

The Mission Asset Fund El Fondo Popular de la Misión

September 2006

Overview

The opportunity to create the Mission Asset Fund (the “Fund”) grew out of the commitment of \$1 million by the Levi Strauss Foundation to support innovative economic development programs that address critical needs in the Mission District neighborhood of San Francisco. The long-term vision for the Fund – currently under development by a committee of community leaders, informed by community stakeholders – is to create a community-managed, sustainable pool of resources that will be devoted to building the financial assets of low-income individuals, families and community institutions in the Mission.

Fund planning started with an assessment of asset-building gaps and opportunities, in the summer of 2005, followed by extensive community engagement to identify community needs and priorities. Informed by this feedback, and supported by a team of consultants, the Fund’s planning committee is designing an innovative, neighborhood-based, asset-building fund that combines support for savings and investment opportunities for Mission residents with the creation of permanent, affordable community assets—homes, businesses and community facilities.

Fund programs will target low-income households, with a particular focus on immigrants. They will enable residents to move along a “continuum of opportunity”—from access to financial services, to savings to investment in the community—by expanding asset-building options that are accessible to low-income families and by supporting families to move from one opportunity to the next, over time. The proposed prototype currently includes:

- *Expanded savings opportunities* through support for matched savings accounts that residents can use to invest in homes, businesses and education (eligible uses under existing Individual Development Account programs) and new purposes that emerged through the community engagement process (e.g. children’s education, retirement, health care expenses);
- *A lending program* to address the lack of affordable investment opportunities in the community. The lending program will expand opportunities for low-income households to build home and business equity through direct lending and by leveraging resources from Bay Area and national lenders. It will also support community-serving institutions to purchase their buildings so that they can remain in the community and continue to serve community residents.
- *Asset-building support services* to connect residents to existing asset-building resources in the community and citywide including legal services for immigrant families, financial education, low-cost financial services, existing IDA savings opportunities, microenterprise programs, etc. MAF-support services will also include long-term financial coaching and technical assistance. The financial coaching program will support immigrant families, in particular, to gain access to an array of financial services, savings and investment opportunities.
- *Community outreach and public policy work* to inform and engage residents in Fund planning and decision-making and to attract public, private and philanthropic resources to support asset-building in the Mission.

Background

In February 2005, Levi Strauss and Co. announced its intent to sell a former garment factory at 250 Valencia Street and earmark a portion of the sale proceeds for the Levi Strauss Foundation (LSF) to support economic development programs in the Mission. While speaking with community leaders, LSF learned there was an 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. In March 2005, a community committee was formed to guide a planning, fundraising, design and community engagement process for establishing the Fund as a long-term community resource.

Why asset building?

It is no secret that San Francisco is an expensive city, and that income disparities are great and tend to cut along ethnic lines. Approximately 50 percent of Mission residents are Latino, and 45 percent are immigrants. Mission Latinos' average per capita income is \$13,951—less than one third of the per capita income in white households (\$48,393) in the City overall. The majority of Mission households meet the federal Department of Housing and Urban Development definition of low-income households.

Asset-building programs enable people with limited financial resources to accumulate and preserve long-term, productive assets—savings, investments, a home, post-secondary education and training, a small business, or a nest-egg for retirement. Examples of asset-building programs include matched savings plans such as individual development accounts, microenterprise, support for cooperatively-owned businesses and the development of community land trusts.

Recent experience has shown that without assets, low-income Mission residents, community-serving businesses and non-profits are extremely vulnerable to changing economic conditions. They are unable to benefit from “successful” community development efforts that typically result in rising asset values in their community, and they face the constant threat of displacement because they can no longer afford residential or commercial rents. The Mission Asset Fund aims to change this dynamic by creating a full range of asset-building opportunities so that low-income community residents have opportunities to access affordable financial services, save and invest in their community.

What's Next?

The Mission Asset Fund business plan will be completed by spring 2007, and the Fund will be operational by the summer 2007. The committee is reaching out to foundations and public and private sector leaders to leverage additional resources for the Fund. Ultimately, the goal of the Fund will be to ensure that the people of the Mission benefit as the place of the Mission improves. Stay tuned.