shops. Kalikapur Madirpara Hawkers Welfare Association and All India Women Hawker Federation are two of many unions that govern the street vendors and hawkers in this area. Currently, this area is the rapidly developing part of the city, witnessing newer planned roads and urban blocks superimposed on older organic street layouts and building patterns.



Figure 8*Eastern Metropolitan Bypass (EMB) Area 2.***South Kolkata:**

Ballygunje Hawkers Association, Gariahat Indira Hawker Union, and Kalighat Vivekananda Hawkers Samannay Samity are located in the South Kolkata area of the city. This area is predominantly a residential area for middle to upper-income groups. The density is comparatively lower than in Central Kolkata, with wider roads and sidewalks. The houses are a mix of small apartment buildings and single-family houses. This area is known as a bustling shopping district for garments and other household accessories, consisting of formal shops, shopping malls, and street vendors. Being one of the prosperous residential neighborhoods of the city, the area witnessed some of the few early and notorious street hawker displacement movements.



Case Study Approach

To understand the multi-level process of formalization of the informal hawkers and vendors through hawkers' unions, we employed a mixed-method approach to the case study that utilizes multiple lenses to understand the tool. As we are not the members of the organization and unions in the discussion, the study scrutinizes the tool from an outsider's vantage point without any possibility of conflict. To ensure the validity and authenticity of the studied tools and strategies, the study uses methodological rigor in terms of study design, data collection, and analysis. Although we are not affiliated with the entities in question, their expertise lies in both the subjective and geographic contexts of the studied issues. Therefore, the approach adopted for the study is empirical and deployed scientific methods, but not interpretive or storytelling.

Questions

The goal of the study is to understand both the past and present displacement challenges faced by the informal hawkers and vendors in Kolkata and the role of unionization by the formation of

HSC in formalizing informal hawkers and vendors. The study intends to answer the following questions: Why, how, and when was HSC formed? How does HSC operate and manage informal hawking and vending issues historically and presently? And finally, what can we learn from HSC about formalizing informal hawkers and vendors through unionization?

The study is divided into three sections. The first section looks at the historical context of the displacement of street hawkers and vendors in Kolkata that instigated the formation of HSC. The second section highlights the current operations and challenges of HSC pertaining to addressing the day-to-day challenges of informal hawking and vending in the city. The last section synthesizes the lessons learned from the case of HSC that can be adopted by similar organizations aiming to formalize informal workers through unions.

Methods

The study employs a multi-method case study approach to yield a holistic understanding of

the unionization process. As Creswell (1994) notes, case study approaches yield a better understanding of the phenomena through various data collection methods offering exploratory views of the case. A literature study of the topic was followed by case studies of the Hawkers Sangram Committee and eight hawkers' unions through photo documentation and interviews.

ARCHIVAL STUDY

Conducting an archival study of the hawkers and hawkers' unions was challenging due to the unavailability of online or published materials. Only a few published articles on the life of hawkers in Kolkata were found. The authors contacted the author of one these articles, who in turn introduced the researchers to the HSC president. Most of the historical documents studied were found in the HSC, office in a printed format. Some newspaper cuttings were also found. The relevant archives were scanned and converted to PDF for analysis. This archival study and conversations with the HSC president helped in understanding

the history of HSC, along with its roles, and the dialogues it engages with the government and the hawkers. The website of National Association of Street Vendors of India (NASVI) also led to some published materials on rights and regulations about street hawkers in India.

INTERVIEWS

A total of 36 semi-structured interviews were conducted over a period of one month. This includes individual interviews with the HSC President and Vice President, union leaders and members from eight different unions, the Kolkata Corporation Mayor in Council, and sets of group or individual interviews with about fifty different hawkers. Initially, the researcher contacted the HSC president and in turn, the HSC arranged for the interviews with the individual union leaders and hawkers. The interviews took place in the HSC office, or in the Union Offices depending on the availability and convenience of the hawkers. Most of the union leaders interviewed were also hawkers themselves.

Figure 9

Data analysis process using NVivo software.

The screenshot displays the NVivo software interface. On the left, a sidebar shows the project name 'SBAN INTERVI...23.1).nvp' and navigation options like 'Quick Access', 'IMPORT', 'Data', 'File Classifications', 'Externals', 'ORGANIZE', 'Coding', 'Cases', 'Notes', 'Sets', 'EXPLORE', 'Queries', 'Visualizations', and 'Reports'. The main window is divided into three panes. The top pane shows the 'Codes' list with columns for Name, Files, and References. The middle pane shows a selected code 'Access to Basic Infrastructure' with its sub-codes. The bottom pane shows a text excerpt with several lines highlighted in blue, each corresponding to a code from the codebook. The highlighted text includes: 'give the same support to hawkers', 'If a women hawker can't access a toilet they face major issues and this is also a big problem. They can't bring drinking water from their home, they need to bring it from the other side of bypass and they need to buy it from there. So this is also a huge problem for them.', 'We told their theres a hug problem with water and toilet and he needs to solve it', 'But in most of the markets they don't have toilets also.', 'Yes, the hawkers who were sellings garments faced lot of issues', and 'We are against using plastic, however for hawkers who sell garments, they need to use plastic'.

Name	Files	References
1. Facts and Information	11	55
2. Future Plans	6	9
3. Non-Political Body - Pros and Cons	4	7
4. Pandemic Related Issues and Facts	5	12
5. Social Value of Hawkers	0	0
7. Accomplishments	7	12
8. Current Problems	13	72
Access to Basic Infrastructure	10	20
Drinking water toilet are major probl	1	1
Electric from nearby houses at high	1	1
electric supply from the nearby bigg	1	1
Most markets dont have toilets	1	1
Need Support from Government	1	1
Public toilets are a problem not only	1	1
Rain and Flood	4	11
Some hawkers shops do not have el	1	1
Unsafe buidling materials prevents	1	1
water and toilet is a huge problem	1	1
Customer Access	2	5
Financial Issues and Loan Unavailability	4	6
Lack of Formal Recognition	3	7
Lack of trust	4	5
Limited access to modern technology	1	3

OBSERVATIONS AND PHOTO DOCUMENTATION

The interviews were followed by visiting the locations of the hawkers where they engage in hawking and vending. The primary goal of these visits was to capture the unobtrusive action of informal hawkers. This includes understanding their use of the public spaces, studying the different types of hawkers in terms of permanence and goods sold, and learning insights about their everyday dealing with the customers and negotiations with authority personnel (like police). Short videos were recorded while walking through the sidewalks or streets where hawkers were present. Relevant still images were then extracted from the videos. No videos or photos were taken on any private property.

DATA ANALYSIS

The interviews originally conducted in Bengali were first translated and transcribed into

English. Any personal information found in the recorded audio is not transferred to the transcriptions. All the transcriptions were then imported into NVivo – a software used for qualitative analysis, treating each of the interviews as different cases. Content analysis was conducted for the transcriptions using codes. The transcriptions were read line by line, coding every small idea as one code. Some codes were repetitive, while some were unique. A total of 273 different codes were identified which were then grouped together as code clusters by unifying ideas. These code clusters were further grouped into themes.

Photos were primarily used to describe the spatial context of each of these unions, capture moments of relevance like ongoing hawker surveys, customer interactions, protest rally captions, blocked sidewalks, and other characteristics that might have been difficult to express in words.

Anti-Displacement Strategies

According to the HSC president “A union is a body that asks for demands in a united and organized way.” By unionization, we not only emphasize the process of how unions were formed but also of how these independent unions united under one umbrella of the Hawker Sangram Committee. Though at first, individual unions started as groups of hawkers uniting locally against eviction, it was evident with time that they were no match to the mightier forces of the city or state. The emergence of the HSC, composed of approximately 40 unions, represented a tacit agreement among these unions to unite in solidarity in response to the government’s initiative to remove all street hawkers from Kolkata’s streets. It is noteworthy that this coalition of unions was established for the first time during a critical juncture. However, it remains uncertain whether a crisis is an essential prerequisite for the realization of such a collaborative entity.

Based on the memorandum of the HSC document from 1998, the objectives of the organization were summarized as follows: 1) The primary aim will be to look after the welfare of the hawkers; 2) Fight and protest the issue of unemployment; 3) Organize and facilitate programs about self-employment opportunities; 4) Create workshops for adult education; 5) Spread environmental awareness about topics such as hygiene, pollution, and

planting trees; 6) Publish books, papers, and journals highlighting the demands of HSC; 7) Sustain an environment of cooperation with the State Government, Central Government, and City Corporation; and 8) Consider benefiting the local community.

However, the story of struggle and revolution, especially of the urban poor, often goes undocumented and is seldom the result of a prescribed formula. Reading about the achievements of HSC, and listening to their stories of struggle, success, and future aspirations, the above objectives seem to have been modified in the course of time. Though HSC was formed months before Operation Sunshine, it was unable to prevent the mass eviction of thousands of hawkers. They were beginning to realize that eviction would continue unless hawkers are recognized as legal entities. Thus, preventing eviction and legalizing hawkers became the primary goal of HSC. As we do not find a more current document on the strategies adopted by HSC, we attempt to tease out the strategies from the existing documents of HSC’s various proceedings, interviews, and annual rallies. We identify and analyze 11 major strategies adopted by the HSC. Figure 10 describes the process through which street vendors and hawkers were legalized in India, highlighting strategies and major achievements.

Forming Umbrella Organization

HSC provided a structure for hawkers' fight against displacement by uniting the fragmented hawkers' unions of the city under one umbrella and providing a common platform for expression. Hawkers' unions existed before the formation of HSC but operated in fragments in their respective geographic areas. The unions hardly interacted or worked together due to the absence of a unifying body like HSC. With the help of HSC, the unions and their hawkers could stand in solidarity to fight against the government and be more powerful than remaining siloed in their respective unions.

HSC also structured the revolution by conducting organized protests and processions, which slowly gained momentum from the local level to the state level to ultimately at a national level. The organization also created a hierarchy of expression where individual hawkers will report issues to their respective unions, which will then either solve those issues locally or else convey the issues to the HSC leadership. If the issue cannot be resolved by the HSC members, HSC will take the problem to the local government or to the state and central government as necessary.

Creating National Organization

HSC was formed with the aim of uniting hawkers' unions in Kolkata but soon, HSC realized that eviction was happening throughout India, and that nothing would change unless the fight was taken to the central government. This motivated HSC to call for the All-India Hawkers Conference in 2000. This all-India conference was attended by members of political parties in West Bengal, members of the Parliament, and important personalities across the country along with philosophers and experts. HSC demanded they create policies for hawkers. This led to the creation of the National Hawkers Federation. Per the demands of the NHF, the first meeting on issues of hawkers was organized by the Central Government in 2001 at the Vigyan Bhavan, in New Delhi. A task force was created, and the report submitted by them in 2004 was one of the first national documents on hawkers. The success of this strategy can be measured by the active presence of NHF in the contemporary issues of the hawkers. Efforts of NHF has been instrumental in creating the 2014 National Hawkers' Act.

Maintaining Non-political Affiliation

Prior to the formation of HSC, hawkers' unions in Kolkata were mostly affiliated with political parties. Parties used affiliated unions and their hawkers for their political interests, such as forcing them to participate in political rallies without any direct intentions for their welfare. One of the biggest reasons for unions to get affiliated with HSC was that many unions at that time were affiliated with the ruling party, which was responsible for their eviction. This went against their political ideology of helping the poor and created immense distrust among the hawkers toward political leaders. Unions affiliated with different political parties will often compete instead of working together for the common welfare. Political affiliation also proved detrimental when ruling parties changed, favoring their member unions over others. HSC has been successful because it operates on neutral grounds and stays away from political patronage. In absence of any political prejudice, HSC could reach out to a wider community and decision-makers for a common and noble cause.

Raising Public Awareness

Formalization of the informal hawkers could not have been possible without making the public aware of the issue. HSC started revolting against the eviction actions, which was supported by the public as they deemed hawkers as eyesores of cities by taking human rights ground and showcasing the contribution of the hawkers to the society. Hawkers run a parallel economy that supports poverty, helps with unemployment, creates a huge economic turnover, and provides the convenience of shopping to society. It was important to establish why hawkers exist and how they contribute to society for the HSC's goal to legalize hawkers in the country. Once the public found that the eviction of the hawkers was wrong, they supported their movement and made HSC's claim for human rights stronger.

Conducting Peaceful Protest Rallies

The strategy of a united revolt to protest the inhumane laws against the poor is not new. HSC protested the eviction of hawkers from the streets through rallies and marches throughout the important streets of Kolkata with an emphasis in the area around the Kolkata Municipal

Corporation Office. There are two annual protest rallies that are organized every year—one on May 26th to commemorate International Hawkers Day, and the other on November 24th to commemorate the infamous eviction incident of Operation Sunshine. See Appendix B for images and a brief description of the Operation Sunshine rally of November 24, 2022.

Peaceful protest rallies, when participated by all the hawkers, is a symbol to the government as well as the community of the thousands of people who are a part of the hawker's union, and that they have a right to live by self-employed means of hawking in the public spaces of the city, without being evicted by the government. This strategy has been wonderfully successful and currently these rallies not only propagate against eviction but also about the current demands that the government needs to address. However, it is perhaps important to note that Operation Sunshine occurred even after a series of marches and protest rallies. So, we might say, though it is an important strategy, it might not be enough to stop eviction.

Seeking Intellectual Help

Once Operation Sunshine took place in 1996, HSC was stunned at how the event was being glorified by the philosophers and literates of the city, as the government was showing the event to be one that has cleansed the streets and made Kolkata beautiful again. HSC understood that peaceful protest rallies were not enough to spread awareness about the importance of hawkers, and they must include the face of the society like important poets, writers, film stars, or other renowned people in their movement against injustice and eviction. This strategy led them to organize the first 'All India Intellectual Conference' that was attended by the intellectuals of the society. This strategy was certainly useful, as it was in this conference, that Medha Patkar of Narmada Bachao Andolon pointed out that the motto of the Sangram Committee should be to highlight the 'contribution of hawkers to the society', instead of just fighting against eviction.

This conference was also important as many eminent personalities wrote letters for this conference that played a role in changing the perception of hawkers. Quoting one of the prominent actors and social activists of the times "Beautification of Calcutta is desirable but not at the cost of so many lives. The entire people of Calcutta should support the just demand of proper rehabilitation of the hawkers." This strategy was also pivotal while fighting for an act for the welfare

of the hawkers. While the Central government had initially declared that passing a federal act was impossible based on the Constitution, it was only with the help of professionals like supreme court lawyers, a way out was devised that led to the formulation of the National Act in 2014.

It might be said with some confidence that seeking intellectual help has been one of the pivotal strategies adopted by HSC in their fight that has been helpful in multiple ways like changing social perception, brainstorming policies for hawkers' welfare, and legalization of hawkers.

Archiving and Documenting

Documentation was perhaps another important strategy adopted by HSC after its formulation. While unions existed since 1960s, much documentation of events or policies is not found from that time. Documentation not only keeps a record of the proceedings of how the fight was fought, but more importantly it keeps a record of the perspective from which the writer has been a part of it. While documentation of events by government or media can be more elaborate, it is only in the documents of HSC the true impact of Operation Sunshine can be felt. The documentation of what happened after that is a description of the process that can be adopted by other unions and bodies in similar conditions.

The compilation of this study would have been probably not possible in absence of the HSC documents. Publications via books, papers, and articles were also included in the strategies. These publications intended to showcase research on aspects like contribution of hawkers to the society; fundamental rights of hawkers; demands and needs of the urban poor, etc. This strategy was successful to some extent as we find some documentation on HSC proceedings, and some published documents and few books. However, more work is required in better realizing this strategy. One of the limitations of this strategy has been the lack of funds to invest in scholars or researchers.

Formulating Legislative Acts

The initial strategy adopted by HSC to address the issues of hawkers was to create a set of recommendations or policies to be adopted by the Kolkata Corporation. Gradually the strategy shifted to creating policies at the national level. When a national guideline of policies for hawkers was published in 2004,

HSC realized that though policies were in place, no state or city corporations were adopting them as they were not mandatory. This led to their final stance in this regard—to make the Central Government pass an Act, so the policies become a law, that must be followed by the states and cities. The National Vendors Act of 2014, is by far the biggest success story of HSC, and though all the policies of the Act have not been implemented yet due to bureaucratic issues and problems of scale, the strategy of formulating laws instead of optional policies can be underlined as the jewel strategy that has provided hawkers with confidence and made their life easier.

Figure 10 describes the process through which street vendors and hawkers were legalized in India, highlighting strategies and major achievements.

What hawkers said in interviews about the importance of The National Vendors Act of 2014:

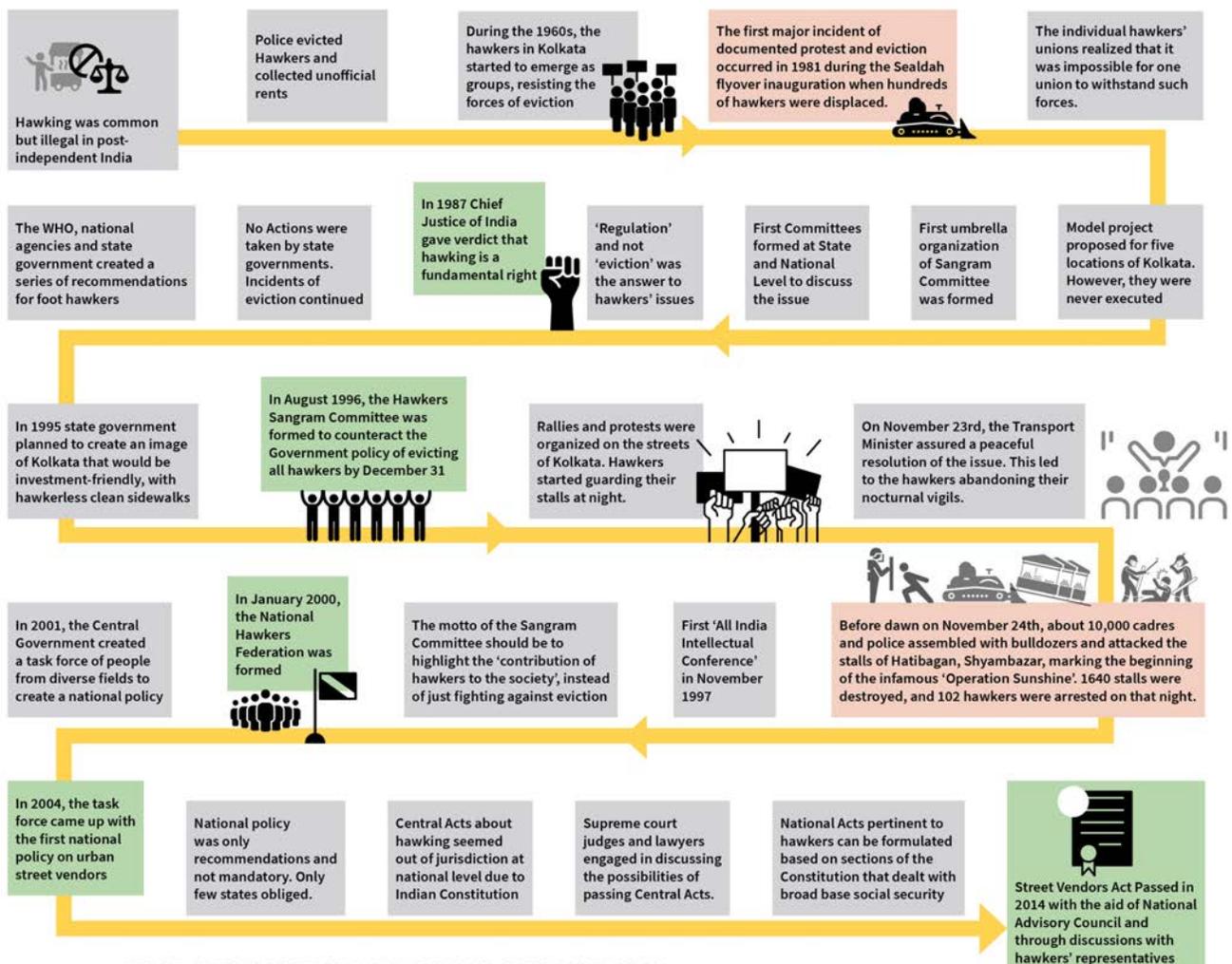
“After the passing of hawker act in 2014 there is no problem anymore...”

“We have right to do hawking, we have orders passed from supreme court...”

“Earlier hawking was illegal but now it is legal...”

Figure 10

The story of Street Vendors Act 2014.



Raising Awareness About Contribution of Hawkers to Society

The primary income of the hawkers comes from the common people buying goods from them. It is pivotal in the fight against eviction to spread awareness among the common people about the contribution of hawkers to society. In the stance of HSC against eviction, the intellectuals emphasized that hawking is not only a necessity of the hawkers, but also the hawkers are necessary for the community. This strategy emerged out of the intellectual conference of 1997. Though no written or published documents were retrieved from HSC about the contribution of hawkers in society, it was a repetitive topic throughout the interviews. We find five themes in the interviews that suggest they add a social value to the community—reliability in terms of quality; street safety by providing eyes on the street against vandalism, theft, or mugging; providing life outside malls by selling miscellaneous items at cheap price including street food; providing shopping convenience by delivering to older customers, or providing fresh vegetables by cart to residential areas, or providing goods to people who cannot conduct online shopping; and human bonding by creating ties of trust and friendship with local community.

Regulating Hawking

This strategy was adopted by HSC at a later stage of the fight against eviction. The concept of regulation instead of eviction emerged as early as the 1980s however, that was the responsibility of the government. Only in recent years, HSC, along with the member unions, have started to take actions against illegal hawking to protect the occupation and interests of the other hawkers in the union. This includes verifying the authenticity of the hawkers, prohibiting hawkers to vend in non-vending zones, making sure the hawkers are not blocking sidewalks or access points for pedestrians, and that they are not creating nuisances in the public spaces or engaging in conflict with the local community.

There have been no studies found that have measured the success of this strategy. On many occasions during photo documentation, it was found that streets and sidewalks are overly congested or impassable, especially due to hawkers taking up a large part of the sidewalk. This is believed to be an important strategy

adopted by the HSC as this strategy clearly conveys to the government that HSC is not only trying to protect the interests of the hawkers but also of the community and other users of the space. One of the serious limitations of implementing this strategy can be attributed to the lack of resources to conduct policing at such an enormous scale as of the city.

Arranging Self-development Workshops

Like regulating hawking, arranging workshops is also a much later strategy adopted by the HSC and it is only at a very budding stage. After legalizing the occupation of hawking, HSC noted that hawkers could not comprehend the rules and regulations of an Act, unless they have a basic education. HSC also felt that hawkers were unable to take advantage of programs or policies funded by the government for the urban poor or the hawkers. With no access to televisions or the internet, the hawkers had limited resources of information. For example, during Covid times, the hawkers had no idea how to deal with customers. In several interviews with the Union leaders, we came to know about the hardships faced by hawkers during the pandemic. One of the union leaders stated that they “did many meetings, and trained the hawkers how they will deal with the customer safely.”

As mentioned earlier, online marketing has been one of the emerging problems for hawkers, especially post-pandemic. One of the near-future aims of HSC is to arrange workshops to teach the hawkers more about online transactions and using web-based platforms. Some union leaders stated that there have been one or two workshops either arranged by themselves or by local NGOs. However, in most of the cases, they spoke about arranging workshops in future or that they have a plan for it. One of the union leaders pointed out that they want to have workshops but “Truly speaking we do not have time to do such things after doing hawking for the whole day.” This shows that though there is a strong intent to do workshops, there is a lack of time to attend or organizations to conduct such undertakings.

Recommendations

From the lessons learned from HSC, preventing the displacement of the informal businesses and legalizing them can happen in several stages (see Figure 11).

To Stop Eviction

Initially, the focus can be to prevent the inhuman and unjust evictions of informal businesses. The primary approach is to peacefully raise public awareness through protest rallies and to bring together individual businesses by creating local groups or unions based on their business locations. Through persistent rallies and formation of groups,

it is possible to prevent evictions by the police and government authorities on grounds of spatial justice.

To Naturalize Hawking

Once the evictions are mitigated, the next major step is to naturalize the presence of local businesses. This can be done by further uniting individual unions or groups through forming umbrella organizations and creating an organized movement to take eviction issues to the court and fight for human rights, credibility, and establishing identities of the businesses.

Figure 11

Goals, strategies, and tools of legitimization.



To Legalize the Businesses

Naturalizing hawkers may not be sufficient to ensure informal businesses and transactions in streets and public spaces. This calls for a more difficult battle of establishing legality of the informal businesses. Several strategies can be used at this stage namely to form national and state level bodies, keeping apolitical affiliation, and looking for innovative approaches to situate formalizing grounds for the informal businesses.

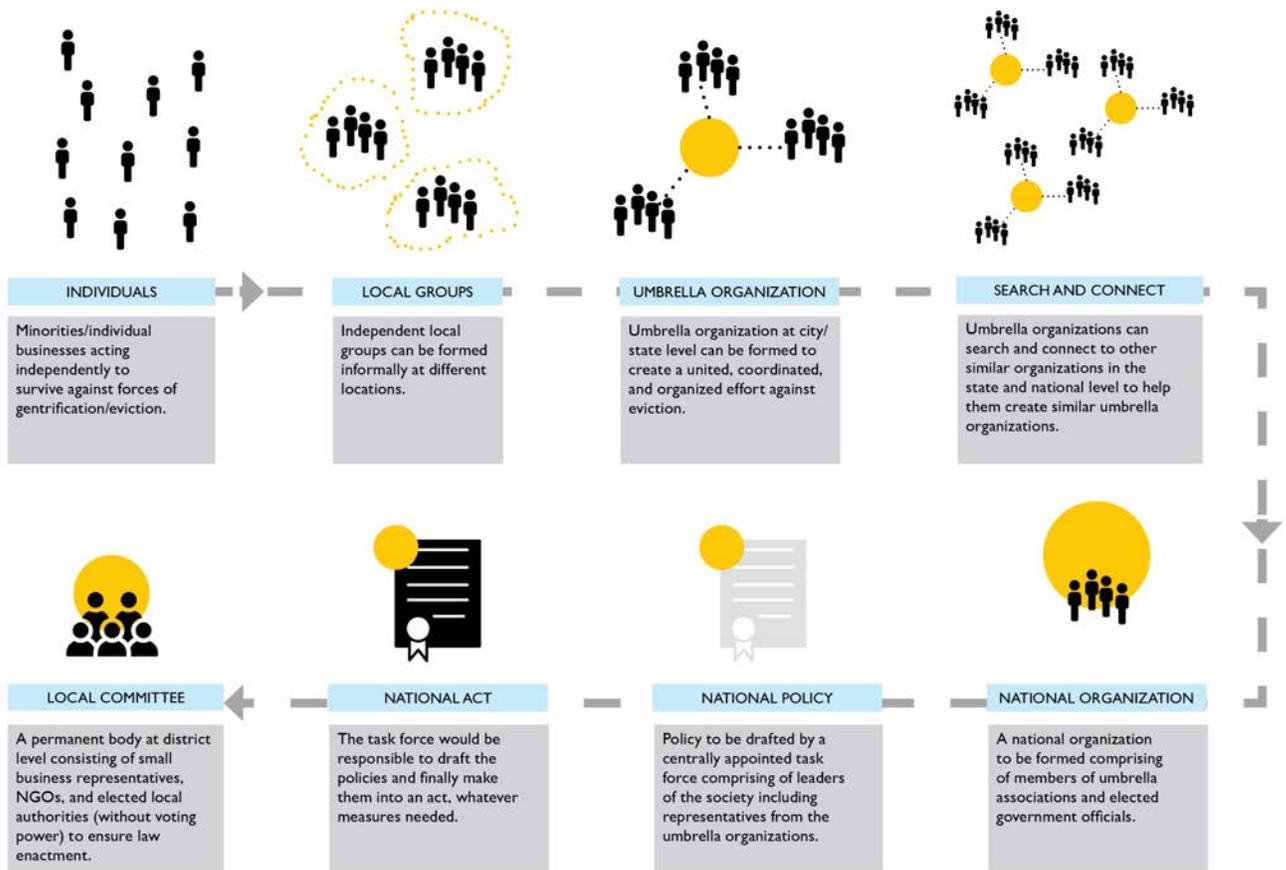
Seeking intellectual help through conferences can help to generate ideas like highlighting the contribution of these businesses to the community, or legal counsel in terms of finding existing laws and regulations that allow for their legitimization. Intellectuals like writers, philosophers, scholars, and celebrities can also post and write for the movement, helping to create

public attention to the cause. Bookkeeping and holding general body meetings is a good way to extend the organized approach, as paperwork and documentation are integral to legal proceedings. An apolitical stance will keep the movement protected from election results, and help can be obtained from both ruling and opposition parties. This stage will end with the creation of a legal committee to draft national policies and finally passing a Central Act that is mandatory to be followed by the states.

To Foster Businesses' Welfare

The hurdle of legalizing informal businesses is of course crucial to allow informal businesses to operate. However, once the law has been passed, it is imperative to administer that the law is appropriately carried out. Also, legalizing or formalizing businesses

Figure 12
Process of legalization for hawkers.



PROCESS OF LEGALIZATION

is not enough to protect their interests and welfare. In this phase two strategies are recommended. First, create committees at the district or county level that comprise representatives from the businesses, NGOs, and government authorities. These committees can regulate the day-to-day proceedings of the businesses in their respective areas through arbitration and negotiation of local issues on the streets and public squares, including ruffles with the police or other users of the space. Self-regulation also includes the process of allocating spaces for businesses, granting licenses and small loans, looking after the interests of the individuals, and helping with legal issues whenever necessary. This approach will reduce the need for government interventions.

Second, devise tools for self-empowerment that include workshops for professional development of individuals. Hosting annual events as an extension of the organized approach will help

commemorate past achievements, express continuing solidarity, and remember important past events. Engaging in community activities at this stage will be important to gain public trust and will ensure the importance and values of these businesses to the community.

HSC's efforts to formalize and legitimize informal street hawkers in Kolkata and in India have been unique, unprecedented, and revolutionary. Their struggle for equal rights was ultimately rewarded by the Central Government's passing of the 2014 Street Vendors Act. Although the actual implementation of the Act is still underway, HSC's success stories provide useful recommendations for similar informal hawkers around the world. The figure below (Figure 12) shows the process of legalization that can be adopted by informal businesses. ●

ENDNOTES

- 1 The 2014 Street Vendors Act of India defines street vendor as “a person engaged in vending of articles, goods, wares, food items or merchandise of everyday use or offering services to the general public, in a street, lane, sidewalk, footpath, pavement, public park or any other public place or private area, from a temporary built up structure or by moving from place to place and includes hawker, peddler, squatter and all other synonymous terms which may be local or region specific.”

REFERENCES

- Bandyopadhyay, R. (2009). Hawkers' Movement in Kolkata, 1975-2007. *Economic and Political Weekly*, 44(17), 116-119. <http://www.jstor.org/stable/40279193>
- Bandyopadhyay, R. (2016). Institutionalizing Informality: The hawkers' question in post-colonial Calcutta. *Modern Asian Studies*, 50(2), 675-717.
- Bonnet, F., Vanek, J., & Chen, M. (2019). “Women and Men in the Informal Economy: A Statistical Brief,” International Labour Office.
- Lahiri, K. (2022). Formal Organising in the Informal Sector: The Hawker Sangram Committee and the Politics of Hawking in Kolkata, India. *Global Labour Journal*, 13(1).
- Times of India. (2023, January 26). 50 shops destroyed as fire breaks out at Kalikapur market in Kolkata [news article]. Retrieved from: <https://timesofindia.indiatimes.com/city/kolkata/50-shops-destroyed-as-fire-breaks-out-at-kalikapur-mkt/articleshow/97336397.cms>
- Women and Men in the Informal Economy: A Statistical Picture*. Geneva, International Labour Office, 2014.

APPENDIX A: STREET VENDORS ACT 2014 SUMMARY

BOX I: Street Vendors Act 2014 Summary

The Street Vendors (Protection of Livelihood and Regulation of Street Vending) Act of 2014 ("the Act") was created to protect the rights of street vendors and regulate street vending. The Act extends to all of India except the State of Jammu and Kashmir. It is not applicable to any land, premises, and trains owned and controlled by the Railways, per the Railway Act of 1989. The Town Vending Committee will conduct a survey of all existing street vendors every 5 years that will make sure they are within the vending zones and conforming to 2.5%; a plan will be created by the local authority and submitted to the Government and determine the norms applicable to the street vendors. While the Committee is conducting this survey, no street vendor can relocate or be evicted. Every vendor will receive a certificate of vending as well. If there are too many currently vending or applying to vend in a specific subsection, the Committee shall redraw the to avoid relocation and accommodate applicants in nearby areas. To obtain certification, each vendor will give an undertaking to the Committee that states they will carry on the business of street vending himself or through a family member, and that they have no other means of livelihood. The certificate cannot be transferred; if the original certificate applicant dies, a family member may vend in their place until the validity of the certificate expires- meaning that family cannot be "grandfathered" in. There are three main types of certificate categories: stationary vendors, mobile vendors, and "any other category...". The criteria for a certification is mostly based on preference to Scheduled Castes, the Scheduled Tribes, Other Backward Classes, women, persons with disabilities, minorities, or such other categories as specified in the scheme ("specific groups"). There are vending fees and renewal processes also mentioned in the scheme; certificates can also be cancelled, suspended, and appealed for a variety of reasons, mainly breaches of contracts and terms outlined in the Act, too many to summarize here (see Chapter III). Vendors have the specific right to carry on business in accordance with the terms of their specific certificate, as well as a right to relocate to a new area or site; he must keep the area clean and remove his goods at the end of the day. Public property and civic amenities must be maintained as well, in addition to paying periodic maintenance charges, which are determined by the local authority. The local authority may also declare a zone (or a part of it) to be a no-vending zone for any public purpose and relocate the street vendors in that area with a 30 day notice, unless otherwise specified. If 1 street vendor fails to vacate the space after the

time period, the goods may be seized in a manner in accordance with the specified scheme. No employee of the appropriate Government or local authority shall be appointed as a member of a grievance or resolution of dispute committee. Any street vendor who has a grievance or dispute must make a handwritten application and submit it to the appropriate committee. Once the grievance or dispute is received, the committee will take the necessary steps to resolve it within an appropriate timeframe. A Town Vending Committee may be created by the local authority that will hold meetings, and be made up of a Chief Executive Officer or Municipal Commissioner for the chairperson, a number of other members representing the local authority as deemed proper. The number of members nominated to represent the non-governmental organizations must be less than 10%, the number of members representing street vendors less than 45% (as long as 1/3 of them are women), and additional representation specific groups except for women. The local authority must provide the Committee with appropriate office space and publish the street vendor's charter specifying certificate application, acquisition, and terms. Police and other authorities are forbidden from harassing vendors operating in accordance with the Act; those that do not are subject to punishment.

The appropriate Government may take promotional measures in the form of available credit, insurance, and other welfare schemes for the vendors. The Government may also organize and undertake educational, training, and capacity building programs to educate vendors about the Act and the role of the informal sector in the economy to increase knowledge in the vendors. The Government may also delegate powers to local and other authorities to enforce the Act. The Government or other appropriate figure may also propose amendments to the Act, First Schedule, or Second Schedule; within a year of the Act's enactment, the Government must make notification of rules for carrying out the provisions within the Act. Every rule and scheme made by the Central Government under the Act must be laid before each House of Parliament for a total of 30 days, and may be passed as long as both Houses agree. The local authority is also given the power to make bye-laws in addition to the Act. Should the Act give any difficulty, the Central Government may make provisions in order to remove the difficulty.

APPENDIX B: OPERATION SUNSHINE DAY RALLY

BOX 2: Operation Sunshine Day Rally



This was the 26th year of the Operation Sunshine Rally that started in 1997 to commemorate the inhuman attack of the government on hawkers that resulted in demolition of thousands of stalls, hundreds of arrests, and suicide committed by eighteen hawkers. The rally was attended by about seventy hawkers unions, and about 5000 hawkers across Kolkata and West Bengal. The march started from the HSC Headquarters in College Street and ended in front of The Kolkata Corporation Office. At the end of the march, an open air assembly

was held in front of the Corporation building. Speeches were delivered by eminent leaders of HSC, the community including the Women's Hawkers' President from Bangladesh, and the Mayor of Kolkata. The principal demands set forward by HSC were to include railway hawkers into the Street Vendors Act, to implement all the policies of the Vendors Act with immediate effect, to create a monitoring committee for overseeing the right implementation of the Act.

CHAPTER 10

Meeting the Economic Challenges of a Changing Urban Environment: A Multi-Main Street Model in Washington, D.C.

Brianne Dornbush | Executive Director

District Bridges
3400 11th St. NW Suite 200
Washington, D.C. 20010

ACKNOWLEDGEMENTS

District Bridges owes its accomplishments to the unwavering dedication of our incredible volunteers and board members, the steadfast support of our local residents, the collaboration with community organizations, the guidance of local government leaders, and the invaluable contributions from small businesses. We are deeply grateful to all these individuals and groups who have not only believed in our mission but also welcomed us into their community. Their collective commitment has been instrumental to our success.

The District Bridges team, both past and present, also deserve acknowledgement. Being part of an organization that upholds innovation as one of its core values presents its own set of challenges, as we continually strive to redefine our efforts to better serve our businesses and communities. A notable example of this was the exemplary dedication demonstrated by our team while serving on the front lines for small

businesses during the unprecedented Covid-19 pandemic. The passion and commitment exhibited by the District Bridges team in their daily pursuit of this mission is inspiring.

Finally, we are incredibly grateful to the SBAN team who provided us this opportunity to write this case study and showcase our work. Through our organizational growth, we have often had to choose between doing the work or talking about the work. We've always chosen to do the work. However, the opportunity to document our journey behind the formation and accomplishments of this organization has been invaluable for us. We believe that this record will prove beneficial to the amazing community of practitioners affiliated with SBAN.

For further information about this case study please contact:

Brianne Dornbush, brianne@districtbridges.org

Executive Summary

This case study examines the Multi-Main Street model developed by [District Bridges](#), a community ecosystem development nonprofit organization based in Washington, D.C. This replicable model addresses the pressing issue of commercial displacement. The District Bridges' Multi-Main Street model builds upon the nationally recognized Main Street Four Point Approach, developed by the [National Main Street Center](#). By employing a scaled approach, this innovative model increases organizational

capacity and sustainability while centering small business needs. By doing so, it not only generates greater economic impact but also actively preserves the unique sense of place identity and culture within dynamic urban environments.

In a 2017 study conducted by the [National Community Reinvestment Coalitions](#) (NCRC), Washington, D.C., was named the most rapidly gentrifying city in the nation (Richardson et al., 2019). Across the city, the rapid displacement

of neighborhood-serving small businesses that have operated in the District for generations has caused a deterioration in the fabric of neighborhood culture and pride. While gentrification in D.C. has reached a fever pitch, it is by no means a new phenomenon. In fact, the historic context of Washington, D.C., is extremely complex, converging national events, policies, and cultural collisions that have reverberating effects even today.

Development in any city is inevitable, but displacement doesn't have to be. Main Streets can be an important tool in anti-displacement work due in part to their highly relational approach. These programs offer deep insights into the realities and opportunities small businesses face, empowering them to effectively address the issue of displacement. If Main Streets can help to advocate

and center the voices of small businesses as development occurs, small businesses can be a part of their future development rather than becoming a victim of a neighborhood's "success."

District Bridges' Multi-Main Street model has sought to strike a balance between the reality of development and the needs and priorities of neighborhood-serving small businesses. In order to directly confront these challenges, we have actively questioned the status quo and devised innovative tools that leverage the grassroots, relational nature of the Main Street Approach to center small businesses in the economic development ecosystem. This case study will explore the implementation of these tools and strategies by District Bridges examining the successes, failures, and presenting key recommendations for replication in other cities.

Introduction

In the 1980's, the National Main Street Center developed the [Main Street Approach](#)[®] as a transformative model to support the revitalization of downtown areas that faced years of neglect. As the shopping and development trends of the country shifted to big box stores and shopping malls, many "Main Streets" were left vacant and struggling. The Main Street Approach[®] drew communities back downtown and focused on reinvesting in small and local businesses.

In 2002, Washington, D.C., joined these communities by establishing the DC Main Street coordinating program managed by the [D.C. Department of Small and Local Business Development](#) (DSLBD). Today, DC Main Streets boasts [28 accredited and affiliated programs](#) serving neighborhood commercial corridors across the District. These programs are implemented by local nonprofit organizations that receive annual grants from DSLBD.

The philosophy that underpins the Main Street model is sound and impactful. Nonetheless, the implementation of the model in urban

environments, like D.C., where a single neighborhood can be larger than an entire rural town, has posed significant sustainability and capacity issues for urban Main Street organizations. Additionally, because the Main Street Approach was born out of a historic preservation ethic focused on physical buildings, there has historically been minimal attention paid to racial equity and cultural preservation. Despite this, Washington, D.C., has relied on Main Streets programs as one of its core models for community-based economic development. Many of the challenges facing DC Main Street organizations are not unique to Main Streets, but rather pervasive among small nonprofits in general. However, because of multiple dynamics, the DC Main Streets programs face several critical challenges that undermine the health and vitality of the nonprofits responsible for implementing the programs, diminishing their hyperlocal impact, and ultimately hindering the broader economic development of the city. Next, we discuss these challenges.



Washington, D.C., has relied on Main Streets programs as one of its core models for community-based economic development.”

Limited Budgets and Fundraising Capacity

Many of the organizations managing Main Streets were founded solely to establish a Main Street in their community. While this hyper-local focus and scope is not problematic in and of itself, it does limit the organization's pool of potential funders to donors who are impacted by the work, as few major philanthropic foundations focus on organizations of such small scale. Throughout the United States, there are Main Street state coordinating programs, like DSLBD, that provide support to Main Streets; however, the level of support varies greatly between states.

Washington, D.C., takes pride in being one of the leading providers of funding for Main Street coordinating programs, offering an annual grant of \$150,080 to each accredited Main Street organization. However, while this funding is vital, the annual grant amount has not increased since 2016, even to adjust for inflation or cost of living.¹ In addition to the stagnant grant funding, the annual grant allocation is the same for each Main Street regardless of the number of businesses included within its boundaries. In practical terms, a Main Street program with 300 businesses receives identical funding as a program with 30 businesses.

Finally, because these organizations have limited budgets, they often only have one full-time employee with limited time and capacity which further limits the organization's ability to successfully fundraise. In D.C., the result is that these organizations are almost entirely reliant on DSLBD funds, which leads to an unhealthy dynamic of dependence on the agency.

Limited Organizational Capacity

With only one full-time employee, the executive director is responsible for all aspects of program implementation and managing the nonprofit organization. They must rely on volunteers and board members to increase the organization's capacity. The reliance on a single staff member and volunteers limits their capacity and potential impact. The reliance is also a recipe for burnout, which leaves the organization's program continuity and institutional knowledge extremely vulnerable should the executive director suddenly leave. This organizational model also inhibits innovation and collaboration, simply because the executives lack the time and capacity to focus on anything beyond what is already required of them. The lack of organizational capacity is perhaps the most inhibiting factor

to these programs' ability to actively combat gentrification and commercial displacement.

Inequitable Investment and Access

The District is home to over 37,000 small businesses.² Collectively, DC Main Street programs currently serve 3,568 businesses. Additionally, since the funding level for these programs is the same regardless of their relative size, the potential expenditure per business within Main Street programs ranges from \$250 for the largest program to \$2,800 for the smallest program.³ In practice, the grants are not equally distributed to each business, but this illustrates the inequitable investment currently being made.

Beyond the inequity of the financial investment, the limited capacity of a single employee means that larger programs cannot spend as much time with each business. For many of the businesses most vulnerable to displacement, time is the most valuable resource a Main Street Director can invest in them. This inequity disproportionately impacts BIPOC and immigrant-owned businesses and can lead to the perception that Main Streets perpetuate further gentrification rather than actively combat it.

Restrictive Boundaries

The Main Street boundaries are deliberately established to define their service area and the number of businesses they are responsible for serving. However, in many instances in D.C., DSLBD has drawn these boundaries arbitrarily and often not taken into consideration neighborhood identity. As a result, businesses have been left out of programs simply because they are on the wrong side of the street. Historic communities have felt a sense of erasure as they have been added to the catchment of another neighborhood with which they do not identify. The boundary restrictions enforced by DSLBD have also stunted collaboration between adjoining programs rather than creating opportunities for joint programming and cooperation. This siloed mentality is antithetical to holistic economic development and runs counter to how residents live in and navigate communities.

Scarcity Mentality and Competition

The last challenge represents an interesting dynamic that has emerged within the D.C. economic development ecosystem as a direct result of the aforementioned challenges. Because

the traditional Main Street model lends itself to a siloed approach, the DC Main Street organizations have historically perceived one another as competitors rather than partners in the economic success of the city. This had led programs to hoard resources rather than seek opportunities to collaborate or broaden their scope. This mentality has damaged the collective impact of the programs. Practically, less collaboration directly translates to duplication of efforts and inefficient use of time and resources. More broadly, this posture prevents the programs from advocating for the importance of their very existence to secure adequate financial investment from the city.⁴ Further, the scarcity mentality that exists

among Main Street organizations propagates distrust, entitlement, and ingrained prejudices which hinder collaboration and partnership and ultimately thwart holistic economic development.

This case study will explore the advantages of the District Bridges' Multi-Main Street model as compared to the traditional Main Street model and how successful replication of elements of the model, coupled with intentional collaboration and capacity building both internally and externally within urban Main Street programs, could enable greater economic growth and collective community impact both in D.C. and beyond.

Case Study Approach

The approach to this case study is an illustrative one written from the experience of the founding executive director of District Bridges. The findings of the study are derived from District Bridges data collection encompassing its six Main Street

programs, as well as insights from the other 22 Main Street organizations in D.C. Moreover, this study is informed by research conducted by leading experts on economic development and Washington, D.C., history and policy.

Leading Organization

District Bridges is a community ecosystem development nonprofit, born out of a collaborative grassroots effort, known as the Columbia Heights Day Initiative (CHI). CHI started with a group of neighbors who shared a vision of building inclusive relationships and celebrating their neighborhood. In 2005, these founding members organized the first Columbia Heights Day Festival and established the 501(c)(3) nonprofit. Ten years later, the CHI board hired its first executive director with a vision to serve the community year-round. In 2016, CHI was awarded the Columbia Heights | Mount Pleasant Main Street grant by DSLBD. Following this award, CHI rebranded itself to become District Bridges and broadened its vision to build a more sustainable Main Street model to serve multiple communities.

The following year, we piloted our Multi-Main Street model with the award of the Lower Georgia Avenue Main Street grant, distinguishing District Bridges as the first organization in the nation to manage multiple Main Streets. Today, we manage six of D.C.'s 28 Main Street programs. Through these programs, we provide community-based economic development to over 1,200 small businesses across Washington, D.C. The District Bridges' Multi-Main Street model maximizes our administrative capacity,

financial management, governance, custom data management system, and organizational staffing model. By preserving institutional knowledge while achieving economies of scale, this model enables us to create greater impact and long-term success for the existing and emerging commercial corridors we serve.

The core of our Main Streets' work is providing direct technical assistance to small businesses. For many small business owners, the challenge of keeping the lights on and the bills paid means they rarely have time to invest in developing their business. District Bridges developed a standardized technical assistance process that assesses the needs of businesses through a proven business health check and then develops a unique strategy for each business, called the business development plan, that aligns resources and tools to help businesses achieve their goals. Our custom-built Salesforce instance then streamlines data sharing with technical assistance providers to facilitate support provision while tracking trends.

District Bridges' Board of Directors is composed of seven individuals representing various sectors and skill sets that the board has determined are priorities for the organization's development. In addition, each of District Bridges' Main Street

programs has an advisory board made up of key community stakeholders, called the Neighborhood Strategy Councils (NSCs). The purpose of these advisory boards is to keep each program deeply rooted in the community to ensure community voice is directly involved in program development and activities. The NSCs also create a feedback loop that enables each Main Street program to collect direct input from the community and businesses to assess the effectiveness of each program. This feedback loop enables each of District Bridges' Main Streets to make decisions on how to develop programming to better meet community needs. Utilizing tools such as surveys and annual program assessments, each

Main Street program is focused on continuous improvement by incorporating the feedback received annually.

For District Bridges, Main Streets serve as one tool in the organization's toolbelt of economic development interventions. We see our Main Streets as test labs where we can try new interventions and rapidly iterate to increase our impact on the ground. In addition to the Main Street programs, District Bridges has developed several other programs that work in concert with our Main Streets to combat commercial displacement and support neighborhood preservation in Washington, D.C.

Figure 1

District Bridges anti-displacement interventions.



INVESTING IN COMMUNITY +
SUPPORTING LOCAL BUSINESS

ANTI-DISPLACEMENT INTERVENTIONS

PROGRAM INTERVENTION	DESCRIPTION	ANTI-DISPLACEMENT INTERVENTION
Main Streets	Hyper local economic development programs that provide direct technical assistance to businesses	Through a relational approach Main Street programs can proactively support businesses vulnerable to displacement.
Access Point	An online technical assistance platform free and accessible to any business in DC. The platform provides video training courses and materials on a variety of relevant subjects.	Access Point addresses equity and accessibility of technical assistance. It allows businesses to access the training they need when it's convenient for them. Courses like negotiating a new lease give them tools to protect them from displacement
Capital Access Program	Using our Financial Health Check we assess businesses financial health and provide them assistance to become capital ready.	Businesses that do not manage their books or are not traditionally banked cannot apply for grants or loans. This makes them more vulnerable to displacement. CAP starts with their current financial knowledge and then builds on it.
Facade Improvement Program	This grant program provides funding for businesses to improve their storefronts. This includes signage, lighting, paint, and much more.	Particularly in rapidly gentrifying neighborhoods where new buildings are being built regularly, this program helps businesses update their storefronts and helps them compete in the changing market.
Business Preservation Assistance Program (BPAP)	A pilot program that is working to support businesses in purchasing their building.	Businesses that own their buildings are able to anticipate their costs rather than being at the mercy of a landlord. This enables long term business to remain in place while also building generational wealth.

Neighborhood Context

Within Washington, D.C., there are 127 named neighborhoods and through District Bridges' six Main Street programs, the organization serves eleven neighborhoods. The significance of neighborhood identity is incredibly important to the work of Main Streets and economic development more broadly, particularly because of the city's history of racial segregation and racist policies like redlining. This history still influences the development of the city today and the way organizations like Main Streets are perceived by community members.

As a capital city, Washington, D.C., has a deep and complex history, particularly as it pertains to development and intentional policies that segregated the city. District Bridges serves eleven neighborhoods: Chevy Chase, Cleveland Park, Columbia Heights, Logan Circle, Le Droit Park, Mount Pleasant, Park View, Petworth, Pleasant Plains, and U Street. These neighborhoods can be separated into two categories that have historical significance: those east of the Rock Creek Park and those west of Rock Creek Park. D.C. used race as a criterion for grading the investment risk of certain neighborhoods (See Figure 2). Neighborhoods like Chevy Chase and Cleveland Park, located west of the park, received an A grade. Conversely, neighborhoods like Columbia Heights, Logan Circle, Le Droit Park, Mount Pleasant, Park View, Petworth, Pleasant Plains, and U Street all received a D grade.

Despite the racist policies that sought to segregate the city, neighborhoods like U Street, Le Droit Park, Pleasant Plains, and Columbia Heights thrived. U Street was known as Black Broadway in the 19th and early 20th century and was a thriving hub of Black culture, political advocacy, business, and art. Iconic individuals

like Zora Neale Hurston, Louis Armstrong, Duke Ellington, and Billie Holliday lived, worked, and entertained on U Street. Following the assassination of Martin Luther King Jr. in 1968, riots broke out in Washington, D.C., initially starting at the intersection of 14th Street and U Street. These riots caused extensive damage to homes and businesses across the city. The estimated losses to at least partially insured properties were \$25 million (Brownell, 2017).

The riots devastated Washington's economy. Due to the destruction, hundreds of businesses closed, and thousands of jobs were lost. The violence also accelerated white flight from the city, further decreasing property values. Some blocks remained in ruins for decades. Economic recovery began in the 1990's with the opening of U Street and Columbia Heights metro stations. However, the opening of the metro also served as fuel for the fire of gentrification that would ignite in the 2010's (Austermuhle, 2017).

The wealth gap between the highest and lowest income earners in D.C. has ballooned since 2000.⁵ The [D.C. Council Office of Racial Equity](#) states in its Profile for Economic Outcomes that "Black, Hispanic or Latino, Asian, and Native American residents are less likely to have professional contacts and access to capital due to historic practices that denied wealth-building opportunities to these groups. Not only are there fewer Black entrepreneurs than White entrepreneurs in the District, but they also have less access to capital on average and subsequently, fewer employees."⁶ These numbers demonstrate the need that exists for interventions that address racial inequity by specifically protecting and advancing BIPOC business development (Fairlie et al., 2017).

SWOT Analysis

The following SWOT analysis looks at the strengths, weaknesses, opportunities, and threats from the small business perspective regarding the traditional Main Street model as compared to District Bridges Multi-Main Street model.

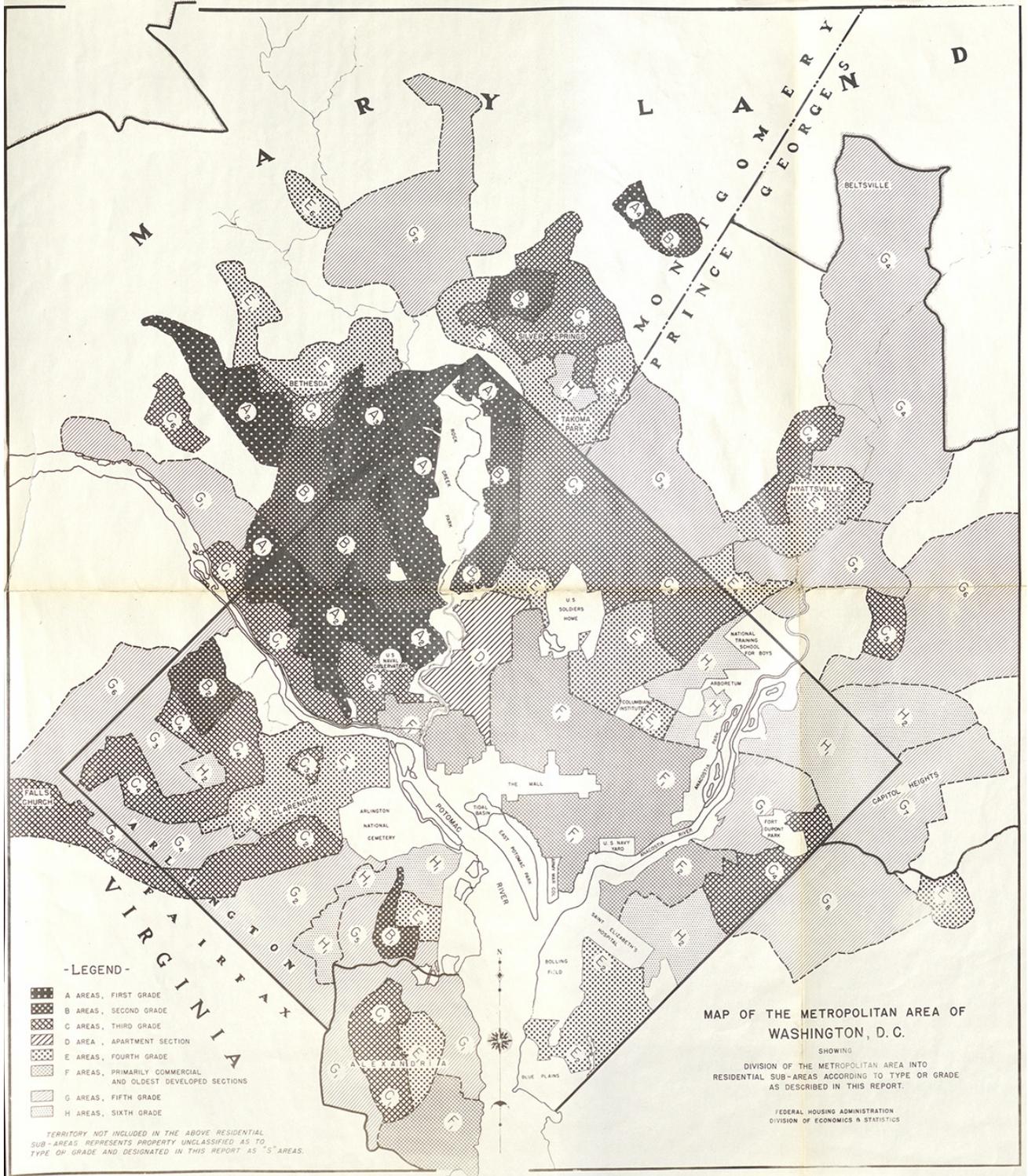
Strengths

The Main Street Approach® is a hyper-local and relational model, developing personal connections with the business owners in a corridor

and leveraging the trust built to address their needs. Main Street Directors forge relationships with business owners in a way other economic development entities cannot or do not, making them one of the most effective channels for direct connections, allowing for a deep understanding of the specific needs of small businesses in urban environments. In addition, the concept of a Main Street is easily understood both by businesses and residents, which is particularly helpful when trying to gain support to establish a new program or grow an existing program. This support also

Figure 2

1937 Residential Sub-Areas map by the Federal Housing Administration that graded D.C. neighborhoods using race as a criterion.



enables Main Street programs to develop branding that taps into neighborhood pride, promotes the business corridor, and develops broad-based community support.

Weaknesses

The primary weaknesses of the traditional Main Street model are scale, capacity, and equity. Since these organizations typically have only one full-time employee, it is incredibly difficult for the executive directors to serve all their businesses equitably relative to time and finances. Additionally, in diverse communities where there are a wide range of cultural backgrounds and languages spoken, it can be nearly impossible to find an executive who has the cultural competence and language ability to serve all of the corridor's businesses. This is a particularly critical weakness in large immigrant communities, as many immigrant-owned businesses are particularly vulnerable to displacement due to language barriers and are often the least likely businesses to be served effectively by Main Street programs.

The budgetary limitations of Main Streets also constrain their impact. The businesses most vulnerable to displacement are typically businesses that would require a significant investment of both time and money to support. In D.C., this reality is often not understood by city leaders and leads to a lack of understanding about the current and potential impact of these programs. The result is that Main Streets are often excluded from or minimized in the economic development strategy in D.C. This was recently evidenced by Main Streets being excluded from the D.C. Come Back Plan, the District's five-year economic development strategy. The lack of Main Street influence means that the voices of our most vulnerable businesses are missing from the city's plan.

Opportunities

The deep and trusting relationships Main Street Directors develop with small businesses can lead to

a mobilized business community with an incredibly powerful voice. Further, a united coalition of Main Street organizations represents an influential voice for the small business community. If the DC Main Streets programs can overcome the siloed culture and pervasive scarcity mentality, they can have an incredible collective impact on the economic development of the city while centering the needs of the city's most vulnerable small businesses. Together, the DC Main Streets have the opportunity to tap into new funding resources outside of city government funds, which would give them greater autonomy and create more opportunities for them to play a greater role in the economic strategy of the city at large.

Threats

Over the last eight years, while funding for Main Streets has remained stagnant, the grant requirements from the granting agency, DSLBD, have exponentially increased. As more and more are required of the Main Street programs, the administrative burden further decreases the program director's ability to spend time serving businesses. The increased oversight by the agency has not increased the efficacy or data reporting of these programs, but rather created bureaucratic bottlenecks that have significantly slowed the agency's ability to manage these grants. The result is delays of grant disbursements and agency decisions, which subsequently negatively impacts Main Street organization's cash flow and organizational stability.

Another significant threat that the District faces is the rapid pace of gentrification which places many small businesses at risk of being displaced. Even when organizations like Main Streets exist in these communities, their limited capacity hinders their ability to combat the tide of displacement. However, in the absence of active advocacy and support from Main Street to neighborhood-serving small businesses, many businesses will simply be pushed out and replaced by businesses that can pay higher rents and cater to the residents preferred by rather than the existing community.

Anti-Displacement Tools and Strategies

Community-based economic development organizations, like Main Streets, can serve as one of the most impactful and direct tools to combat commercial gentrification. However, for these organizations to realize their potential, they must increase their individual internal capacities as well as the collective capacity of the small

business support ecosystem. Specifically, in urban environments where multiple community-based economic development organizations exist, increasing the individual capacity and efficacy of these organizations is critical to delivering equitable assistance to small businesses particularly in areas experiencing rapid gentrification. In this section, we

will explore five strategies that have enabled District Bridges to scale our impact using our Multi-Main Street model. While the strategies presented are not exhaustive, they represent the most easily replicable components of the District Bridges model.

Dynamic Strategic Planning and Intentional Development

Strategic planning has been a critical part of District Bridges' success as an organization. In 2016, immediately after we received funding to launch the Columbia Heights | Mount Pleasant Main Street program, we held a three-day strategic planning retreat with the board of directors, staff, and key volunteers. In that retreat, the organization achieved two important goals.

First, we rebranded to become District Bridges. A name itself can be a limiting factor for future growth and development. In our case, Columbia Heights Initiative limited our focus to only the neighborhood of Columbia Heights and created confusion for many as we expanded to the adjacent community, Mount Pleasant. Many Main Street organizations fall into this same pattern, as they originally form solely to establish their respective Main Streets. For these organizations, if they desire to expand their mission beyond the originating Main Street, they often need to make changes to their organization's name, bylaws, and mission to expand beyond their original charters. This can be a time-consuming process, however, it is imperative in helping businesses, volunteers, community members, and funders understand the organization's mission and develop broad-based community support.

The second outcome of the retreat was casting the vision to develop the multi-Main Street model. Uniquely, we approached strategic planning by centering the vision and "the why" behind our work, over "the how." We fundamentally believe there is not one "right way" to do this work, and because our

environment is constantly changing, we have to be nimble and ready to take advantage of opportunities that help us further our mission.

Traditional strategic plans take an organization's vision and lay out a plan to achieve that with sequential goals and next steps over a three-to-five-year period. But what happens when life doesn't go to plan? Do you scrap the strategic plan? Do you stick to it because that's what you said you would do? Had District Bridges stuck to "the plan" to develop the multi-Main Street model, in a few years, when the organization was more established, the model would not exist today as the one-time opportunities that enabled us to grow exponentially would have passed us by. By centering the vision over the how, when the opportunity to develop the multi-Main Street model was in front of us we were ready to pursue it, albeit far sooner than we had planned.

In 2020, District Bridges undertook another strategic planning process building on our strategy and including four new components which further clarified our vision, developed a Theory of Change, created a decision-making framework called the Strategy Screen, and formed our racial equity statement and framework. In clarifying our vision, we took a wordy vision statement and boiled it down to twelve precise words that defined the vision we sought to achieve. That vision is: to thrive together in equitable, resilient, connected communities in D.C. and beyond. We then developed our Theory of Change, which defined three ultimate outcomes that drive the organization's work today and into the future.⁷ Where our strategic plan became dynamic was in developing our Strategy Screen.⁸ This tool gave us a framework to dynamically respond to opportunities to ensure we could quickly and rationally make decisions to keep us on track with our vision, while also creating guardrails.

Finally, and perhaps most importantly, in regard to our anti-displacement work, we recognize the historically negative impact and the intentional displacement caused by many community



Community-based economic development organizations, like Main Streets, can serve as one of the most impactful and direct tools to combat commercial gentrification. However, for these organizations to realize their potential, they must increase their individual internal capacities as well as the collective capacity of the small business support ecosystem.”

development organizations. In order for us to effectively work in this space, we needed to internally and externally define why a commitment to racial equity was the foundation of our work, not a politically convenient add-on. We needed to explicitly and intentionally define how District Bridges engages in racial equity work, recognizing the scope of this work is vast. We defined three areas of focus: [Programs | People, Policies, & Culture | Power](#) and developed an action plan to assess the organization's progress in each of the three areas to inform the development of tools and interventions to support us in the journey to becoming an actively anti-racist organization.

Financial Diversification

As we scaled District Bridges, it quickly became clear that the city's Main Street funding was insufficient to build the capacity we needed to be sustainable. The traditional Main Street model's extremely limited organizational scope and limited potential funders makes diversifying funding streams particularly difficult. As we looked outside the Main Street funding, we first pursued other government grants that enabled us to start expanding our services beyond Main Streets.

One of the first agencies we pursued funding from was the D.C. Department of Housing and Community Development, (DHCD) which administers the federal government's Community Development Block Grants (CDBG). We were then able to leverage these grants to establish a line of credit with a local bank which has helped us navigate the cash flow issues grant disbursement schedules can often cause as well as demonstrated our capacity and expanded services to new funders including other government agencies, major corporations, and foundations. We also developed a fee-for-service consulting practice to support organizations with capacity building. We have grown our annual budget from approximately \$200,000 in 2016 to approximately \$3.4 million in 2023. Today, Main Street funding represents only 26% of our total annual budget.

Mergers are another financial diversification strategy organizations should consider. While mergers have traditionally existed in the for-profit sector, they have become more common in the nonprofit sector over the last decade. A merger can enable a small organization like a Main Street to become a program of a larger entity, giving it access to greater financial resources and staff capacity. District Bridges and Woodley Park Main Street (WPMS) attempted such a merger in 2020-2021. After WPMS fired their founding executive director for cause, they entered into a crisis

management contract with District Bridges to support them in the aftermath of the crisis.

The partnership through the management contract was so successful that the board of directors of WPMS asked the District Bridges' Board if they would consider a formal merger. Both boards unanimously consented to the merger and then approached the granting agency for written approval as required by the grant agreement. However, the agency refused to allow the merger and instead chose to recompetete the grant and award it to a new organization. While the merger attempt was unsuccessful in this situation, it reflects more on the rigid thinking of the granting agency rather than the value of nonprofit mergers. A great example of a successful nonprofit merger in D.C. is the merger of [FreshFarm and Community Food Works DC](#).

Internal Capacity and Staffing Structure

The District Bridges Multi-Main Street model has not changed the nature of the Main Street work itself. However, unlike traditional Main Streets, our staffing model creates greater division of labor throughout the organization, allowing our Main Street directors to focus on implementing their programs rather than managing the organizational administration. Additionally, because District Bridges' budget is not solely reliant on the Main Street grants, we have funding that enables us to better compensate our Main Street staff, both in terms of salary and comprehensive benefits, as compared to the executive directors operating in the traditional model. On average, our Main Street programs costs the organization 23% more than the DSLBD grant covers each year. This cost is almost exclusively made up of administrative costs. The DSLBD grants cap the allowable administrative cost for these programs at \$75,000. So, the traditional Main Street organization typically sets their salary, benefits, and general administrative costs to fit within the \$75,000 or must raise additional funds to cover the difference. The result is that executive directors are significantly underpaid as compared to equivalent nonprofit executives industry-wide. Additionally, many Main Street executive directors do not have benefits such as healthcare or retirement and they often limit their other administrative costs in other areas as well.

The fundamental principles behind the District Bridges Multi-Main Street model are sustainability and equity. District Bridges has made intentional decisions to reflect these values in our organizational structure. The organization

provides 100% healthcare coverage to staff and has created a [tiered compensation structure](#) with the goal of maintaining less than a 35% differential between the highest and lowest paid staff member. This tiered structure promotes equity and transparency and gives staff room to grow within the organization. Additionally, the organization has an unlimited Paid Time Off (PTO) policy that enables staff to take time off when they need it to avoid burnout. The team environment created through the Multi-Main Street model enables the organization to leverage the collective knowledge of staff to implement the programs, support new staff, and more comprehensively serve communities.

Standardized Business Technical Assistance Model

Despite the Main Street Approach being a national model, neither the National Main Street Center nor D.C.'s coordinating program provide many tools or templates for organizations to use in the field. While this can be seen as giving organizations autonomy, in actuality, it perpetuates competition, scarcity mentality, and burnout. Due to the lack of standardized tools and practices, there are vast differences in how programs are implemented across the 28 DC Main Street programs. This reality further perpetuates inequalities within the small business ecosystem. To address this need, District Bridges has developed three tools to standardize the way we work across our six programs—the [Business Health Check](#), the [Business Development Plan](#), and our custom [Salesforce instance](#).

The Business Health Check (BHC) is a one-page questionnaire that collects business data in a standardized way and enables Main Street managers to identify the most immediate ways to support each business. This simple tool is a powerful one in the fight against displacement. Utilizing the BHC, we uncovered a large number of small businesses that did not have active leases. The businesses in “handshake agreements” with their landlords were predominantly Black

Analysis and Recommendations

The District Bridges’ Multi-Main Street model serves as an important tool in combating commercial displacement by supporting and preserving small businesses through a hyper-local relational approach. Cities are constantly developing and evolving, but that development

and immigrant-owned businesses in rapidly gentrifying corridors. Without an existing lease, these businesses were extremely vulnerable to displacement as landlords in these corridors are regularly approached to sell their buildings and with a sale, new developers can push out existing tenants because they have no lease agreement.

The Business Development Plan (BDP) builds upon the BHC by identifying the business owners’ goals, most immediate challenges, and then aligning internal and external resources to meet their needs, moving them closer to their short and long-term goals. To consistently collect all this data, District Bridges developed a custom Salesforce object specifically designed for Main Street programs. By standardizing the data fields and defining terms, we ensure the data sets collected are accurate and standardized across our programs. In a 2020 survey we conducted, DC Main Street organizations were asked how many small businesses were in their corridor and how they defined “small business.” The answers varied between each Main Street surveyed. It was clear that for data sets on small businesses to be consistent and accurate, terms would need to be defined. However, adopting standardized definitions of terms across D.C.’s small business support ecosystem has been challenging. There is an exception to every rule, and coming to consensus across organizations with various motivations and perspectives is extremely difficult.

Our custom Salesforce instance also addresses one of the significant threats Main Street organizations face, institutional knowledge. Because the Main Street Approach is so relational in nature, when a director leaves, the organization is often starting from scratch in building relationships and collecting business data. Salesforce solves for that, because it gives directors an easily accessible way to input data, case notes, and survey results into one place. While the tool solves the problem many Main Street organizations face, adoption across the ecosystem remains a challenge. One goal District Bridges has yet to realize is getting the D.C. technical assistance providers and Main Street organizations to adopt a standardized business health check or intake form and develop data sharing agreements.

does not have to result in small business displacement and the loss of neighborhood identity.

Too often, the voices of those businesses most vulnerable to displacement are not heard above the voices of those with power, money, and control.

Main Streets can elevate the voices of vulnerable businesses through their hyper-local, relationship driven approach and serve as a first line of defense against rapid commercial gentrification. However, without the strategic development of the capacity of the organizations managing these vital programs, the constant pressures of gentrification will continue to outpace Main Street organization's ability to intervene on behalf of businesses. The District Bridges' Multi-Main Street model provides practical tools that can support organizations in developing the necessary scale and capacity to meet the demands of the communities they serve.

In the ideal state, local city governments and community development nonprofit organizations would proactively and collaboratively work together to address economic pressures. They would work in a symbiotic way creating feedback loops enabling innovation toward better economic outcomes. But as this case study has demonstrated, the ideal state is often not the reality. So the question for practitioners remains, "Where do you start?"

Key Lessons Learned & Recommendations

Based on our learnings, we have several recommendations for city government leaders and community development nonprofit leaders who want to develop a more holistic community development ecosystem through a model like, District Bridges Multi-Main Street model.

CITY LEVEL RECOMMENDATIONS

- 1. Fund organizations based on their demonstrated scale, capacity, and impact.**
- 2. Fund capacity building for organizations that want to expand their scope and impact.**

Conclusion

District Bridges' Multi-Main Street model is not the answer for every Main Street organization across the country. While there are limitations to the traditional Main Street model, those limitations do not hinder the success of Main Streets in many communities, particularly rural ones. However, in cities and neighborhoods where rapid gentrification is occurring, the traditional Main Street model lacks the scale and capacity to combat these external factors. Cities and

This includes investments in administrative operations, systems, and strategic development.

- 3. Tolerate measured risks by utilizing pilot programs to test concepts.**
- 4. Promote and incentivize collaboration and partnerships among stakeholders.** This can be done through requiring partnerships in procurement and granting processes and weighting/valuing community partnerships in award criteria.

ORGANIZATION LEVEL RECOMMENDATIONS

- 1. Think big. Start small. Build with intention.** What District Bridges has built took time, but we were able to develop our scale and capacity because we cast a big vision and then started building from where we were. Then we positioned ourselves to be able to take advantage of the opportunities that came our way.
- 2. Look for partners.** Central to the development of our Multi-Main Street model is that we only launched programs where we had established community partners. Main Streets are community driven and community built. You simply can't build it on your own, so look for those partners that share your vision and build together.
- 3. Stay humble, nimble, and don't reinvent the wheel.** There is not one way to go about impactful community development work. We humbly offer these recommendations based on what we have learned through our on the ground experiences. But this body of work is expansive, and no practitioner can have all the answers. Seek help from other practitioners doing the work.

community development organizations that are committed to combating small business displacement must be ready to address these challenges. We believe that the replication of District Bridges' Multi-Main Street model can help other communities preserve their small businesses and neighborhood identity more effectively. ●

APPENDIX A: DC MAIN STREET PROGRAMS INVESTMENT COMPARISON

Main Street	Ward	# of Businesses	Money per business
Pennsylvania Avenue East Main Street	7	28	\$2,680.00
Deanwood Heights Main Street	7	40	\$1,876.00
Van Ness Main Street	3	42	\$1,786.67
The Parks Main Street	5	51	\$1,471.37
Palisades Main Street	3	52	\$1,443.08
Chevy Chase Main Street (DB)	3	62	\$1,210.32
Cleveland Park Main Street (DB)	3	64	\$1,172.50
North Capitol Main Street	5	65	\$1,154.46
Woodley Park Main Street	3	66	\$1,136.97
Congress Heights Main Street	8	67	\$1,120.00
Minnesota Avenue Main Street	7	70	\$1,072.00
Glover Park Main Street	3	73	\$1,027.95
Bladensburg Main Street	5	77	\$974.55
H Street Main Street	5	88	\$852.73
Barracks Row Main Street	6	150	\$500.27
Upper Georgia Avenue Main Street	3	151	\$496.95
U Street Main Street (DB)	1	167	\$449.34
Georgetown Main Street	3	184	\$407.83
Logan Circle Main Street (DB)	2	186	\$403.44
Eastern Market Main Street	6	190	\$394.95
Uptown Main Street	4	192	\$390.83
Teneleytown Main Street	3	204	\$367.84
Lower Georgia Avenue Main Street (DB)	4	218	\$344.22
Rhode Island Avenue Main Street	5	248	\$302.58
Columbia Heights Mount Pleasant Main Street (DB)	1	263	\$285.32
Shaw Main Street	2	280	\$268.00
Dupont Circle Main Street	2	300	\$250.13
Total Main Street Businesses Served		3578	

HIGHEST	\$2,680.00
MEDIAN	\$852.73
LOWEST	\$268.00
AVERAGE	\$176.00

APPENDIX B: DISTRICT BRIDGES THEORY OF CHANGE



STRATEGY SCREEN

Aligned with Values

Relationships, Action-Oriented, Diversity, Story, Fun, Collaboration, Inclusion, Innovation

Leans into Competitive Advantage

Staff are deeply committed to being connected to the communities they serve. Our investment in infrastructure, technology, and tools supports the work, increases our capacity to serve and share across multiple main streets and partners, and strengthens our ability to collect, analyze, and quickly leverage our data. We act as a responsive early warning system given that we hear in real-time the concerns of the small business community, are positioned to see trends early, and can alert the multiple main streets we manage. This reality as well as our non-governmental identity, gives us more credibility and trust within the community.

Benefits the community

Return on investment or benchmark for benefiting all in the neighborhood, a reasonable number of businesses
Meets an unmet need OR does not duplicate what other orgs are doing

Benefits District Bridges

Raises our visibility or unseen
Demonstrable ROI: Financial, market presence
Aligns with long-term strategy and short-term tactics
Must position DB to be a leader

Adequate Resources

Adequate resources to take it on, both financial and human capital
Reasonable expectation of near-term funding to execute program or project, including subsidy if applicable

Scalable

Is scalable not a one off
Maintains current size or grows organization

Leverages Partnerships

Deepens existing partnerships
Creates partnership opportunity that would add benefit to our mission

Investing in Community + Supporting Local Business

APPENDIX C: DISTRICT BRIDGES STRATEGY SCREEN



Vision
Thriving together in equitable, resilient, connected communities here in DC and beyond

<p>Ultimate Outcome Community-driven and designed action resulting in equitable, strengthened, and connected communities with a strong sense of place</p>	<p>Ultimate Outcome Growth-minded organization, setting the standard for nonprofit, community development work</p>	<p>Ultimate Outcome Sustainable and self-determined small businesses</p>			
<p>Community stakeholders intentionally engage in creating opportunities for meaningful and inclusive interactions.</p> <p>Community stakeholders are proud of their neighborhood, understanding the value of their connectivity, collaboration, and investment.</p> <p>Community stakeholders feel a sense of ownership of District Bridges' programs and activities.</p>	<p>District Bridges receives additional funding support to increase our visibility in and engagement with the community.</p> <p>Staff are deeply connected to their respective neighborhoods.</p> <p>District Bridges is positioned as a thought leader and model for comprehensive, equitable urban development.</p> <p>District Bridges has intentional, adaptive frameworks and practices for cultivating and stewarding relationships with community stakeholders.</p>	<p>Business owners are empowered and supported to take ownership of their business development</p> <p>Small businesses have the tools and capacity to adapt and adopt new practices in response to their changing environment</p> <p>Prioritized investment, promotion, and support for legacy and BIPOC-owned businesses in each community we serve</p> <p>Every Main Street corridor has a community-driven program to recruit businesses, specifically focused on incentivizing and financially supporting BIPOC-owned businesses</p>			
<p>Racial Equity Plan</p>	<p>Volunteerism and Resident Engagement Programs</p>	<p>Community Events</p>	<p>Professional Development Opportunities</p>	<p>Marketing and Outreach</p>	<p>Consulting Arm</p>
<p>Partnerships w/Neighborhood, City, and National Orgs</p>	<p>Technical Assistance Programs (BPAP, CAP, Grants, etc.)</p>	<p>Internal Processes and Systems</p>	<p>Fundraising</p>	<p>Access Point DC</p>	<p>Business Health Roadmap</p>

Interventions

ENDNOTES

- 1 In the current FY24 budget process a proposed increase in funding for each Main Street has been included. The proposed increase per program is \$47,000. While this represents the first increase in eight years the increase does not address the disparities between programs further perpetuating the inequity of these programs. Additionally, at this point in the budget process it is not clear how these funds will be allocated to programmatic and administrative costs.
- 2 District Bridges defines small business as a business with 50 or fewer employees. 37,973 is the number of businesses that fit this definition (<https://www.dcpolicycenter.org/publications/small-business-data-2020/>). Based on the SBA's definition of small business the District is reported to have 79,047 small businesses (<https://advocacy.sba.gov/wp-content/uploads/2022/08/Small-Business-Economic-Profile-D.C..pdf>).
- 3 See Appendix A. DC Main Street Programs Investment Comparison
- 4 In 2023, DC Main Street programs collaborated on two major advocacy initiatives including advocating for changes to the proposed letter of agreement from the agency and an increase to the annual grant budget. This represents a significant positive development within the ecosystem.
- 5 According to **District law**, “racial equity” means “the elimination of racial disparities such that race no longer predicts opportunities, outcomes, or the distribution of resources for residents of the District, particularly for persons of color and Black residents.” <https://www.dcraciaequity.org/racial-equity-impact-assessments>
- 6 DC CORE (2021, January 1). *Racial Equity Impact Assessment*. D.C.raciaequity.org. Retrieved March 1, 2023, from <https://www.dcraciaequity.org/racial-equity-impact-assessments>
- 7 See Appendix B: District Bridges Theory of Change
- 8 See Appendix C: District Bridges Strategy Screen

REFERENCES

- Austermuhle, M. (2017, January 17). *Metro's Green Line Leads Growth & Gentrification In DC, Says Report*. Retrieved March 22, 2023, from <https://wamu.org/story/17/01/12/report-growth-gentrification-metros-green-line-leads-d-c/>
- Brownell, R. (2017, April 4). *John Layton, the M.P.D., and the 1968 Washington Riots* [Blog Post]. Boundary Stones WETA's Local History Website. <https://boundarystones.weta.org/2017/04/04/john-layton-mpd-and-1968-washington-riots>
- Minority-owned businesses continue to be the engine of employment in emerging and minority communities. Fairlie, R., Ph.D, & Robb, A., Ph.D (2017, April 19). *Disparities Capital Access Between Minority & Non-minority Businesses Executive Summary*. <https://mbda.gov>. Retrieved March 22, 3, from <https://archive.mbda.gov/page/executive-summary-disparities-capital-access-between-minority-and-non-minority-businesses.html>
- Richardson, J., Mitchell, B., Franco, J., (March 19, 2019) *Shifting Neighborhoods: Gentrification and cultural displacement in American cities*. National Community Reinvestment Coalition, <https://ncrc.org/gentrification/>

CHAPTER 11

Nonprofits as Capital Partners: Securing Stable Access to Commercial Real Estate in the Seattle Metropolitan Area

Miri Plowman | Business Scaling Specialist
Erin Williamson | Director of Capital and Advocacy

Ventures Nonprofit
 2100 24th Ave S. #380
 Seattle, WA 98144

ACKNOWLEDGMENTS

This project and, more broadly, the work at Ventures Nonprofit are inspired and driven by the entrepreneurs we serve. Entrepreneurs in our community nurture dreams of business ownership and courageously seek support from Ventures to realize those dreams. Their bravery and commitment to breaking down barriers motivates those of us who work at Ventures to improve the small business landscape. Small business owners make their communities better and create a more colorful, diverse, and equitable economy. We are grateful for all the entrepreneurs in the Ventures community and specifically thank entrepreneurs who took significant risks to embark on these pilot programs with Ventures. While recognizing the need to respect privacy, we would like to extend deep gratitude to the business owners who

participated in this pilot program: A.G., D.L.M., I.D.T., I.R., K.T., L.M., L.Q., M.M.

We thank Mark and Brenda Butler, the Butler Community Foundation, and Butler Family Real Estate for believing in our vision and financially backing our work so that we might take risks to better our organization and further our mission. We thank them for seeing that our work transcends the realm of small business and reaches into systemic change.

For questions regarding our Commercial Lease Project on which this case study is based please contact:

Erin Williamson,
ewilliamson@venturesnonprofit.org

Miri Plowman, mplowman@venturesnonprofit.org

Executive Summary

The greater Seattle Metropolitan region has experienced intense growth for the last 10 years. The lucrative tech sector drives our region's development, pushing out many established communities. Historically diverse neighborhoods and businesses are increasingly gentrified and homogenized. The average cost per square foot for a commercial retail storefront lease is \$27.52 per square foot citywide.¹ This is 35% higher than the national average.² With this in mind, Ventures Nonprofit seeks to leverage its reputation and capital so as to lower barriers to entry for those who identify as BIPOC, LGBTQIA+, Women and immigrants to the commercial lease market. With grant support from Butler Family Real Estate,

Ventures developed two experimental financial products to help businesses secure commercial leases. These products are:

Product One: Ventures as primary leaseholder

As market rate rents rise in the Seattle Metro area, small and micro-entrepreneurs have difficulty securing leases that fit their business models. Additionally, landlords are reluctant to lease commercial space to start-up businesses, businesses without formal financials, individuals from diverse financial backgrounds, or people who have faced credit challenges. In response, Ventures secures commercial leases on behalf of small businesses and then subleases to entrepreneurs.

Product Two: 0% interest commercial lease loans

When commercial landlords require two to three months of rent plus a security deposit upon lease signing, entrepreneurs can pay \$20,000 or more to secure a commercial space. This up-front investment can exhaust the capital reserves that business owners set aside for buildout and operation. To help business owners move into commercial space without depleting their funds, we created a commercial lease loan with 0% interest. The loan term is tied to the lease term. Entrepreneurs use the funds to pay landlords what is required upon lease signing and repay Ventures in a balloon payment once the security deposit is returned to them at the end of their lease.

An Honest Look

Of the eight recipients that received funding for this case study, all remain at risk of displacement. One is out of business. The remaining seven recipients continue to face financial challenges and some struggle to honor their payment responsibilities—both to Ventures and to private landlords. Despite these setbacks, 87% of the businesses that received commercial lease

support from Ventures have stayed open and, for now, operate in their community. Although Ventures' commercial lease support pilot program shows promise, further study is necessary to tease out the nuance required for a non-profit to take on this type of transactional responsibility on behalf of the small business owner.

In addition, while the help of a nonprofit may be a stepping stone in supporting small businesses secure commercial leases, our work fell short as a significant anti-displacement mechanism. Regardless of the financial support an entrepreneur receives, commercial property owners remain in control of lease terms, and changes in lease terms impact businesses' ability to remain in their community. Asset-building opportunities for small businesses, such as commercial real estate ownership, would shift control from property owners to entrepreneurs. Lastly, an individual non-profit, a network of entrepreneurs, or even a whole community is not large enough to impact regional anti-displacement issues. Legislation, in the form of rent stabilization for commercial leases, must be a part of anti-displacement conversations.

Introduction

Although nonprofits are often considered cash-strapped and under-resourced, mission-driven organizations can creatively leverage capital, cash reserves, and professionally audited financials to address small business displacement in high-cost-of-living areas. Small and micro-business displacement hastens with limited financing options for businesses seeking to lease brick-and-mortar locations in their communities.

Ventures Nonprofit, a Seattle-based Community Development Financial Institution (CDFI), SBA Micro lender, and business training organization, uses its healthy financial position to moderate the perceived risk to landlords of renting to emerging entrepreneurs or business owners without traditional "low-risk" credit markers.

Ventures' mission is to empower entrepreneurs with limited resources and unlimited potential to improve their lives through small business ownership. To support an entrepreneur's ability to move away from poverty and toward asset-building opportunities, Ventures encourages the placement of businesses into physical locations. Small and micro-businesses thrive in their home communities where owners know their customer base and can tailor their business models to serve their neighbors' needs.



Mission-driven organizations can creatively leverage capital, cash reserves, and professionally audited financials to address small business displacement in high-cost-of-living areas.”

Seattle Metro is Challenging for Small Businesses

While massive tech businesses like Amazon, Microsoft, and Tableau dot the Seattle landscape and Starbucks gave Seattle a reputation for start-up success, the city is not considered small-business friendly. The cost of living is 50% higher in Seattle than in the rest of the nation (Schlosser, 2019). The Puget Sound area is expensive compared to the rest of the Pacific Northwest. In everything from rent to groceries to child care, Seattle residents see costs 20% higher than in Portland, OR, our sister city to the south.³ Seattle and Washington State have strict permitting and licensing fees, high sales tax, and significant barriers to entry for new businesses. Those with an entrepreneurial spirit and a capacity to visualize a better life for themselves and their families press on in our region, often seeking support from organizations like Ventures to help navigate the complexities of starting a business in our region.

Securing Commercial Leases for Our Clients

Ventures Nonprofit is uniquely positioned in the dialogue of anti-displacement work. Ninety-five percent of Ventures clients do not hold commercial leases when they enter our program. After completing our eight-week Business Basics Course,⁴ entrepreneurs work with Ventures' incubation programs that assist in bringing clients' products to market.⁵ Incubation opportunities include placement at a Ventures-managed retail store at the world-famous Pike Place Market and low-cost access to commissary kitchen space. Ventures also supports pop-ups and farmers market vending and provides partnership opportunities with a local grocery chain.

These incubation programs provide entrepreneurs access to new revenue streams and offer opportunities to test business models. However, even successful incubation programs do not compare to the potential revenue opportunities

Figure 1

Ventures Marketplace at Pike Place Market.



Figure 2

Ventures acquired a food truck that was leased to Ventures clients at a daily rate. The food truck program dissolved in 2018.

of a stand-alone storefront. In experimenting, expanding, and strengthening incubation offerings for clients, Ventures found that, although these programs provide stepping stones of revenue, our

clients require more robust support in scaling their business to afford the business owner and family a living wage income.

Figure 3

Ventures Spring 2023 Business Basics Course .

Spring 2023 Virtual Business Basics Course

Course Calendar

Time & Location: Wednesdays, 6:00*-9:00 pm

*Optional open instructor office hours from 5:30-6:00 pm starting in week 2.

Online Course: Link to join below (same link every week):

<https://us06web.zoom.us/j/84938637371?pwd=K2pjSlJoNlZxWGtaMlFUMkxXbUJzUT09>

Meeting ID: 849 3863 7371 Passcode: Ventures23

****Attendance to SEVEN (7) out of the EIGHT (8) weeks of class AND Graduation is required to graduate****

	Date	Time	Section	Class Topic
1	May 10	6:00 – 9:00 pm	Marketing	Define Your Business - “How will I make people’s lives better?”
2	May 17	5:30-6:00 pm: Optional open instructor office hours begin 6:00 – 9:00 pm: Class	Marketing	Marketing Your Business -Who is my ideal client? What message will I send them and how will I reach them?
3	May 24	5:30-6:00 pm: Optional instructor office hours 6:00 – 9:00 pm: Class	Sales	Creating a Sales Plan -Communication with clients through the sales cycle - Elevator pitches
4	May 31	5:30-6:00 pm: Optional instructor office hours 6:00 – 9:00 pm: Class	Financials	Make Money from Your Business -Unit of sale: unit price, cost, profit -Operating expenses vs. Cost of goods sold - Profit and loss calculation => Is my business profitable?
5	June 7	5:30-6:00 pm: Optional instructor office hours 6:00 – 9:00 pm: Class	Financials	Calculating the Break-Even Point - How much do I need to sell to pay my business and personal expenses?
6	June 14	5:30-6:00 pm: Optional instructor office hours 6:00 – 9:00 pm: Class	Financials	Cash Flow Projections -Tracking influx and outflow of capital in the business - How much do I need to invest in the business to get started/grow? How long will it take me to
7	June 21	5:30-6:00 pm: Optional instructor office hours 6:00 – 9:00 pm: Class	Operations	Legal, Taxes, and Licensing -Legal Entities -Business Licenses -Business Taxes & Insurance
8	June 28	5:30-6:00 pm: Optional instructor office hours 6:00 – 9:00 pm: Class	Operations	Business Success Systems -Getting & Staying Organized -Bookkeeping Systems -Goals & Time Management
9	July 12 (no class on July 5)	6:00 – 9:00 pm Format TBD	Graduation & What’s Next Night!	Graduation Celebration & Business Showcase + What’s Next Night - Bring friends & family - Elevator Pitches & Certificates - Learn about support services for your business after graduation, define your next steps, and meet your team of business coaches!

We believe most businesses require their own footprint and physical location to move toward an asset-building business model. Business types may differ, but the difficulty of scaling and creating financial sustainability remains similar. For example, if an entrepreneur vends prepared-food at a farmers' market, there are four steps before selling to a customer. First, they prep in a commissary space, haul and pack the food into a personal or rented vehicle, transport it to the market, and construct a makeshift outdoor service kitchen before making one single sale to a customer. Each step in the process siphons

revenue, profit, and capacity. Entrepreneurs running at-home daycares risk outgrowing their space or eliminating the distinction between their personal and business lives each time they take on another client. Product-based businesses may scale by expanding into wholesale, but wholesale accounts will eat into the margin and fail to represent the brand like a flagship retail store. In each case, a commercial space gives the entrepreneur more time- to test business ideas, generate new sales, and construct a stable business that supports work, life, family, and community.



We believe most businesses require their own footprint and physical location to move toward an asset-building business model. Business types may differ, but the difficulty of scaling and creating financial sustainability remains similar.”

While business establishment and displacement may appear to be separate concerns, they are also two sides of the same issue—especially for business owners from underrepresented communities. Entrepreneurs from traditionally marginalized and underrepresented communities experience gentrification in the neighborhoods where they live and work. They see local businesses displaced and affordable local commercial real estate stock disappear. Consistently, entrepreneurs from these same communities struggling to find high-quality

locations for their businesses in the first place. A business owner may craft a business plan that responds to their changing neighborhood and serve both the historic and new populations. However, landlords in the gentrifying neighborhood are, at best, ill-equipped to support the local entrepreneur and, at worst, create barriers for the business.

Through the pandemic, we saw our small business clients' nimble and responsive nature. As a nonprofit organization working in the micro

Figure 4

Ventures revenue breakdown.

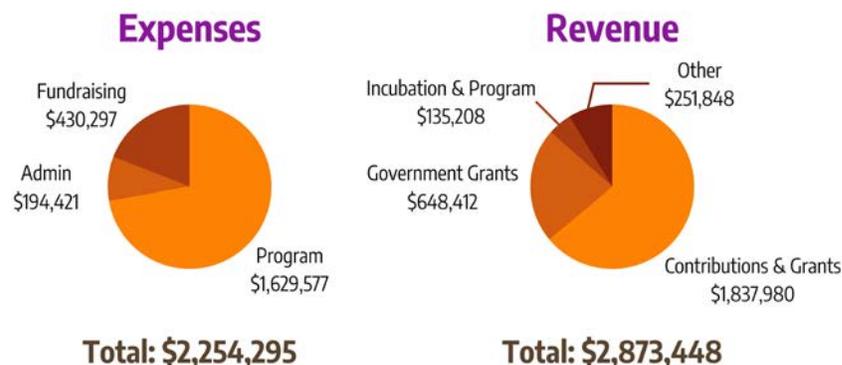


Figure 5

Long-term outcomes for Ventures graduates.

Snapshot of long-term outcomes 2019 grads

2019 graduates

RESPONSE RATE						
Year	Total Sample	Responses	Response Rate			
0 hrs post-BBC	54	4	7%			
<10 hours	73	14	19%			
10+ hours	50	19	38%			
All Clients	177	37	21%			

BUSINESS STATUS						
Biz Start & Survival Rates	Biz Starts			Biz Survival		
	No Biz at Intake	Biz at survey	Start Rate	Had Biz at intake	Biz at survey	Survival Rate
0 hrs post-BBC	6	2	33%	1	0	0%
<10 hours	9	3	33%	5	4	80%
10+ hours	5	4	80%	11	10	91%
All Clients	20	9	45%	17	14	82%

Overall Business Ownership Rate	Operating biz at intake		Operating biz at survey		Count
		%		%	
0 hrs post-BBC	1	33%	2	67%	3
<10 hours	5	42%	7	58%	12
10+ hours	11	41%	16	59%	27
All Clients	17	40%	25	60%	42

business space, we also value our capacity as an organization to be responsive to the needs of our clients. We built many of the products discussed in this paper out of a need- sometimes an immediate one. We credit our ability to be responsive to our organization's culture. However, data and results drive the trust we have built with our donors. The theories and products are rooted in the deep work we have contributed to the field of micro business in the Seattle Metro Area for over 20 years.

This Model Can Work Elsewhere

We also test and share these products to demonstrate that nonprofits do not require large endowments to leverage their reputation

and capital on behalf of clients in the name of anti-displacement. This program launched with a \$125,000 investment from Butler Family Real Estate. Using small investments, nonprofits can create lease loss reserve funds that act as backstops and help prevent eviction when a business faces hardship and misses a lease payment. Nonprofits with the ability to lock up assets on behalf of entrepreneurs, in security deposits, for example, can lower the barrier to securing commercial space in expensive markets. In addition, if more organizations take on a commercial lease support strategy with a few small business owners, the risk is dispersed more broadly and, therefore, becomes a more sustainable model.

Case Study Approach

Developed to Fill a Need

The authors of this case study are practitioners working for **Ventures Nonprofit**, a micro-enterprise development organization. As practitioners, we provide direct coaching, training, and technical assistance to micro-entrepreneurs who seek to start and grow small businesses. Entrepreneurs share displacement and lack of access to affordable commercial leases impede business success and can drive business failure. In response to business owners' needs, Ventures' staff practitioners and leadership rapidly created financial products to remove barriers to leases.

The bespoke response to client-need means this case study does not rest on a controlled or standard set of data points. Instead, Ventures collected stories from entrepreneurs who use these services, analyzed debt repayment capacity, and estimated revenue generation. In addition, entrepreneurs who access commercial lease support also shared non-quantifiable and deeply personal outcomes.

There were eight business recipients of commercial lease support. The package or product that each client received looked a little different. This tactic allowed us to address the needs of each individual business; however, the method by which the businesses were selected as candidates was not necessarily equitable. We will discuss this further in *Anti-Displacement Tools and Strategies*, but it's important to note that in many cases, our approach was, simply put, reactive.

For Iris R, the need for commercial lease support was urgent and birthed from the financial stress of COVID-19 and the risk of business eviction. Ventures responded to this need within the 72-hour eviction notice timeframe by securing the commercial lease on Iris's behalf. The outcomes for Iris's business are analyzed based on personal stories and impact, debt repayment capacity, and business growth. Learnings from our work with Iris R. are ongoing.

Lily Q. is a longtime Ventures client who requested a microloan from Ventures to open a brick-and-mortar restaurant. The loan request was denied, but her loan application coincided with the \$125,000 infusion of funds into the commercial lease program. The lease support funding allowed Ventures to support Lily Q. when our microloan program failed. Lily was selected for commercial lease support without knowing the funds were available or specifically applying for this type of funding.

Ventures collaborated with Vulcan Real Estate Investment (founded by Microsoft founder Paul Allen) to place businesses in brick-and-mortar locations. Monica M. secured access to one of these spaces after a careful RFP process and thorough screening.

Fundamentally, these three candidates and five other businesses were chosen because of their relationship with Ventures. Each had years-long relationships with Ventures and, individually, participated in over fifty hours of one-on-one business coaching and training. Staff practitioners and members of the leadership team know these entrepreneurs personally.

Leading Organization

Ventures Nonprofit has been serving communities in the greater Puget Sound since 1995. The organization was initially formed as Washington C.A.S.H. (Community Association for Self-Help) and modeled on the Grameen Bank.⁶ In its earliest structure, Washington C.A.S.H. provided very small dollar peer loans to entrepreneurs in the Seattle core. Over time, the organization expanded its services to include business coaching and training. Today, Ventures is a Community Development Financial Institution (CDFI), SBA Microlender, and serves over 600 entrepreneurs per year with business technical assistance, training, coaching, low-interest loans, incubation services, and a micro-business advocacy program.

To fulfill its mission of serving entrepreneurs with limited resources, Ventures reserves acceptance into its programs to business owners with 80% or below HUD area median incomes. The average participant joins the Ventures community earning an average of \$29,000 for a family of two. Additionally, 95% of the nearly 10,000 participants that Ventures has served since 1995 have been women, immigrants, BIPOC, and/or LGBTQIA. In 2022, 100% of participants in our programs were low-income (at or below 80% of HUD Area Median Income), 70% were women, 66% were people of color, 14% were immigrants or refugees, and 15% spoke English as a second language.

According to Ventures' most recent longitudinal outcome study conducted in 2021, clients improve along the following measures between intake (when they first come to Ventures) and two years after graduating from our initial eight-week training course: 82% of Ventures

businesses survive their first two years, compared to 68% of businesses nationwide, more than half (64%) of clients who were in poverty at intake moved out of poverty; and one-third of those who received public assistance at intake were financially independent.⁷

Ventures programs are designed to provide accessible, non-academic business education. All entrepreneurs begin at Ventures begin by completing an eight-week Business Basics Course⁸ that covers the fundamentals of business sales, marketing, finance, and operations. Upon graduation, they gain access to advanced training and relationship-based technical assistance that underpins all other services, including access to capital and commercial lease support programs.

Ventures offers two non-traditional microloan products designed to provide clients with the capital they need to grow their businesses. One is a peer-based product, rooted in the original structure of the organization, that provides loans

of up to \$3,500 and relies on “social collateral” rather than tangible assets to secure loans. The second is a larger, collateralized product for loans up to \$50,000. These institutional loan products differ from the pilot commercial lease support products that are discussed in this case study. However, some of the clients who received of commercial lease support also received loans from Ventures and Ventures’ existing microlending systems and experience were leveraged to create the commercial lease products.

At Ventures, the Capital and Advocacy programs are housed within the same department to create a dialogue between entrepreneurs who face systemic barriers in accessing capital and the staff within the organization who tackle policy change at the state level. Ventures’ Capital and Advocacy staff work collectively on anti-displacement efforts by supporting individual business owners to find, secure, and retain commercial leases and community-wide through local and state-level advocacy (Brooks & Sky-Tucker, 2022).

Neighborhood Context

The eight businesses in the program are located in different parts of the greater Seattle area. Seattle presents a juxtaposition as citywide diversity is increasing while the region is becoming more expensive for residential and commercial lease and ownership. The increase in diversity is

predominantly driven by the tech industry-high wage jobs offered to workers on H-1B visas (Balk, 2021b). We honor the richness that all diversity adds to a place. Also, the City of Seattle and the greater region have neglected to ensure that traditionally marginalized populations are not pushed out by

Figure 6

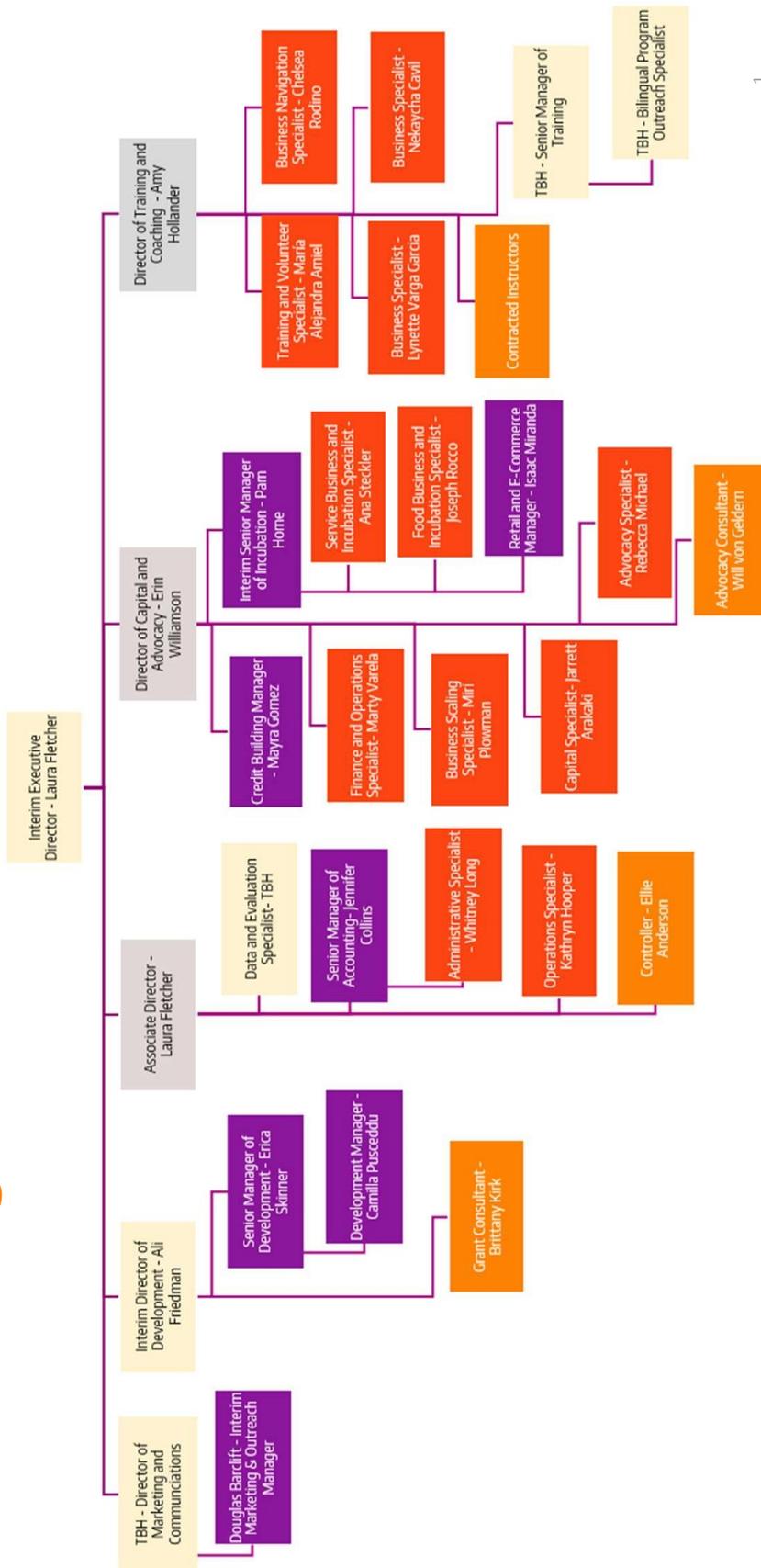
Ventures client demographics.

Demographics of Clients	All Active Ventures Clients 2022	Commercial Lease Pilot Program
Low-Income Active Clients using 100% of HHS poverty level	53%	100%
% Latinx identified	31%	44%
% Women identified	72%	87.50%
% Persons of color	67%	77.77%
% Immigrants	31%	55.55%
% Refugees	3%	0%
% Clients with English as 2nd Language	27%	44%
% Service Businesses	35%	33.33%
% Product Businesses	38%	11.11%
% Food Businesses	27%	55.55%

Figure 7

Ventures organizational chart.

Ventures Organizational Chart



increasing costs connected to the tech sector. All eight recipients of commercial lease support through the Ventures program identify as people from traditionally marginalized populations.⁹

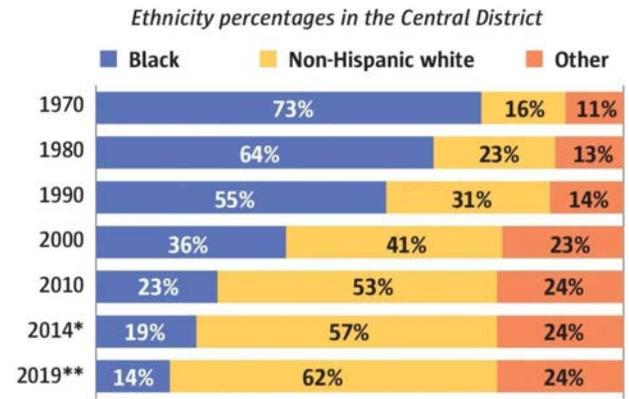
Delridge, West Seattle: Lily’s Salvadorian

Lily’s Salvadorian restaurant sits on the north end of Delridge, a district of predominantly low-income housing through the 1990s sits in West Seattle. Delridge is one of Seattle’s most diverse neighborhoods, with a substantial immigrant population from Southeast Asia and East Africa. This area has seen a significant transition with the addition of mixed-income housing and increased population density.

On average, restaurant space per square foot in West Seattle, including NNN is \$40 per square foot.¹⁰ Lily pays \$21.30 per square foot. Her restaurant is large with below market rent but in an awkward location with little foot traffic. The location became available at an affordable price during a major infrastructure upgrade in the West Seattle area. The main bridge connecting West Seattle to Seattle-proper closed for

Figure 9

Gentrification in the Central District since 1970.



**Estimated, **Projected*

repair. This isolated the Delridge neighborhood and restricted the flow of people between Seattle and West Seattle. Lily Q. secured her below-market rate, multi-year lease during this time, anticipating that traffic to Delridge and West Seattle would resume to normal levels after the bridge repair.

Lily’s compromise—selecting a less-than-ideal location in exchange for affordable rent—is not unusual for small business owners. Prior to opening the brick-and-mortar location, Lily built a strong following selling pupusas around the city at farmer’s markets and fairs. Had commercial space been affordable in the central part of the neighborhood near her established farmer’s market presence, the transition to brick-and-mortar success would have been smoother.

Central District, Seattle: Queen Care

Queen Care skincare sits at the intersection of 23rd and Jackson Streets in the heart of one Seattle’s oldest and historically Black, immigrant, and migrant neighborhoods. Real estate developer Vulcan (owned by the late Microsoft founder Paul Allen) purchased six acres at this intersection and built a mixed-use commercial and residential project called “Promenade 23.” The project was controversial as concerns over affordability, displacement, and gentrification demanded attention within the structure of the project. Vulcan responded by working with local businesses and organizations like Ventures to place diverse, existing small businesses into the new development.

The intersection still holds a curious sense of division with the newly constructed Promenade and apartment buildings on one side of the intersection and an older AutoZone and Walgreens on the other side. An Amazon

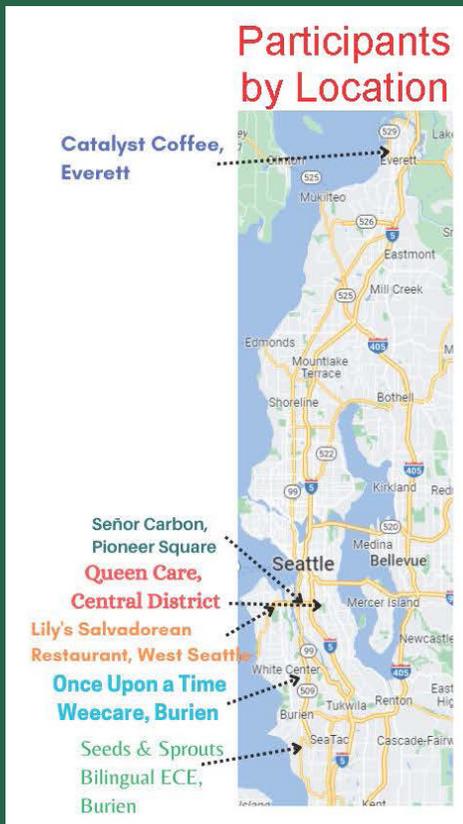


Figure 8
Participants in commercial lease support program by location.

Fresh grocery store now stands where a privately-owned Red Apple Grocery once existed. To many, the Red Apple Grocery was a “community center masquerading as a grocery” (Gentzler, 2017). The Red Apple was the only grocery store for two-plus miles in any direction. The Central District in Seattle remains one of the most gentrifying neighborhoods in the region (Balk, 2021a).

City of Burien: Seeds and Sprouts Bilingual Early Childhood Education Academy

In the 2000 census, Burien was 75% white.¹¹ According to most recent census data, Burien’s population is now 44% white, 28% Hispanic, 14% Asian, and 11% Black/African American.¹² According to neighborhood mapping data, Burien is ranked in the upper quartile of the Diversity Index. The city’s

geography also creates significant income diversity. Parts of the city are located along the coveted Puget Sound waterfront with high-end single-family homes. Other parts of the city stretch into manufacturing zones near the SeaTac airport.

As BIPOC and immigrant communities are priced out of Seattle, Burien and other cities south of Seattle have become hubs of diversity. With Burien’s diversity comes a high profile as an affordable, vibrant community with appealing services and infrastructure. The increased focus on Burien, in turn, drives interest from higher income earners to move away from Seattle and to the more affordable, close-in city. This brings the cycle of gentrification to the suburbs and incentivizes commercial landlords to increase rent in response to a more affluent renter base.

Anti-Displacement Tools and Strategies

Ventures piloted two products to help business owners secure commercial leases. These products are unique from the microloans mentioned in the

“leading organization” section; however, Ventures’ experience as a microlender positioned us to create new financial products as anti-displacement tools.

Product 1: Ventures as Primary Leaseholder

With market-rate rents rising, small and micro-entrepreneurs have difficulty securing leases that fit their business models. Landlords are reluctant to lease commercial space to start-ups, businesses without formal financials, individuals from diverse

financial backgrounds, or people who have faced credit challenges. In response, Ventures secured commercial leases for small businesses and then subleased them to entrepreneurs.

Iris R., Seed and Sprouts Childcare

Iris R. signed a lease for commercial space in Burien, WA, in 2019 and opened [Seeds and Sprouts Childcare](#) business. Ventures provided Iris with a \$24,000 microloan to support start-up costs. The initial phase of business was challenging, but Iris slowly built a stable revenue base and felt optimistic about her future.

During the COVID-19 pandemic, Iris’ business temporarily closed due to Washington State’s Stay-Home, Stay Safe order. Washington did not provide commercial rent relief and Iris’ landlords continued to charge monthly rent. Iris was not eligible for federal relief programs. By October 2020, Iris had accrued \$19,418 in back rent. The business property owners served Iris

with a three-day eviction notice. In distress, Iris reached out to business coaches from Ventures. Ventures contacted the property owners and negotiated a take-over of Iris’ existing lease. Ventures paid Iris’ past due rent and guaranteed her existing lease to help save the business and re-establish a positive tenant/leaseholder relationship. As the primary leaseholder and guarantor, Ventures makes monthly on-time rent and NNN payments on the property. Iris then remits monthly rent to Ventures.

This program was developed quickly and in response to an emergency situation. The decision to implement this program helped 1) support a longtime Ventures client who was at

risk for COVID business displacement, 2) protect the investment Ventures made into the client business through the earlier microloan, 3) pilot a commercial lease support program with a proactive client to learn whether scaling a similar program was achievable.

By the fall of 2021, Iris R.'s business had recovered. The regular, on-time lease support payments made through the commercial lease pilot program gave Iris the opportunity to expand her business into an adjoining space. A new lease was created among Iris, Ventures, and the landlords for the expansion. Ventures worked with Iris on financial projections to ensure the expansion worked with the business. In September 2021, Ventures verified the lease numbers with the landlord and, together with Iris, signed the lease expansion.

The expanded lease included both NNN and Common Area Maintenance fees (CAMS). In March 2022, the property owners completed their annual recalibration of NNN and CAMS charges. These charges increased by 30% in 2022 and are set to rise annually through the life of the lease. The steep increase in these charges surprised Ventures and Iris R. As a childcare business, Seed to Sprouts is limited by state-mandated capacity. Iris' business model is based on providing, affordable, high-quality childcare in an area where it is lacking. Iris cannot easily raise tuition prices or add more students to respond to unexpected fluctuations in her rent factor. Iris and Ventures estimate the total CAMS charges over the four-year life of the lease to be over \$93,000.

Monica M., Queen Care

Monika M. launched Queen Care, a boutique skin care product line that responds to the unique stressors faced by the Black community, in 2016. The heirloom recipes and aromatherapy-based creams are designed to support the self-care practices of those who face generational trauma, economic uncertainty, and discrimination. Monika opened her first Queen Care storefront in 2018 after two years of kitchen table production and selling at markets and festivals.

In 2019, Ventures partnered with Vulcan, Inc to provide affordable commercial space in Vulcan's Promenade 23 project. The Promenade 23 building has 532 residential units and 44,000 square feet of retail space. According

to the terms of the partnership, Ventures is a leaseholder of one Jackson St. retail space and subleases to a Ventures client whose business represents the historic tenor of the Central District. To select a client for the space, Ventures released an RFP requiring an application, written responses, and an interview. Ventures' RFP process was competitive, and Queen Care was selected to sublease the 520-square-foot retail space for her second location. Queen Care received a \$27,500 TI allowance to improve the raw space and a \$47,500 microloan from Ventures to support the expansion. Ventures provided 12 months of payments on behalf of Monika for her business loan to ensure access to the capital wasn't a burden on her business

With the unsustainable increase in NNN charges, Iris faced the risk of closing her business, breaking her lease, or harming her financial situation to make monthly payments. Closing her business and risking her personal financial health is especially problematic for Iris. Small business ownership is a path to financial stability for many immigrants, ITIN holders, or others who have trouble securing W2 employment. Breaking the lease would have limited Iris's opportunities to relocate her business and remain financially stable. It also put Ventures' investment in this program at risk, leaving Ventures 100% exposed to the lease terms with no primary tenant.

The combination of value to Ventures from the pilot and risk to Ventures should Iris not be able to continue operating her business suggested an opportunity for a creative capital response. With dedicated funding from an outside source that must be deployed to support entrepreneurs, Ventures' Associate Director and Director of Capital and Advocacy recommended Iris R. receive a forgivable loan to cover the unexpected CAMS charges. Under the terms of the forgivable loan agreement, the loan funds remain in Ventures secured bank account and be used to pay monthly CAMS fees to the property owner. Iris continues to make monthly rent to Ventures. If monthly rent payments are made to Ventures as agreed, the CAMS loan will be forgiven at the end of the lease. While Iris has struggled to make payments on the same day each month, she has consistently met her part of this agreement, and her business is operating at capacity.

growth. The project aims to graduate Queen Care into a direct lease with Vulcan in 2023.

In securing the aforementioned commercial leases for Ventures clients, Ventures has the financial obligation to pay these leases if the business owner cannot. Ventures must also navigate the complexities of tenant/property owner relationships alongside our entrepreneur clients and respond to unexpected challenges such as CAMS increases. Being the primary leaseholder requires an investment of resources and staff time. However, the benefit to entrepreneurs is clear. Acting as the primary leaseholder provides flexibility to entrepreneurs. Ventures pays rent for these clients on or before the first of the month and then collects rent payments from the clients later in the month.

This timing generally works better for business cash flow. Partnership with Ventures also offers business owners a buffer between themselves and the property owners in complex negotiations and unlocks Ventures' network of legal and financial experts.

Ventures' exposure on each lease lessens with time, but a healthy reserve fund is necessary to scale this project to cover missed monthly payments or unexpected issues. In signing leases with the clients, Ventures takes on significant risk. However, as a stable organization with a healthy budget, operating reserves, and access to legal support, Ventures' risk is less than the business owner attempting to secure space without a partnering organization.

Product 2: 0% Interest Commercial Lease Loan

With rapidly increasing rent and high lease security deposits, small business owners often see their capital depleted upon lease signing. When commercial landlords require two to three months of rent plus a security deposit, entrepreneurs can pay \$20,000 or more to secure the space. This outlay of cash limits the funding available to build

out a commercial space and launch operations. The commercial lease loan is a 0% interest loan. The loan term is tied to the lease term. Entrepreneurs can use the funds to pay landlords what is required upon lease signing and repay Ventures once the security deposit is returned to them at the end of their lease.

Lily Q., Lily's Salvadorian Restaurant

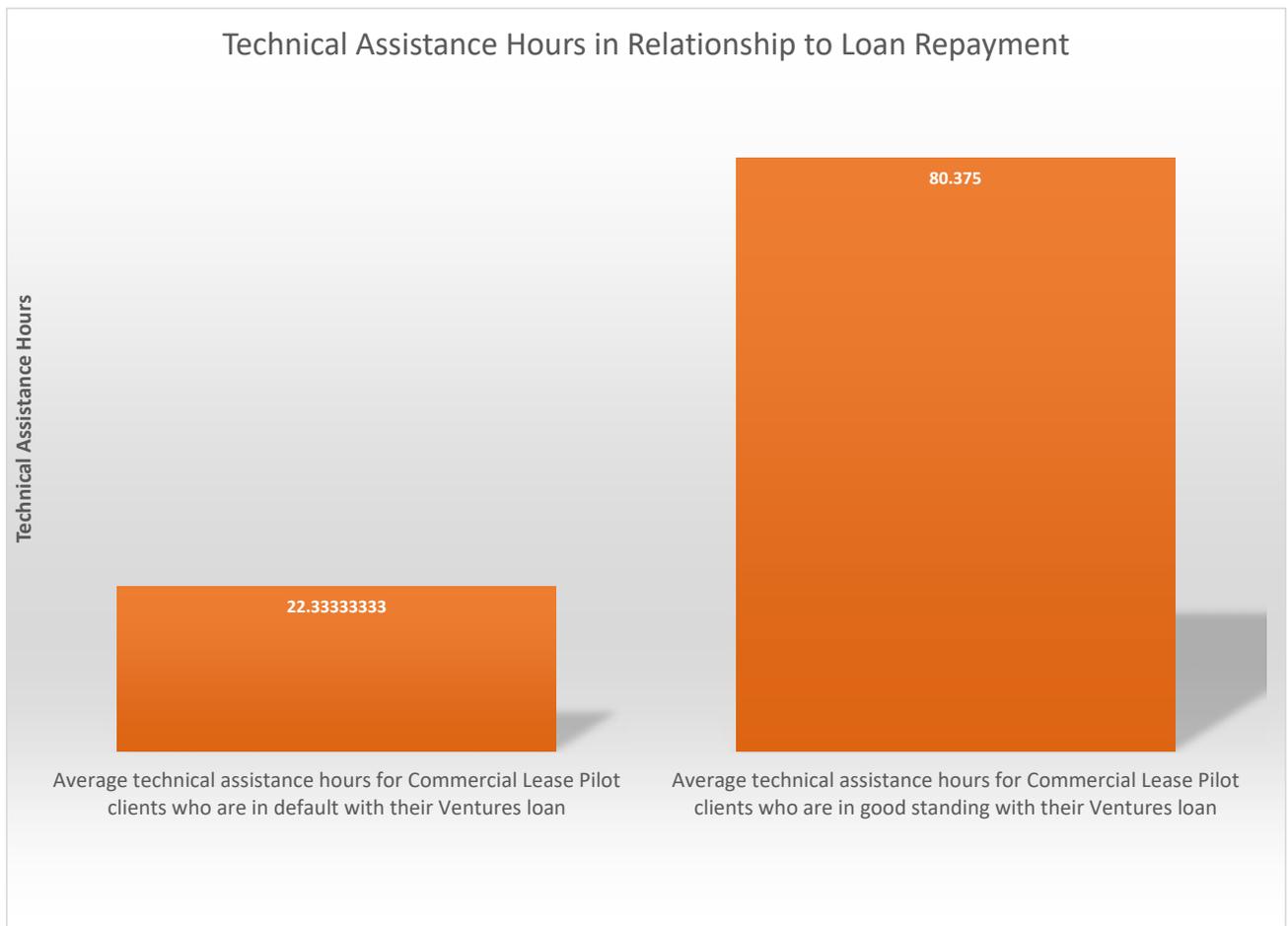
Lily Q. began selling her pupusas and traditional Salvadorian food at farmer's markets around Seattle in 2010. After over 10 years of developing her brand and selling her food at markets, she applied for a loan through Venture's loan and capital program. The capital program at Ventures relies on narrative, client relationship, and mission focus to approve loans that traditional lending institutions deny. Lily required significant capital to start her business, and termed debt was not the best tool for Lily. Ventures offered Lily a \$7,500 microloan plus \$20,000 in a 0% commercial lease support loan. This lease support offset three months of rent deposit required by the property owner and freed up cash for furnishings in the new space. Ventures established a relationship with

the property owner through the lease support process. This relationship allows the nonprofit to intervene and negotiate on Lily's behalf when language or other barriers hinder Lily's ability to negotiate directly.

By providing 0% interest commercial lease security loans, Ventures locks up the organization's capital for an extended period. The terms of the lease security loans match the lease terms. In some cases, the capital used to secure the leases may not be returned to the organization for five or more years. The success of this product depends on the availability of patient capital from organizations that can manage long-term loans.

Figure 10

The more technical assistance hours clients receive, the more likely they are to repay their loans.



Analysis and Recommendations

This Ventures case study reveals strengths and weaknesses of our commercial lease pilot program. Some aspects of our pilot are successful anti-displacement strategies that support undercapitalized and traditionally marginalized business owners to open and maintain presence in the communities they serve. Other aspects of our strategies are insufficient. These insufficiencies lead to greater risk than we, the leading organization, originally intended to absorb. We can recommend potential steps for other practitioners to take and recommend steering away from some of our riskier processes. Based on our experience in our commercial lease pilot program, here is what we have learned.

Technical Assistance

The impact of technical assistance (T.A), also known as 1:1 business coaching, on the outcomes

of our program cannot be overstated. Its success is twofold. First, coaching offers consistent and high-quality support, feedback, and problem-solving at every stage of the commercial lease process. This can include everything from negotiating alongside the tenant with the property owner, streamlining operations, or dialing in a marketing plan. Secondly, coaching acts as a safeguard for the financial investments we make with our clients. Statistical data reveals that all Ventures clients are equally likely to face financial hardship. Clients in financial relationships with Ventures regularly require modifications of their obligations, such as payment delays, pauses, or restructures.

Clients who received at least fifty hours of coaching prior to entering into a financial agreement with Ventures are 100% more likely to navigate through challenges and find solutions that maintain their relationship with Ventures and keep their financial obligation to Ventures in good standing. On the

contrary, individuals who do not develop a consistent coaching relationship and then come into financial trouble perceive Ventures solely as a creditor to whom they owe outstanding debts and cut contact with the organization. This impacts the success of the business and exposes Ventures to financial loss.

We have found that, while supporting a program like our commercial lease pilot is compelling to donors and investors, supporting the associated Technical Assistance is less appealing. For other organizations that intend to begin similar programs, presenting the ROI related to Technical Assistance is imperative, as is requiring that the cost of Technical Assistance also be covered in the donation package.

Avoid Undercapitalization, Formalize a Right-Sized Program

While we wish we could say that the eight clients in the pilot program and their businesses are thriving, it would be disingenuous. The seven businesses in the pilot that remain open continue to face tumult and stress related to the displacement of their business. Upon reflection, we tried to offer too many entrepreneurs access to this program despite our funding constraints. Instead of supporting multiple entrepreneurs with bespoke financial packages, we recommend a more formalized program that includes:

1. Providing cohorts of entrepreneurs with financial packages of no less than \$30,000 each as a combination of 0% interest loan for security deposit and working capital.
2. If the client's position requires a nonprofit as a co-signer on a lease to secure a space, we recommend that the nonprofit sign and guarantee the 12 months of rent. Upon proof of 12 months of on-time rent payments, a new lease is drawn directly between the property owner and the entrepreneur. Within the 12-month period, the entrepreneur receives TA and business model planning to support "graduation" into the direct leasing relationship. In this structure, the nonprofit only risks one year of exposure, and the business owner also has an exit if their model is not viable after 12 months.

3. Create a brain trust with commercial lease experts on hand to support business owners and the nonprofit through the lease signing process. This brain trust would have no authority in making decisions for clients or the organization but would advise on best practice and support lease and contract negotiations.
4. In each funding package, carve out a portion funds to be forgiven in exchange for maintaining a consistent coaching relationship with the organization. Forgivable funds could double as a savings vehicle. For example, if a business owner in a sublease relationship makes 12 months of on-time payments, 50% of those payments are returned at the end of the term to support business growth as they graduate into a direct lease.
5. Create a low-barrier, streamlined, and equitable selection process that balances the success of relationship-based funding without limiting the pool of candidates to those who have existing relationships with leaders or specific practitioners.

In summary, despite the challenges and mixed successes of our pilot program, the valuable lessons learned pave the way for more effective and sustainable commercial lease initiatives. As we strive to serve and uplift underrepresented entrepreneurs and their communities, we see promise ahead. Nonprofits can bridge the gap in promoting anti-displacement efforts while policymakers work on systemic change, which often demands years long planning and significant resources. The issue of anti-displacement is multifaceted, and addressing it requires a collaborative approach with a multitude of solutions. By building upon our experiences and implementing these recommendations, nonprofit organizations can contribute to creating robust small businesses in diverse communities. We can continue working towards a more equitable and thriving business landscape. ●

ENDNOTES

- 1 Loop Net (n.d.). *Seattle, WA*. Www.Loopnet.com. <https://www.loopnet.com/search/retail-space/seattle-wa/for-lease/>
- 2 (n.d.). *Seattle, WA*. Www.Offices.net. 2 <https://offices.net/news/2020-united-states-commercial-real-estate-prices-per-square-foot/>
- 3 NUMBEO (2023, April 20). [https://www.numbeo.com/cost-of-living/compare_cities.jsp?country1=United+States&city1=Seattle%2C+WA&country2=United+States&city2=Portland%2C+OR#:~:text=You%20would%20need%20around%206%2C659.5,earnings%20\(after%20income%20tax\).](https://www.numbeo.com/cost-of-living/compare_cities.jsp?country1=United+States&city1=Seattle%2C+WA&country2=United+States&city2=Portland%2C+OR#:~:text=You%20would%20need%20around%206%2C659.5,earnings%20(after%20income%20tax).)
- 4 See Figure 3
- 5 Securing commercial leases for our clients aligns with our strategic plan, which can be viewed at <https://venturesnonprofit.box.com/s/i69q6l5w87ulnxqop2w23ok8eruzb65k>.
- 6 grameenbank.org, grameenresearch.org/history-of-grameen-bank/
- 7 Data from this survey has not yet been published. However, if you are interested in reviewing it, please contact the authors.
- 8 See Figure 3
- 9 For more information on demographics of our region, see: <https://www.census.gov/quickfacts/fact/table/kingcountywashington/PST045222>, <https://www.seattle.gov/opcd/population-and-demographics>
- 10 Number based on anecdotal data from varying restaurant owners around West Seattle.
- 11 Washington State Office of Financial Management (2000, January 1). *Profile of General Demographic Characteristics: 2000*. Www.ofm.wa.gov. <https://ofm.wa.gov/sites/default/files/public/legacy/pop/census2000/profiles/place/1605308850.pdf>
- 12 U.S. Census Bureau (2020, April 1). *Quick Facts Burien City Census*. Www.Census.gov. <https://www.census.gov/quickfacts/buriencitywashington>

REFERENCES

- Balk, G. (2021a, March 7). The Seattle area's five most-changed neighborhoods of the decade. The Seattle Times. <https://www.seattletimes.com/seattle-news/data/the-seattle-areas-five-most-changed-neighborhoods-of-the-decade/>
- Balk, G. (2021b, September 30). Seattle ranks as the fifth fastest-diversifying big city of the decade. The Seattle Times. <https://www.seattletimes.com/seattle-news/data/seattle-ranks-as-fifth-fastest-diversifying-big-city-of-the-decade/>
- Brooks, B., & Sky-Tucker, J. (2022, September 28). Coalition Building and Advocacy in Washington State: A Case Study for CDFIs. <https://www.ofn.org/case-study-for-cdfis/>
- Gentzler, S. (2017, September 18). A Central District staple is closing. The Evergrey. <https://theevergrey.com/a-central-district-staple-is-closing-what-happens-to-the-community-it-built/>
- Schlosser, K. (2019, August 6). Cost of living study ranks Seattle as the fifth most expensive U.S. City to live in. GeekWire. <https://www.geekwire.com/2019/cost-living-study-ranks-seattle-fifth-expensive-u-s-city-live/>

Conclusion

Reemberto Rodriguez | Case Study Coordinator, SBAN
DeJuan Johnson | Case Study Liaison, SBAN

The case studies contained in this report affirm the capacity of communities to conceptualize, develop, and use tools and strategies to prevent displacement in gentrifying commercial areas that are home to BIPOC- and immigrant-owned businesses. This work is part of a long tradition of community leaders who have actively organized, collaborated, and advocated for institutional, systemic, and transformative change. It is rooted in local communities' relentless and tireless efforts to create partnerships, build consensus, and protest when necessary.

The displacement of small businesses in gentrifying neighborhoods is a reality in far too many urban areas. These case studies make clear, however, that there is no single answer or straight-forward approach to combating displacement. Rather, every organization that embarks on anti-displacement work has to do so through their own lens and experience, crafting tools and strategies that leverage the unique aspects of their organizations and the communities they support.

These case studies come from metropolitan areas across three continents. The geography, ethnic composition, and cultures of each place is different. The organizations responsible for authoring the case studies have varying degrees of staff capacity, financial depth, and history of work in their respective neighborhoods. Thus, the tools and strategies they use are also different.

But while local dynamics differ, the root causes of small business displacement and gentrification are strikingly similar. Some of the challenges documented in these cases reflect those documented in many other gentrifying neighborhoods, including market-driven real estate pressures, changes in the demographic composition of adjacent neighborhoods, and the impact of major

infrastructure projects. In response to these challenges, the case studies present a wide range of tools and strategies to confront the multiple and compounding displacement pressures that gentrification brings.

The applicability of these cases to other metropolitan areas, cities, communities, and neighborhoods is readily apparent. Many of the authoring organizations exhibit similarities that form the foundation for their work. Some of these common traits include:

- **Clarity of mission:** Organizational confidence about and clear focus of the work.
- **Capacity to engage:** Being able to relate to, convene, and gain the trust of the impacted communities and constituents.
- **Deep appreciation of local culture:** Understanding and affirming what exists.
- **Constructive relationship building:** Building community across racial and socio-economic lines.
- **Access to technical expertise:** Quick learners who know where and how to get reliable information and assistance.
- **Growing partnerships:** Ever-expanding web of cross-sector contacts and connections.
- **Political savviness:** Careful and measured involvement with elected officials, with a clear focus on policy change.
- **Solid financial foundation:** Diverse resource base and capacity to seek funding.
- **Quality leadership:** Committed executives and staff who believe in the merits of the work, the dignity of the community, and their right to remain.

The challenges faced by communities fighting displacement are daunting. In some cases, the verdict is still out as to whether large-scale displacement will occur. For some, it may be that small business displacement and commercial gentrification can only be delayed or mitigated. Other communities have been fighting the impacts of gentrification for decades. But all these case studies reflect a common belief – that development and change can happen fairly and equitably without destroying the character and soul of a community. Indeed, change can be a welcome economic boost; new development can increase choices, and newcomers can help communities thrive, but only if established residents and small businesses can stay in place and benefit from new investments. And only if change is directed by communities who are most impacted.

The economics of real estate development, business financing, and land use policies, however, more often favor expedient large private or public ventures. Seldom do these forces ferment a local economy that benefits BIPOC- and immigrant-owned small businesses and supports collective community action. If it were not for the heroic and persistent efforts of organizations like the ones highlighted in this report, the vibrant and diverse communities featured within these pages would face an even tougher road ahead.

Systems, models, and examples of tools and strategies can help. But ultimately, local human capital must be present. Grassroots leadership, entrepreneurship, and local political support are prerequisites to success. No one organization or community leader can do this alone. It takes intentional collaboration and sustained partnerships across multiple sectors with the interests and well-being of the community in mind and at the table.

We hope these case studies capture the spirit of the inspiring anti-displacement work being done in many BIPOC and immigrant communities as they combat the complex forces of commercial gentrification. We hope these stories spur others to learn from, apply, experiment, and improve upon the tools and strategies highlighted—and to support the work of these case studies to create places where small businesses can thrive.

The Small Business Anti-Displacement Network is committed to doing our part. Working with practitioners, scholars, and policymakers, we will continue convening people across disciplines and geographies to facilitate learning, networking, and peer-to-peer knowledge sharing that push new and innovative anti-displacement policies and practices.

We invite you to join us to advance tools and strategies that work, apply them in your localities, share them with others, and grow the network of people and organizations committed to raising up the dignity and worth of small businesses. Help us spread the word, do the work, and affirm the best of our communities in their struggle to remain in place. ●



SMALL
BUSINESS

Anti-Displacement Network

↗ antidisplacement.org
sban@umd.edu