

The Mission Asset Fund El Fondo Popular de la Misión

(February 2007)

The opportunity to create the Mission Asset Fund (MAF) grew out of the commitment of \$1 million by the Levi Strauss Foundation (LSF) to support innovative economic development programs that address critical needs in the Mission District neighborhood of San Francisco. The fund is the first of its kind in the nation -- the first neighborhood-based, community-managed resource that is devoted to building the financial assets of low-income and immigrant families, in a way that engages them in every step of planning and implementation.

Background

In February 2005, Levi Strauss and Co. announced its intent to sell a former garment factory in the Mission District of San Francisco and earmarked \$1 million of the sale proceeds for the Levi Strauss Foundation to support economic development in the neighborhood. While reaching out to community leaders, LSF learned there was interest in leveraging the LSF resources to establish a sustainable neighborhood fund that could support low-income individuals, families and community-based institutions to build their financial security and obtain an ownership stake in the community. So began a unique foundation-community partnership that has engaged a broad base of community stakeholders to envision and plan for the *Mission Asset Fund/El Fondo Popular de la Misión*.

Why Asset Building?

Asset-building programs enable people with limited financial resources to access financial services and accumulate and preserve long-term, productive assets – savings, investments, a home, post-secondary education and training, a small business and a nest-egg for retirement.

In San Francisco, 37.4% of households are “asset poor”—if their income were disrupted, they would have only enough savings to survive *at the poverty level* for three months. This asset poverty rate is more than three times the level of income poverty (10.6%). It is estimated that approximately 16,000 Latino households in the Mission are asset poor, and roughly 15,000 are “unbanked”—they do not have access to mainstream financial services.

Although most Mission residents are working, they're barely getting by. They have no cushion to deal with financial crises; they cannot afford to invest in higher education for their children, a home, or a business; and they cannot save for retirement or pass resources on to future generations. Without assets, Mission residents, community-serving businesses and non-profits are heavily impacted by changing economic conditions; they are not able to benefit from “successful” community development efforts that result in rising asset values in the neighborhood. And, they face constant threat of displacement because they can no longer afford to live or operate a business in their community.

What are MAF's Priorities?

In the spring of 2005, a foundation-community committee (the “MAF Committee”) was formed to guide a community planning process and recommend a strategy and priorities for the Levi Strauss Foundation resources. The MAF Committee includes the executive directors of leading neighborhood-based non-profits and senior staff from the Levi Strauss Foundation. The planning involved: an assessment of neighborhood asset-building gaps and opportunities; extensive community engagement to identify residents' needs and priorities; and a review of relevant models from throughout the country.

Informed by this feedback, and supported by a team of consultants, the MAF Committee has crafted a five-year plan that describes how the MAF will operate. MAF programs will target low-income households, with a particular focus on immigrants. MAF will be established as a membership-based 501(c)(3) non-profit organization in order to ensure that MAF remains connected with and accountable

to its constituents and that its work is guided by resident needs and priorities. During its first five years, the Mission Asset Fund will support the following asset-building strategies:

- *Strengthen the continuum of asset-building services and opportunities* – MAF will map, assess, strengthen, connect and expand the “continuum” of asset-building opportunities in the neighborhood. MAF’s goal is to enable residents to move, over time, along a “continuum of opportunity”—from affordable financial services to savings accounts to investments in homeownership and businesses in the community. By establishing the *Mission Asset Alliance*, the MAF will create an on-going forum for community-based organizations and financial institutions to work together to identify and fill gaps in needed resources and improve the community’s asset-building services and infrastructure.
- *Connect residents to existing financial supports* – MAF will provide: a) one-on-one financial coaching to enable low-income Mission families, especially immigrants with limited familiarity with US financial systems, to create, implement and adjust long-term financial plans to achieve economic security and invest in ownership opportunities; and b) referrals to financial services and existing asset-building opportunities.
- *Expand savings opportunities* – MAF resources will create matched savings opportunities, through Individual Development Accounts or IDAs, for low-income and immigrant households to save for: 1. long-term goals including: investing in a home, starting a business, supporting education and training for adults, post-secondary education for children and saving for retirement; and 2. shorter-term goals including health insurance (premiums, co-payments, etc.) and legal services to enable families to obtain the documentation they need to access financial services and/or to obtain citizenship.
- *Expand affordable investment opportunities* – MAF will facilitate the flow of funding coming into the neighborhood to expand affordable ownership opportunities. The MAF is especially interested in the role it can play in supporting collective ownership strategies that help build assets while keeping them affordable over time such as limited equity cooperatives, a community land trust, worker-owned cooperatives and joint ownership of community-facilities. The MAF community investment program will work with lenders and other interested investors to increase the influx of financial capital to support asset-building opportunities in the Mission and provide technical assistance to help community stakeholders plan and implement affordable ownership strategies.
- *Engage community residents and support them to advocate for themselves and their community* – MAF will support residents and emerging community leaders to participate in the MAF membership and governance structures; provide them with the information and resources they need to be effective advocates for asset-building opportunities in the Mission; and provide community leadership training and stipends to support a team of Mission residents to become asset-building leaders in their neighborhood.
- *Support public policies that expand asset-building opportunities* – MAF will galvanize, inform and support a strategic public policy agenda to expand asset-building opportunities in the Mission.

What’s Next?

MAF is currently in the process of hiring its first Executive Director and will begin operations during the summer of 2007. The MAF Committee is reaching out to foundations and public and private sector leaders to leverage additional resources. Ultimately, the goal of the Mission Asset Fund is to ensure that the *people* of the Mission benefit as the *place* of the Mission improves. Stay tuned.