



Addressing Commercial Gentrification in Miami

A REPORT

THE NATIONAL ASSOCIATION FOR LATINO COMMUNITY ASSET BUILDERS

A Report on Addressing Commercial Gentrification in Miami

Introduction

Since 2017, NALCAB, supported by Citi Community Development, has worked with the South Florida Community Development Coalition and its members and partners to assess the landscape of existing small business services and lending capital in South Florida. An assessment of this landscape would be incomplete without recognizing how foreign investment is fueling rapidly-rising real estate development along the coast of Miami Beach, Downtown Miami, and Brickell - the region's financial district, which is now affecting inland neighborhoods that previously experienced long-term disinvestment. Small, neighborhood-based businesses are struggling to survive under enormous pressure that includes rising rents and new development schemes that often overlook existing residents and communities.

For more than a decade, NALCAB has worked with its network members to grow assets in Latino families by supporting small businesses and to build equitable neighborhoods by making place-based investments in business districts. Undoubtedly, the ecosystem in which a business operates influences its success, just as the zip code where a child is raised has enormous implications for that child's future. The extent to which the place where small businesses operate are vibrant and provide access to opportunity is directly linked to the viability of the business and the economic success of the business-owner's family. NALCAB recognizes that neighborhood-based efforts to support small businesses to thrive must be designed with a well-documented understanding of the impact of private market trends, municipal government policies and overarching federal government investment decisions. NALCAB's approach is to work with local partners to build and strengthen their capacity through training, peer-to-peer learning, joint resource development, and investing in the community through additional grants and lending capital.

The goals of NALCAB's engagement in Miami are to:

- Gain a deeper understanding of the community credit needs
- Employ a culturally-relevant strategy
- Focus on small businesses with revenues under \$1 million
- Identify partners, insight, and provide capacity to existing local organizations that serves low-and-moderate income people.

This report builds upon a working paper – *Understanding the Impacts of Neighborhood Change on Small Business*. The working paper provides new research on the effects of gentrification and neighborhood change on small businesses across the country with a deep dive on data from the Jackson Heights neighborhood in Queens, New York. Additional examples were provided from neighborhoods in Los Angeles, New York, Portland, and San Francisco. While research on the effects of gentrification and neighborhood change on minority-owned small businesses is

relatively new, NALCAB has developed a methodology for measuring neighborhood change along with a growing body of research.

In NALCAB's [*Guide to Equitable Neighborhood Development*](#) defines gentrification as real estate price appreciation that leads to involuntary displacement and significant cultural change. Some key factors identified in our working paper can be found in neighborhoods in Miami. For example, most small businesses in the neighborhoods we surveyed rent and do not own the property or building they occupy. At the same time, these commercial corridors are culturally significant and are located in or near rapidly changing neighborhoods that are close to the urban core, public transportation, and anchor institutions among other features.

With this in mind, the NALCAB team organized and led six visits, convened over 30 partners and stakeholders, analyzed data and maps, shared best practices and ideas, and conducted an in-depth assessment of two commercial districts most affected by rapid gentrification and displacement – Allapattah and Little Havana.

The purpose of this report is to describe our work over the past year and provide a strategy and road map that will lead us to the goals outlined in this engagement. It includes a description of our process, general observations with data and maps, our framework for neighborhood change, and overall recommendations. This is followed by the assessment of the Allapattah and Little Havana neighborhoods. The assessment includes key findings, assets, opportunities, barriers and threats, and specific recommendations for each neighborhood. At the end of the report we include a road map and next steps that outline anticipated technical assistance for implementation. We also include some working models (Appendices A & B) and solutions that have been successful around the nation. Finally, we include a detailed description of our process that includes site visit dates, stakeholder interviews, and partner descriptions (Appendix C). This report will be shared with our working group for further refinement providing the basis for a joint strategy among stakeholders for future funding requests from national and local funders.

Observations

Beyond Miami's iconic skyline is what makes most of Miami; low-rise buildings and homes that spread out to the horizon. The reality is that the region suffers from high poverty rates while those that don't live in poverty are barely scraping by - especially seniors and families with children particularly single-headed households. Homes are unaffordable and those that are affordable lead to long commutes that are among the worst in the nation. It is also a city of entrepreneurial immigrants, mom and pop retail, and successful family businesses. Both of these dynamics are transforming many of Miami's stable and long-time neighborhood business districts as younger, middle-class families move into urban neighborhoods; all cash-investors snap up affordable housing stock, and real estate speculation is driving up commercial rent leading to gentrification and displacement.

Miami's neighborhoods are experiencing rapid gentrification and displacement.

The development pressures facing Little Havana and Allapattah are real and it is important to recognize that the fears of displacement are not unfounded. For example, in Allapattah the

average home value was increasing at a rate of about 18% from the years 2000 to 2010. Then in the following years from 2011 to 2016, the average home value began to increase at a rate of about 122% (HouseCanary). The maps below show how the value of homes located in neighborhoods such as Allapattah and Little Havana are increasing in value faster than homes located along the coast. In Little Havana, ten-story buildings are popping up throughout the neighborhood as evidence that change is coming to the neighborhood.

Building on academic and practitioner-led studies of neighborhood revitalization and gentrification, NALCAB developed a method for identifying neighborhoods that are changing in ways that might point to a current or impending trend of displacement. The analysis measures changes over time in housing prices and demographics using indicators from the U.S. Census American Community Survey. Changes at the tract level are compared to changes at the urban area level to help separate neighborhood-level changes from larger trends. The indicators are:

- Median Home Value
- Median Contract Rent
- Median Household Income
- Population 25 years or older with at least a bachelor's degree
- Number of White, non-Hispanic, residents

Each census tract is scored based on the number of indicators (0-4) that have changed more rapidly than the urban area's overall rate of change over a given period of time. The maximum score is 4 because one point is given if either Home Value or Contract Rent has appreciated faster in the census tract than in the overall urban area. In contrast to examining only the change in housing costs, this method identifies more complex changes in the demographics of a census tract. When price appreciation is accompanied by significant demographic shifts, the character or culture of a neighborhood may change.

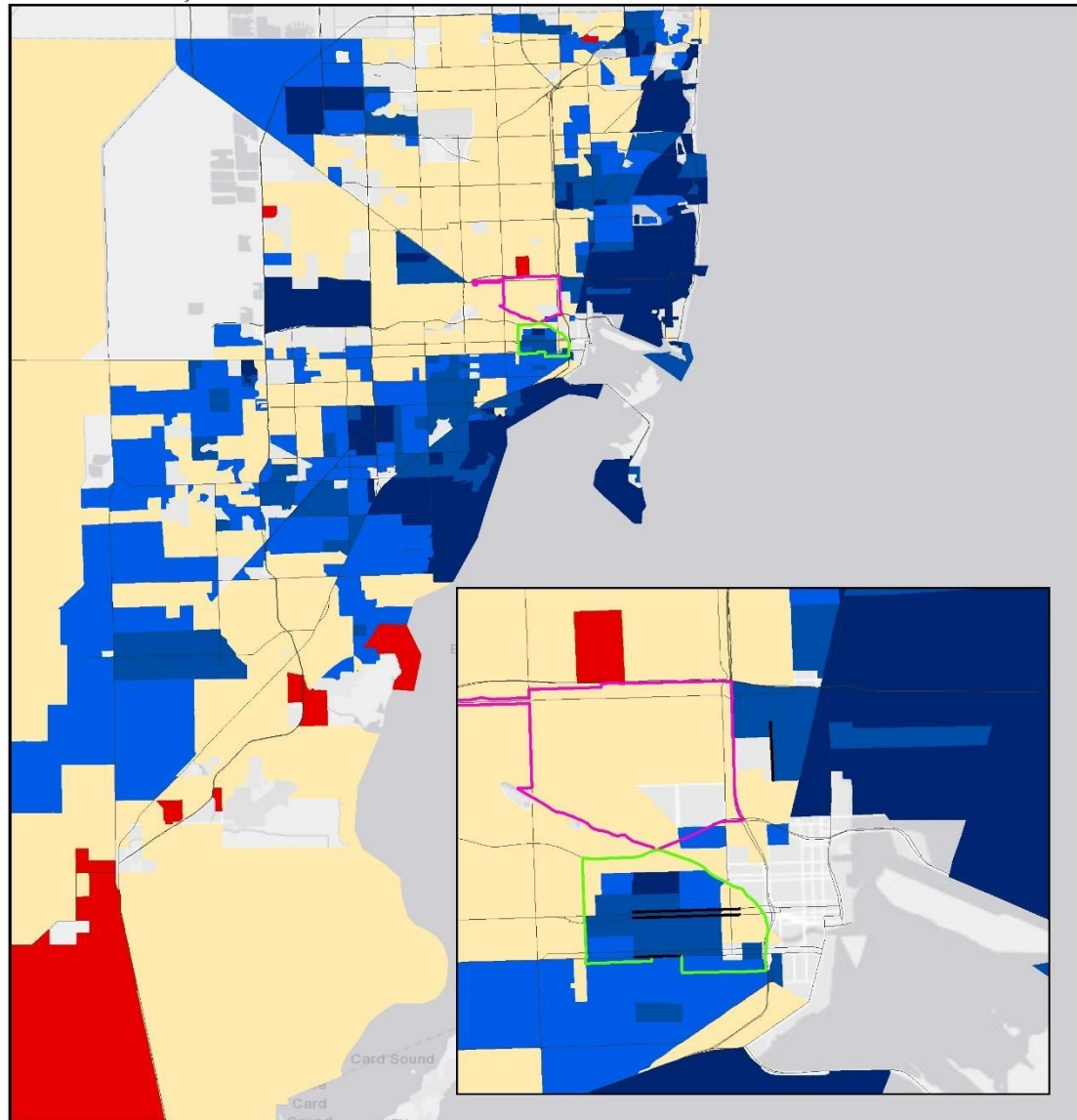
A score of three or four using the Neighborhood Trend Analysis should not be understood as a positive or negative indicator in and of itself, rather as a flag for more in-depth investigation of housing vulnerability. Neighborhoods that have experienced disinvestment and high levels of vacancy may demonstrate rapid change as a result of community improvement and a reduction in crime or vacancy—positive outcomes for neighborhood residents. However, lower income neighborhoods with low vacancy and strong social fabric might view rapid demographic change as a threat. Neighborhoods will experience these changes differently, requiring community engagement efforts to better understand the implications of market change for residents.

The map below entitled *Rapidly Changing Census Tracts 2011-2016* shows the neighborhood change scores for census tracts in the Miami urban area. Allapattah has a census tract that is scored as a three and Little Havana has multiple tracts scored as threes and fours.

The *Value of County-Owned Property* map shows that most property valued over \$5 million are located in Downtown Miami, so the rise in property value over \$5 million is also another good indicator of gentrification. A couple of properties along the Miami River can be found along Allapattah's southern border while a few properties over \$5 million can be found in the eastern section of Little Havana adjacent to Brickell.

Housing Value Trends 2000 - 2010

Miami-Dade, FL

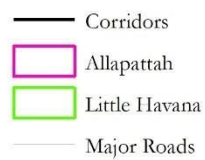
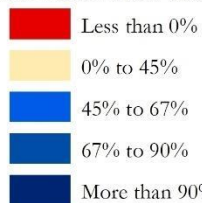


Date Created: 1/8/2019

Source: HouseCanary



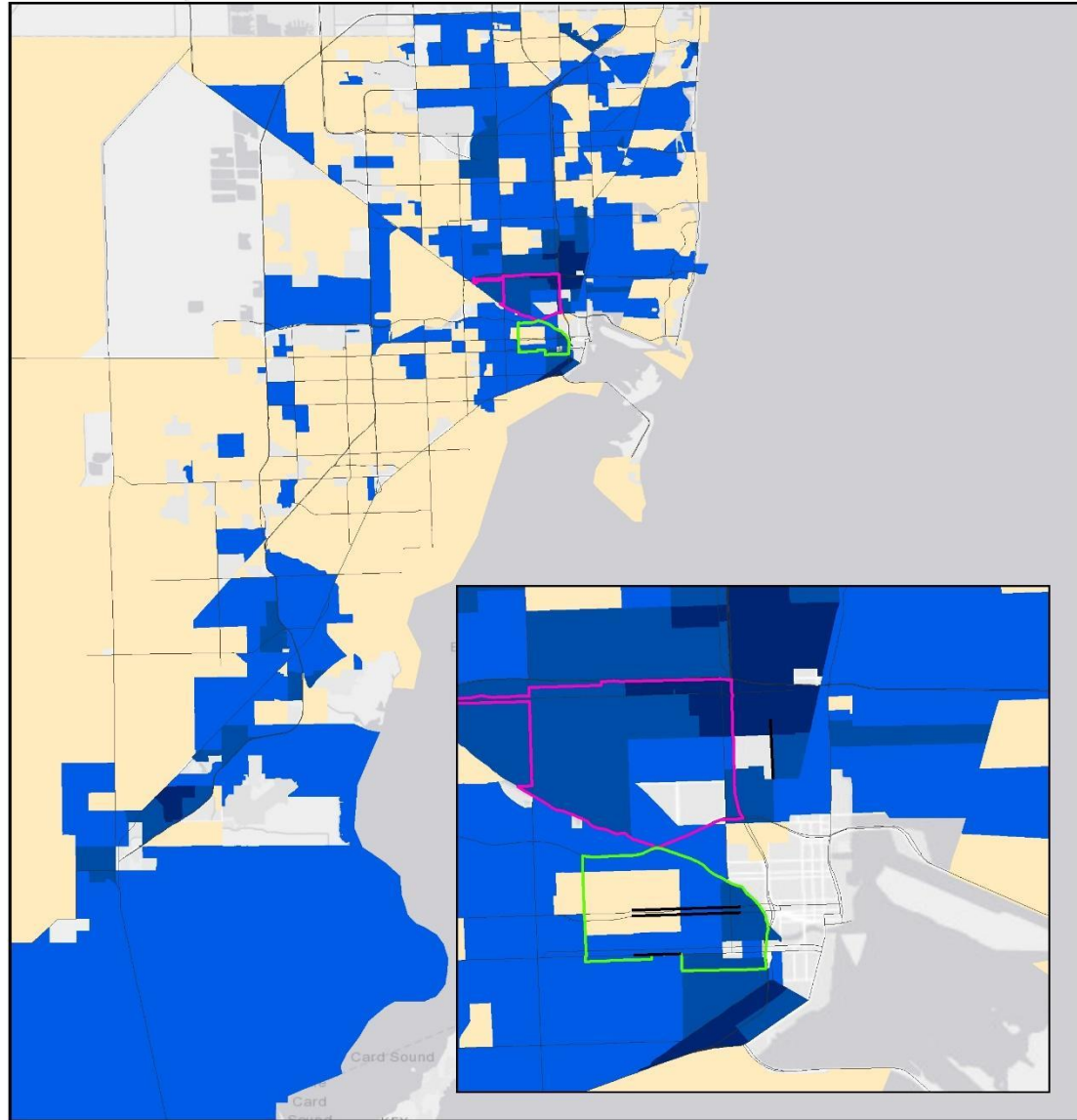
Home Value Percent Change



Note: The average percent change for Miami-Dade county is 45%.

Housing Value Trends 2011 - 2016

Miami-Dade, FL



Date Created: 1/8/2019

Source: HouseCanary



0 2 4 8 Miles

Home Value
Percent Change

0% to 73%

73% to 110%

110% to 146%

More than 146%

Corridors

Major Roads

Allapattah

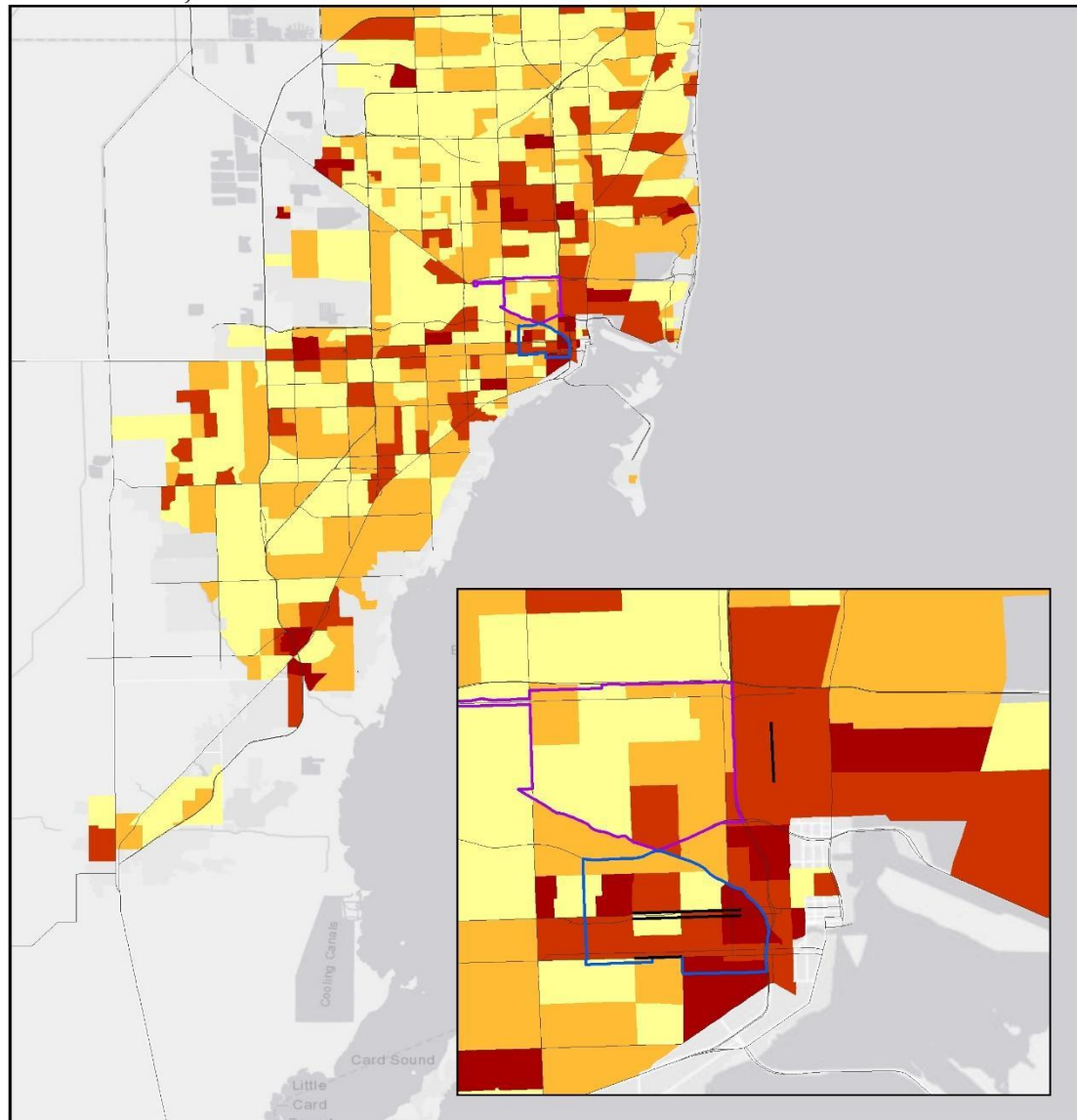
Little Havana



Note: The average percent change for Miami-Dade county is 73%.

Rapidly Changing Census Tracts 2011 - 2016

Miami-Dade, FL



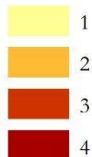
Date Created: 1/8/2019

Source: ACS 5 Year Estimates, 2011 - 2016



0 2 4 8 Miles

Rapidly Changing
Census Tract Score

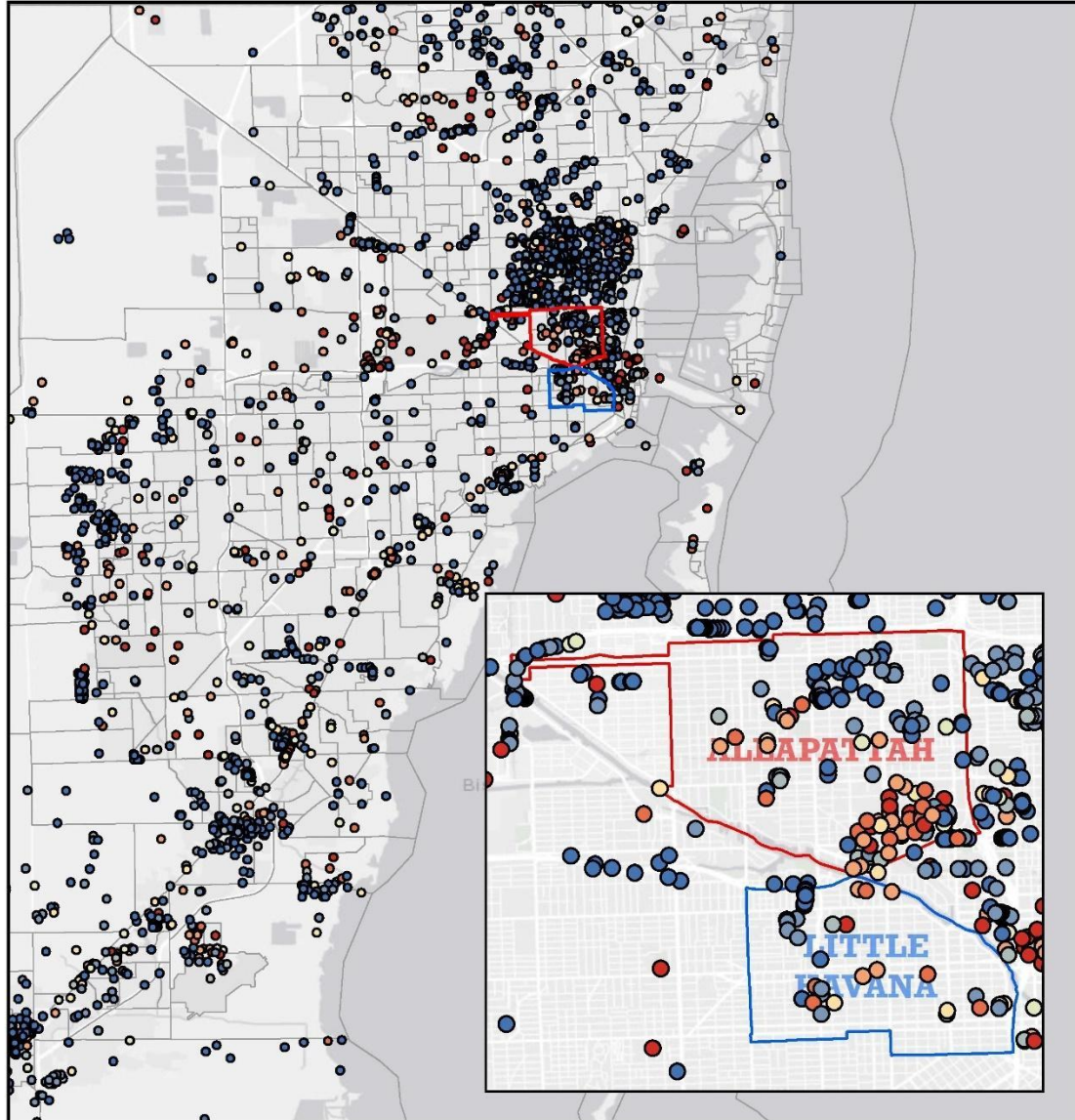


— Corridors
— Major Roads
— Allapattah
— Little Havana



Value of County Owned Properties

Miami-Dade, FL



Date Created: 3/12/2018

Source: Miami-Dade County, 2018



0 2 4 Miles

Property Value

● Under \$100,000	● \$1,000,000 - \$1,500,000
● \$100,000 - \$500,000	● \$1,500,000 - \$3,000,000
● \$500,000 - \$750,000	● \$3,000,000 - \$5,000,000
● \$750,000 - \$1,000,000	● \$5,000,000 and Higher



Stakeholders told the NALCAB team that maintaining walkable neighborhoods or enhancing a community's authenticity was important. A consistent theme for over a decade, citizens have pushed for zoning and regulatory changes. However, despite zoning law and development regulatory reform known as Miami 21, the City of Miami has had limited success. Other tools, such as historic preservation designation or transfer of development rights for increased density have been met with limited success. Despite successful examples nearby – Calle Ocho, Coconut Grove, Coral Gables, and Miami Beach - skepticism in historic preservation and small-scale redevelopment abounds. Most of Miami's recent development examples are large scale efforts such as Brickell City Centre, River Landing, and most controversially David Beckham's soccer stadium. The soccer stadium is being built on public land but this time without the millions of dollars in incentives used to fund the baseball stadium. Miami 21, the City of Miami's form-based code, was supposed to bring about a new era in land use and redevelopment that was supposed to create mixed-use, walkable urban neighborhoods. While Miami 21 is an improvement from the previous zoning laws, additional reforms will be required in addition to changes that have been recently proposed and implemented. The city also needs to further consider how incentives, tax abatements, and the use of public land are used to leverage

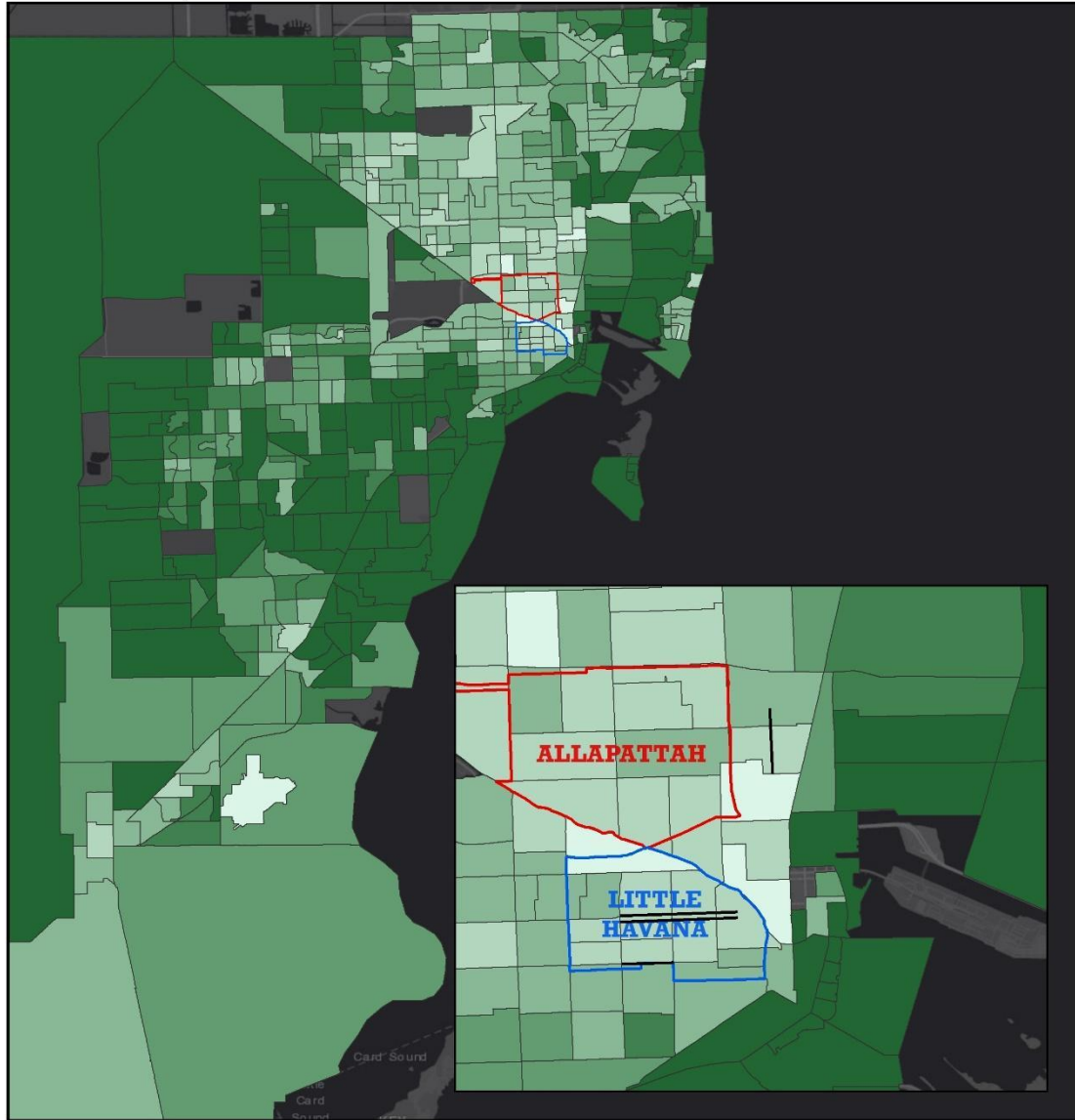
Households are increasingly cost-burdened.

According to Apartmentlists Miami-Dade has the highest cost burden - 42.2% of all renters-among metropolitan areas in the nation (2017). Cost burden is measured by calculating the number of households whose monthly rent exceeds 30% of their household income. According to the National Low-Income Housing Coalition (NLIHC), 44% of homeowners in Miami-Dade County have monthly mortgage payments that are more than 35% of their income. Meanwhile, incomes remain low. Approximately, 21% of households in Miami-Dade County live below the poverty line (\$24,250 for a family of four) according to the United Way (2017). The United Way has calculated a living wage or a Household Survival Budget which is calculated as \$56,760 for a family of four through their methodology known as ALICE, or Asset-Limited, Income Constrained, Employed (2017). This adds an additional 314,491 households or 37%. It's no wonder that 48% of county residents are renters. According to NLIHC's well-respected report, *Out of Reach*, a worker must earn at least \$25.98/hour or work 126 hours per week making minimum wage to afford a two-bedroom rental home.

At the same time, as housing prices and rents increase, commutes become longer. Over the past decade, the number of South Floridians who have commutes of 90 minutes or more have increased by 29% - one of the largest percent increases in the nation (Apartments.com). This means medium to low-income households are driving further to find an affordable home.

Median Income

Miami-Dade, FL



Date Created: 1/8/2019

Source: ACS 5-Year Estimates, 2017



0 1.5 3 6 Miles

Median Income



Corridors



Neighborhoods are under stress

The two neighborhoods we assessed – Allapattah and Little Havana – also show other signs of distress that belie the rapid gentrification that may be observed by increased housing prices, new businesses or development in each district. Using Opportunity 360, a data tool developed by Enterprise Community Partners and PolicyMap, we are also able to include other social indicators related to education, health, and mobility not included in our Neighborhood Trend Analysis that demonstrate that these two neighborhoods still show signs of distress.

For example, Allapattah, especially along the 36th Street corridor, ranks low in education where only 53% of adults have a high school diploma (85% regional average) and 11% of adults have a bachelor's degree or higher (31% regional average). The Health and Well-being index ranks as zero whereby 61% of adults have a health care provider (74% regional average) and a higher rate of adults who report fair or poor health (27% regional average). A higher percentage of adults (24%) live in a household with no vehicles and depend on public transit.

In Little Havana, especially along the Calle Ocho corridor, only 61% of adults have a high school diploma (85% regional average) and 11% of adults have a bachelor's degree or higher (similar to Allapattah). Health indicators show a higher rate of diabetes at 24% (17% county average) and 45% of adults who report fair or poor health compared to a 27% regional average. Little Havana also has a higher rate of households with no vehicles (42%) with over a quarter who commute by public transit (29%) and who have commutes over an hour (23%).

It should be noted that although, these neighborhoods have good access to public transportation, routes, reliability, and frequency become more limited outside the city limits to other regional employment centers. Overall, the picture is quite different for many adults and children in both neighborhoods who live in poverty and indicates why current residents and businesses may not be enthusiastic because they may not be experiencing the benefits of increased development.

Miami has a strong small business culture.

Miami does have a successful small business climate but it is increasingly challenged by the changing economic landscape at a national and international scale. Miami has always benefited from the unstable politics and economies of Latin America and the Caribbean that continually contribute to Miami's entrepreneurial spirit with new energy and new businesses. It's no wonder that the Kauffman Foundation found that small businesses makeup approximately 90% of the South Florida economy and Miami is number 1 in the nation for start-up activity. (Kauffman Foundation). The Kauffman Foundation Index 2017 also found that Miami .56% rate of new entrepreneurs, at the top for the Opportunity Share of New Employees (81.09%), and the highest start-up density rate (107.8) among the 40 cities measured. However, Miami ranked second at the bottom for growth, which means that Miami is very good at creating small businesses but not very good at retaining or growing or scaling them.

But more restrictive immigration policies and a faltering or stagnant economy in the rest of the world may allay what in the past bought a continual dynamism to the local economy. At the same time, we cannot overlook long-time and home-grown businesses that barely survive in

disinvested neighborhoods that are continually overlooked by new public or private investment. According to Miami-Dade County's Office of Planning Research and Economic Analysis, commercial vacancy rates decreased and lease rates increased from 2012-2014 – a signal that neighborhood commercial districts are under stress.

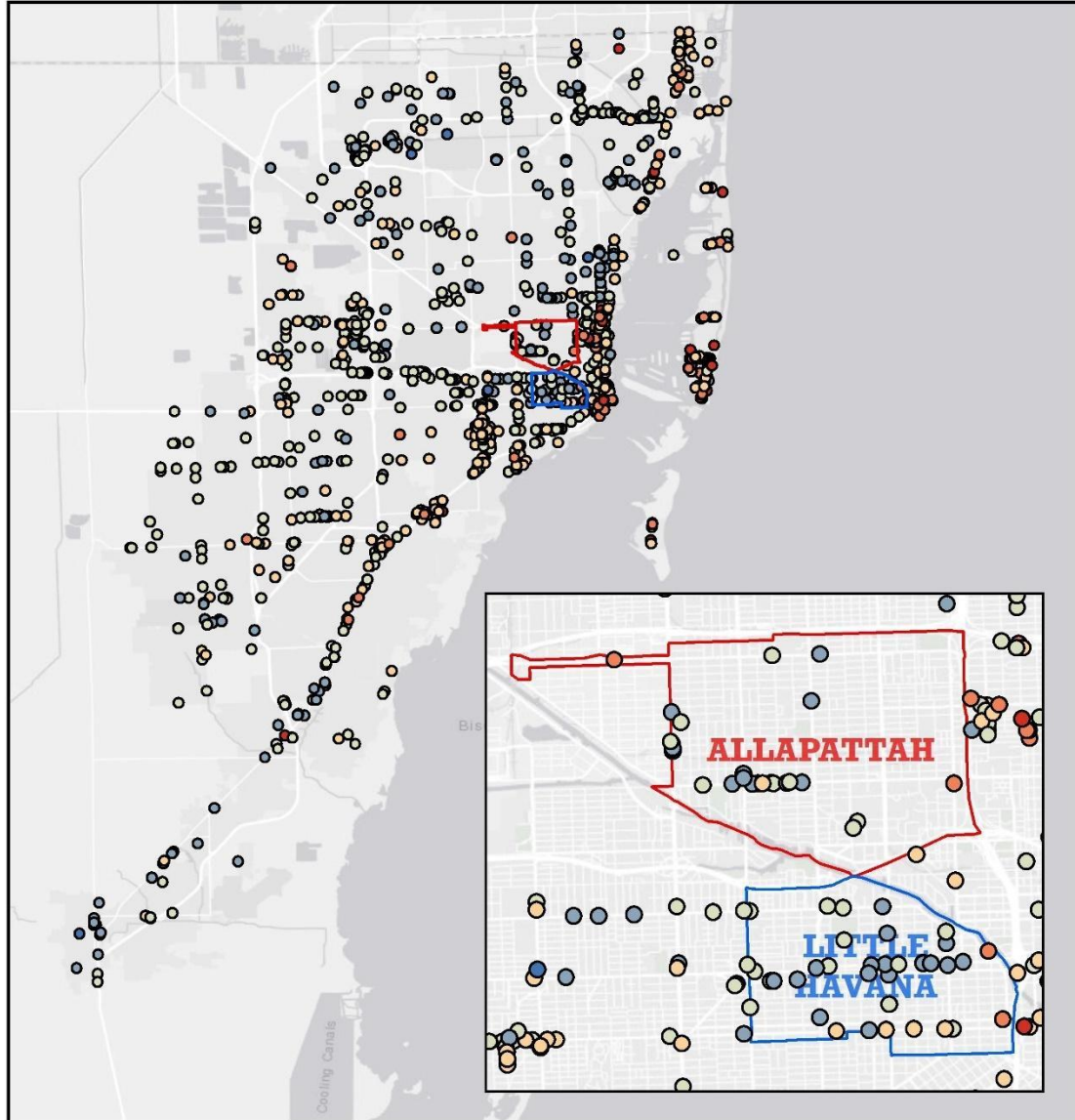
To take closer look on how these dynamics are affecting Miami's region, NALCAB mapped demographic, economic, and small business data in the two neighborhoods we are studying - Allapattah and Little Havana. Statistical data is one factor in our analysis of neighborhood commercial districts. The data collected includes information on property values, CDFI Investments, commercial rents (see map below on commercial rents), SBA, HUB Zone locations, and small business loans.

Not enough small business capital is flowing into Miami's neighborhoods even though opportunities abound.

While Allapattah and Little Havana are experiencing rapid change, much needed capital for small business is not keeping up with the need. And even though Allapattah and Little Havana are located in HUB Zones, where SBA certified small business gain preferential access to federal procurement opportunities, most small businesses are not taking advantage of this opportunity. Banks and CDFIs are not investing enough to help business survive rapid change in their market. The map on CDFI Investment below shows that CDFI investment decreased in Allapattah by 100% from 2009 to 2014. In Little Havana, CDFI investments increased in two census tracts 100% from 2009 to 2014 while investment increased 50% in one census tract. In 2016, average SBA loans in Allapattah was \$30,602 and \$24,824 in Little Havana. While the total amount of SBA loans in Allapattah were \$35,172,000 and \$26,854,000 in Little Havana (2016). In Allapattah, NALCAB is currently working with local partners to collect more data through a small business survey and analyzing COSTAR data which is a rich source of business data.

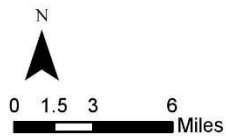
Commercial Rent

Miami-Dade, FL



Date Created: 3/6/2018

Source: Policy Map, 2014

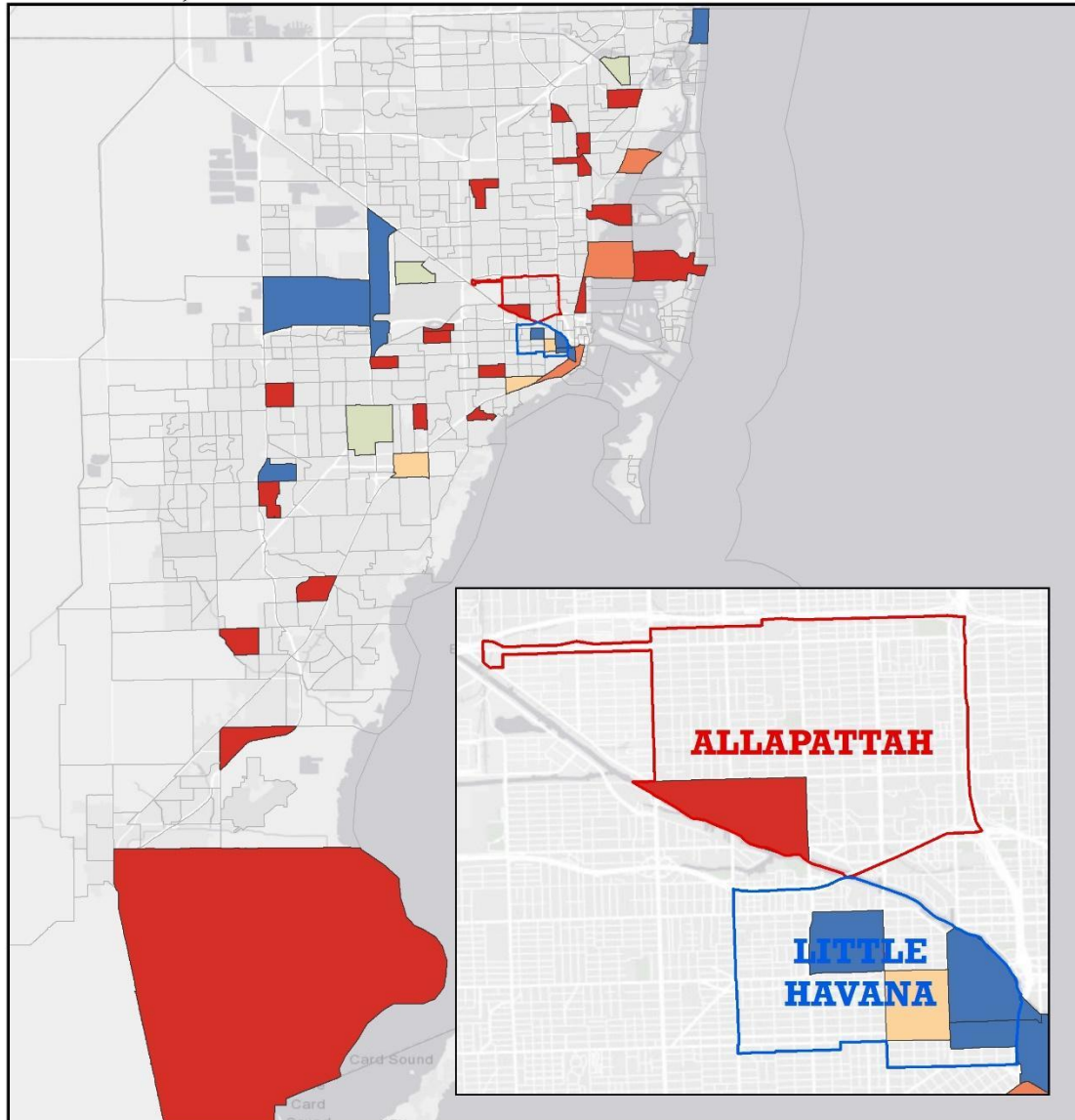


Rent per Square Foot



Percent Change of CDFI Investments 2009 - 2014

Miami-Dade, FL



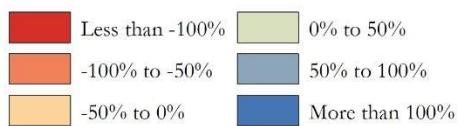
Date Created: 10/11/2018

Source: Policy Map, 2009 - 2014



0 1.5 3 6 Miles

Percent Change



Framework for Addressing Commercial Gentrification

Since 2017, Citi has supported NALCAB's equitable neighborhood development work, which included the development of NALCAB's Guide to Equitable Neighborhood Development. This toolkit was designed to provide practitioners tools and resources to analyze and anticipate neighborhood change, including gentrification and displacement. Specifically, Citi funding allowed NALCAB to expand this initial framework to also look at the impact of neighborhood change on small business. NALCAB was able to provide resources to two local organizations, in Queens, NY, and Los Angeles, CA, to engage and learn from, local nonprofit partners who serve communities and businesses experiencing rapid market appreciation.

Our current Citi funding has allowed us to expand our market analysis to include Miami-Dade and focus on two particular neighborhoods - Allapattah and Little Havana. Engagement with local partners enhanced our thinking toward a multi-pronged, place-based strategy, to respond to neighborhood change. Overall, we found that while existing organizations have great expertise and provide a breadth of services, the large scale of the community they serve and a lack of resources does not enable service organizations and community lenders to make a visible impact in gentrifying neighborhoods. The approach requires simultaneous interventions through a comprehensive, commercial district revitalization approach. In this way, technical assistance and resources can be provided in a more efficient and strategic manner.

Miami offers an opportunity to employ the learnings from our working paper on the impacts of neighborhood change on small business and pilot this strategy on the two neighborhoods we engaged in. The strategies that have been found to better preserve small businesses include:

- Organizing and community engagement
- Technical assistance for small businesses
- Access to capital for property ownership and adaptation of goods and services provided
- Policy and advocacy for preserving and expanding small businesses
- Anticipating neighborhood change through data analysis and mapping

These strategies also provide a frame for the types of recommendations in this report. NALCAB will pilot the approach in Allapattah and Little Havana – the two neighborhoods in which the team conducted the commercial district revitalization assessments.

While we are making recommendations for technical assistance and resources in this report, NALCAB is already investing resources in these neighborhoods by making grant awards in South Florida. In September, NALCAB awarded a \$40,000 Equitable Neighborhood Development grant to the South Florida Community Development Coalition that provides technical assistance for surveying small business, data analysis, and mapping that will be used to inform a policy action plan to mitigate neighborhood change. Additional opportunities exist for funders to support policy and advocacy, building the financial capacity of small businesses, and increasing access to capital.

But, given the lack of strong, existing organizations on the ground, NALCAB and its partners will need to provide support through larger organizations to incubate neighborhood-based

organizations to do the place-based work. To that end, NALCAB is partnering with the South Florida Community Development Coalition (SFCDC). SFCDC brings together service providers and lenders, neighborhood-based organizations, and has the credibility to bring additional partners to the table including local and county governments. Our experience has shown that we are much more successful when we work with experienced partners on the ground rather than duplicate efforts. Instead, NALCAB can focus its efforts on building capacity, scaling existing strategies, and experimenting new approaches with local partners.

We also understand that neighborhood redevelopment cannot be conducted in a vacuum, so the NALCAB team is mindful of how our proposed strategy connects around existing neighborhood revitalization plans, housing preservation efforts, and policy innovation such as the Connect Capital program.

This approach provides the opportunity to create alliances and work together more effectively that will eventually lead to a joint proposal to funders – local government, local foundations, and national funders – to provide longer, deeper, and more sustainable funding needed to effectively provide a place-based approach that will help small businesses and commercial districts in Miami not only survive, but also thrive in a changing landscape.

Overall Recommendations

Although our report focused on two neighborhoods - Allapattah and Little Havana - we found themes that could apply more broadly within the City of Miami. Later in the report we provide more specific neighborhood recommendations. However, we thought it was important to discuss some underlying approaches that guide all our recommendations. We also provide some potential solutions and models to consider in Appendices A and B. Finally, at the end of this report, you will find a list of next steps and a timeline of current and more urgent needs.

As previously mentioned, this builds upon findings from our working paper on neighborhood change that recommended that the following strategies were found to be effective in other cities to better preserve small businesses. These include organizing and community engagement, technical assistance for small businesses, access to capital for property ownership and adaptation of good services provided, policy and advocacy for preserving and expanding small businesses, and anticipating neighborhood change through data analysis and mapping.

First, we believe that solutions need not be approached in sequential manner, rather several of the recommended solutions should be undertaken simultaneously in a place-based approach at two different scales. And secondly, despite the need and temptation to employ a city-wide approach, we recommend a pilot in the two aforementioned neighborhoods to test the approaches and ensure there is enough private, philanthropic, and public funding in order for these strategies to be truly successful. Finally, none of these approaches will be successful without some policy changes that will support these efforts. Although much progress has been made by community advocates to make housing and community development policy changes, more progress needs to be made with additional economic development policies and funding to support these efforts.

Organizing and community engagement

- *Hire a commercial district manager.* Both Allapattah and Little Havana have more than one commercial district. However, we clearly identified one commercial district that seems to have enough interest, potential, and capacity to undertake a commercial district management program. The manager works as an organizer who can bring together stakeholders to develop specific strategies, organize events for the corridor, connect businesses with existing services, and develop business retention strategies. Neighborhood leaders should consider Main Street as a potential model for organizing efforts in each neighborhood. Main Street is a volunteer-based, economic development model with a full-time commercial district manager successfully used in over 2,000 rural and urban business districts in 48 states across the country. For more information on the Main Street Approach and the Boston Main Streets program, see Appendix A.
- *Build Capacity of Existing Organizations.* Despite their best efforts, it is clear that existing organizations are under-resourced and unable to deepen their services within specific neighborhoods without more funding. And given the interest in a place-based approach beyond Allapattah and Little Havana, stakeholders through the SFCDC should develop a joint, more fully-developed strategy and funding plan to expand existing services over a five-year period in multiple neighborhoods that include Allapattah and Little Havana. The Knight Foundation and the Community Foundation of South Florida seem to be natural partners with whom to explore this effort.

Technical assistance for small businesses

- *Create a clean and safe program.* Although not technical assistance per se, many small businesses identified “clean and safe” issues on their street as a barrier to success. Litter and street cleanliness were commonly mentioned along with crime or the perception of crime as common issues. A clean and safe neighborhood sets the stage for any successful revitalization effort. This is why business improvement districts (BID) are appealing for urban commercial districts. However, due to objections by property owners and local politics, a BID is not a viable option in either Allapattah or Little Havana. But given the interest, willing businesses and land owners should go ahead with efforts to hire a small clean-up crew for each neighborhood and then work to bring the City of Miami as a partner. This crew should report to a commercial district manager.
- *Hire a small business navigator to cover each neighborhood.* However, not every district is ready to undertake a commercial district revitalization program. Plus, the needs of small businesses are great and can be found in multiple commercial corridors within each neighborhood. Entrepreneurs and small businesses still need training, business planning and other small business services as well as access to capital. A successful model that more efficiently delivers business development services has been applied by several NALCAB members. A small business navigator connects small businesses to services and loans and serves as a liaison who helps identify common issues and needs. For more

information on the Latino Economic Development Center's business navigator model, see Appendix B.

Access to capital for property ownership and adaptation of goods and services provided

- *Identify and grow lending capital.* The City of Miami and economic development partners are currently mapping community capital needs through Connect Capital, a program of the Center for Community Investment. NALCAB can support and assist in this effort by looking at ways to connect with its SBA Prime Program and other efforts to find additional lending capital by pooling the capital of its members who are exploring ways to increase mission-oriented investments. This includes exploring how the City of Miami's \$10 million Housing and Economic Development Bond can be leveraged for lending.
- *Support the community land trust model for commercial property.* The South Florida Community Land Trust (Land Trust) is currently working in Miami-Dade and Broward County with a mission to increase housing affordability and stability. However, given the development pressures in several neighborhoods, the Land Trust and Citi Community Development are exploring the possibility of buying commercial property as a way to stabilize commercial rents. This land ownership model, if implemented early in the land-value curve, can take advantage of a rising real estate market and create social benefit and wealth for the existing community. The Land Trust is exploring co-op models and master leasing as other strategies to help small businesses in rapidly changing neighborhoods.

Policy and advocacy for preserving and expanding small businesses

- *Reform Miami 21.* The big elephant in the room is development. The team did not have enough time to explore this issue in more detail, however, we do know that exceptions to Miami 21 zoning and subdivision regulations has created unexpected development with buildings and uses considered out of scale and incompatible with the neighborhood. It is clear that the promise of Miami 21 to eliminate development preferences at the expense of neighborhoods has been compromised. Addressing this issue in great detail along with a well-organized advocacy effort will be an important part of any commercial revitalization effort and will be a key part in taking the steam out of the gentrification balloon. The community needs to be an early and active participant in development applications and be vigilant of any changes to zoning and development regulations in their neighborhood.
- *Employ Community Benefits Agreements (CBA).* Although CBAs are not new in Miami, successful efforts are few and far between. When well utilized, CBAs can provide resources and concrete steps that mitigate development and provide a voice to the community. Neighborhood organizations need help in not only negotiating CBAs but also understanding how to enforce them over time. NALCAB can help connect the SFCDC and interested stakeholders with national experts and organizations who have successfully negotiated CBAs.

- *Better target CDBG funds.* Currently HUD's Community Development Block Grant (CDBG) program provides support to many worthy organizations and causes but efforts are dispersed and not nearly as targeted as they could be. CDBG could be better utilized to support organizations engaged in neighborhood revitalization and small business services with operational support. Operational support will provide funding for organizations to expand their small business services in Allapathah and Little Havana. The City of Miami already has officially designated Neighborhood Revitalization Strategy Areas (NRSA). Funding could be better targeted toward these efforts and activities rather than the many public services that CDBG currently supports. Long-time and worthy public services should receive city General Funds so that CDBG can adapt to changing community and economic needs – the program's original intent. However, several organizations we talked to will not apply for CDBG funding because of federal and local limits to engage in advocacy. Federal and local rules need to be studied in more detail as some CDBG support has been an essential funding source for many successful organizations across the country engaged in similar efforts.

Anticipating neighborhood change through data analysis and mapping

- *Incorporate Equitable Neighborhood Development (END) efforts to increase neighborhood level data as the basis for advocacy efforts.* The South Florida Community Development Coalition (SFCDC) received an award for \$40,000 from NALCAB to collect and map neighborhood level indicators and data to track current and future gentrification and displacement of small businesses in the Allapattah neighborhood. Local organizers will build upon the work of the University of Miami's Miami Affordability Map by surveying local businesses, adding new data sources, and creating new maps that will help identify which blocks are truly undergoing gentrification and displacement. The data will be used to create a policy advocacy plan that will empower small businesses to advocate for policy changes that will support small businesses. These efforts can be shared with other neighborhoods including Little Havana.

Finally.....

- *Don't work in a vacuum.* It's hard to keep track of all the current efforts in housing, community and economic development. And even though we are aware the neighborhood revitalization requires a holistic approach, we understand it is a challenge. Nevertheless, coordinating strategies is well worth the time and effort. Lessons from the Allapattah and Little Havana pilot should be shared with other CDC's, small business organizations engaged in similar or related work. Current efforts to strengthen CDC's engaged in affordable housing development, historic preservation efforts to save bungalows and small multi-family units for housing preservation, public health efforts to improve the health outcomes of low-income residents all serve to improve neighborhoods. The SFCDC seems to be the perfect table for coordinating all these on-going efforts.

- *Don't let past failures stop you.* Given the rapid gentrification and displacement, the stakes are too high not to try again. Despite the challenges, there is a pervasive feeling that there is no time to wait. Yet, a bold splashy proposal will likely fail when there is still a lack of support from many sectors of the community for what is currently perceived as a new approach. Start quietly, testing these approaches in the Miami context making allies along the way. Ultimately, small steps will build confidence within the community until the community is able to take on larger initiatives and programs.

Neighborhood Commercial District Assessments: Allapattah and Little Havana

Summary

From July 10th to 13th, NALCAB conducted an assessment of the Allapattah and Little Havana commercial districts to better assess technical assistance needs. The assessment was conducted at the behest of the working group to not only assess the capability of the commercial districts to undertake a revitalization program, but also to get feedback from neighborhood retailers and businesses. Over the course of two days, the team interviewed a wide variety of stakeholders in addition to those mentioned which included educational and health institutions, property owners, banks, real estate professionals, local artists and historians, city officials, and local leaders. A driving tour of the larger district and a walking tour of the commercial street were a central part of the assessment.

In Allapattah, the Agency for Community Empowerment (ACE), has led efforts to reach out and work with small businesses. While in Little Havana, despite continual efforts to stymie a business improvement district (BID) local property owners have turned around a five-block area. Understanding the causes and local conditions as well as the existing opportunities was noted as an important step in revitalization efforts. It was also understood that while these neighborhoods were undergoing some type of gentrification and even some displacement, this rapid redevelopment was not experienced across the entire neighborhood. This is due to the fact that neighborhoods are quite large and each may encompass several commercial districts many of which have experienced disinvestment over the years.

NALCAB assembled a team of experts with decades of commercial district revitalization experience. The team included Ronnie Wood, the recently retired director of the Florida Main Street program, a division of the Florida Department of State. The Florida Main Street program has worked with dozens of commercial districts throughout the state for over two decades. Ronnie has been a successful director of the Winter Haven, Florida Main Street program, a nationally-recognized program by the National Trust for Historic Preservation. Josh Bloom is principal of the Community Land Use and Economics group or CLUE group which conducts market analysis for commercial districts, local governments, and business improvement districts. Josh was one of the founders of the Boston Main Streets program and has worked with dozens of rural and urban commercial districts across the country. Manuel Ochoa, a planning and community development expert with over 20 years of experience, has also worked in commercial district revitalization having worked in rural and urban commercial districts in Philadelphia and Baltimore among others.

Key Findings

Before we share specific observations regarding the two neighborhoods, the team found some common themes – issues and challenges. In both Little Havana and Allapattah, residents and businesses palpably experience the consequences of rising rents, gentrification, and displacement. In Allapattah, for example, one community leader said, “We don’t want to be the new Wynwood.” There is also a hesitancy to become involved in a new initiative because of

unmet promises in the past. In both neighborhoods, it is important to involve new people and to establish small, incremental wins. This is especially so in Allapattah, where the community wants to see more evidence of forward momentum.

While Allapattah and Little Havana face different challenges, they share some similar needs, including:

- A need for small business assistance that helps to strengthen existing independent businesses and allows them to grow in parallel to rising rents and land values (rather than face displacement).
- Promotions and programming that leverages the districts' authentic cultural character and markets them as unique, differentiated destinations.
- Both neighborhoods face political issues. In some cases, the agendas of elected city representatives may differ from neighborhood revitalization leaders; in other cases, longstanding neighborhood alliances or factions make it harder to build a new coalition.
- Although efforts are being made, small businesses are not connected to procurement opportunities through anchor institutions.
- Several capable and mission-oriented organizations providing small business training and technical assistance are stretched and are unable to provide business assistance to specific neighborhood districts.
- Small businesses identified the need for capital to purchase equipment, remodel, or expand their business. Many organizations agree that CDFI capital access is very low.
- Neighborhood-based CDCs are weak and most do not receive general operational support from the City of Miami or the county.
- The team found the seeds for coordination among organizations working on commercial district issues, but more progress needs to be made.
- Some funders, educational institutions, and potential partners are too focused on tech entrepreneurs rather than micro-entrepreneurs.

Allapattah

Like many Miami neighborhoods, Allapattah has seen a series of demographic transitions. It was largely white until the 1950s when African Americans moved into the neighborhood after the construction of I-95 tore through the heart of Miami's historic Overtown neighborhood. In the 1960s, Cuban exiles settled in Allapattah until many businesses left after the McDuffie Riots in 1980. During the 1980s, Allapattah saw a wave of Dominican immigrants which has become the defining character of this large and diverse neighborhood.

Some refer to NW 17th Avenue as "Little Santo Domingo". The main commercial spine of Allapattah is NW 17th Avenue, from approximately NW 28th Street to NW 36th Avenue, though there are additional commercial nodes and corridors throughout the neighborhood. NW 17th Avenue is primarily occupied by mom-and-pop "micro" businesses, including take-out food, insurance, apparel, and auto repair. Many of these businesses are Spanish-speaking. There are a few larger retail businesses, including R.V. Martin Ace Hardware, a neighborhood anchor. While most businesses are low price-point and cater to a neighborhood audience, some business have a

regional following of Dominicans and other Latinos who are loyal to businesses in the neighborhood.

The ultra-hip Wynwood neighborhood is just east of Allapattah where art galleries and new development have transformed the neighborhood. Development is now moving westward and signs of redevelopment are coming to the neighborhood. Evidence of this phenomenon include all cash sales for homes, tear downs, and increasing commercial rents managed by one or two property management agencies on behalf of absentee landlords. Large scale development is already underway at River Landing and a proposed redevelopment of the Produce Market. To add insult to injury, businesses are dismayed that real estate developers have rebranded the area as “West Wynwood.”

Allapattah has several community-based agencies. Our primary contact was Agency for Community Empowerment (ACE), a nonprofit engaged in economic development that embraces culture and diversity. ACE, who’s original mission was to promote Dominican culture and assist small businesses in the area, has now changed its focus to voter registration and immigrant rights. Although businesses have attempted to work more closely together, small businesses in Allapattah have not been able to capitalize on nearby resurgence in Wynwood. NALCAB continues to work with neighborhood activists dedicated to assisting small businesses.

Some key findings for Allapattah include:

Assets

- Skilled and enthusiastic staff at ACE
- Moderate retail activity on NW 17th Avenue
- Relatively stable and long-term residential neighborhoods
- Providing culturally relevant goods and services

Opportunities

- Improve appearances of NW 17th Avenue (streetscape and facades)
- Create and market a brand for Allapattah as a regional destination
- Cultivate and support immigrant entrepreneurship (e.g., via ACE, Miami Bayside Foundation, Partners for Self-Employment, Prospera, etc.)
- Build community connection to NW 17th Avenue through events and engagement
- Connect with anchor institutions – Jackson Medical Center, University of Miami, county courts
- The City of Miami, national, and local economic development organizations are exploring best practices in asset-building for small businesses through the Shared Equity in Economic Development (SEED), an initiative of the National League of Cities and the Democracy at Work Institute, and Connect Capital, an initiative of the Center for Community Investment.

Barriers and threats

- Creeping gentrification from Wynwood
- Decentralized nature of commercial uses in Allapattah
- Auto-oriented street (including several auto-repair uses)
- Small businesses are interested in establishing a revitalization program but have had difficulty organizing their efforts
- Development incentives that do not have clear community benefits for neighborhood commercial districts and micro-businesses

Recommendations

Allapattah already has what many neighborhoods lack – enthusiasm and talent. Organizations such as the Agency for Community Empowerment (ACE) have led organized events and a community design initiative for a local park. Recently, ACE’s part-time executive director has left the organization to lead the district’s revitalization program. Mileyka Burgos will be working with the South Florida Community Development Coalition and will also lead the Equitable Neighborhood Development effort. With the enthusiasm of dedicated staff and a commitment to creating a wider stakeholder group, Allapattah has the motivation and talent for launching a Main Street program. If local leaders are able to cultivate broader support, a Main Street program could be housed at ACE of the South Florida CDC.

Current efforts only allow for a part-time manager. Decades of experience show that a commercial district program, especially in an urban area, needs a full-time director in order to succeed. A commercial district revitalization program in Allapattah will need financial support from the City of Miami in addition to other resources in order to succeed.

Merchants and stakeholders are also divided on the future of the commercial district. Rising rents and an increase in businesses closures is disheartening to many long-time businesses. While some businesses want to fight, others want to throw in the towel. Current enthusiasm will be ameliorated without agreement on a path forward.

Specific recommendations for Allapattah include:

1. *Hire a full-time manager.* Currently, a sub-grant is providing support for a part-time commercial district manager. Plus additional funding from NALCAB’s Equitable Neighborhood Development program will also support the manager’s position. Although this isn’t enough for a full-time manager, it’s a good start.
2. *Create a new organization.* Although ACE has a good track record, it is not representative of every stakeholder in the neighborhood. A successful commercial revitalization organization has a variety of stakeholders including property owners, business owners, and anchor institutions such as the University of Miami Medical Campus within Allapattah. ACE should continue to lead an important role within the new organization.

3. *Develop a resource development plan.* Not only will additional funding be necessary for a full-time manager but program funds will also be necessary for events and activities. The City of Miami Department of Housing and Community Development is willing to entertain a proposal but more work needs to be done. A resource development plan should be developed to cover the first five years of funding.
4. *Prepare an annual action plan.* Running a commercial district revitalization can be a daunting task with competing interests and projects. Bring stakeholders together to develop a 12-month action plan with specific goals and outcomes. Selected tasks should be doable within a 3, 6, 9, and 12-month horizon. A timeline for longer term goals should be discussed but the emphasis should be on short-term wins that demonstrate progress. An initial action plan was developed with Milyeka Burgos in November 2018.
5. *Connect with Community Benefits Agreements (CBA) expert.* Currently, a new development proposal has been unveiled to redevelop the Miami Produce Market with little concern on how this proposal will benefit the existing commercial corridor. A CBA expert should be employed to work with ACE and local organizations to negotiate development terms and outcomes that will benefit the neighborhood.
6. *Develop a training plan.* NALCAB will work with the new commercial district manager to develop a training plan to connect the new manager with peers in similar urban commercial districts around the country, support travel to NALCAB National Training and conferences, and recommend specific training from the National Main Street Center and the International Downtown Association.

Little Havana

Before Little Havana was Little Havana, it was a largely Jewish neighborhood. In the 1960's, suburban flight provided affordable housing opportunities to large number of Cuban exiles settling in Miami. In the decades since, many of the neighborhood's Cuban immigrants and their descendants have assimilated and moved to the Miami suburbs. In recent years, the neighborhood has become more diverse, with new Spanish-speaking populations including Puerto Rican, Colombian, and Dominican residents. Nevertheless, Little Havana still has a special place in the heart of Cuban Americans. As one example of the continuity of its heritage, Little Havana continues to host the Calle Ocho Festival, one of the largest neighborhood festivals in Miami.

In the 1990s and early 2000s, Little Havana – and particularly 8th Street, or Calle Ocho – went through an economic decline and the district developed a reputation as being unsafe. Today, Little Havana has reinvigorated its Cuban heritage, a quality that is visible throughout the district and attracts a new influx of tourists. Food, music, cigar making, and art provide an immersive experience. Tour buses can be seen throughout the day dropping visitors from cruise ships and conventions. Little Havana, once a place avoided by tourists, is now the second most visited neighborhood in Miami-Dade County.

The leadership behind Little Havana's revitalization has been decentralized in that there is no single revitalization organization coordinating the work or articulating a strategy. Although there are currently comprehensive strategies and plans under development, they have yet to be released to the public. Long-time organizations that once played major roles in the neighborhood such as CAMACOL, Kiwanis and the Little Havana CDC seem to work quietly in the background. New and emerging organizations and stakeholders seems to clash as they work through generational, cultural, and differing local agendas.

Some stakeholders commented that Calle Ocho does not need any assistance, but the reality is that revitalization is limited to a five-block area. The area just outside the five-block area could benefit by a more organized effort that includes marketing, business recruitment, business assistance, and small business loans. Calle Ocho has been successful in bringing locals and tourists back to the district through Viernes Culturales while other commercial districts in Little Havana have not benefited by similar efforts.

Calle Ocho is also unique in that new and old businesses have flourished through visionary property owners between 12th and 17th avenues. In addition, this section contains some long-time anchor attractions including Domino Park, a Cuban art gallery, and the Tower Theater that plays independent and foreign films. Calle Ocho does have the desire to organize a commercial district revitalization program, but merchants and stakeholders have failed to form a Business Improvement District (BID) numerous times.

Some key findings for Little Havana include:

Assets

- A vital, thriving district that attracts local, regional, and international visitors. Calle Ocho is the number two most visited destination in South Florida.
- Architecturally intact and distinct buildings
- Key properties held by long-term investors with a vision for Little Havana
- Business mix that has been recruited and "curated" to offer a fully immersive experience

Opportunities

- Better coordination of strategy
- A longer corridor and a joint strategy beyond the five-block area
- Better provision of clean-and-safe services
- Foot traffic has made Little Havana attractive to national tenants

Barriers and threats

- Lack of shared ownership of a vision and strategy for Little Havana. Stakeholders need to reconcile that different visions can co-exist – Cuban food and the cuisine of other Latin-American nations, businesses that cater to an older generation while others serve millennials, businesses that cater to locals and tourists, etc.

- Long-time successful businesses are currently undergoing a generational change. Some are closing all-together while others struggle to survive.
- Difficult to overcome opposition to a BID
- Rising land values and development pressure throughout Miami could cause displacement of businesses and residents
- Incursion of more national tenants into Little Havana could threaten its distinctiveness

Recommendations

Like many neighborhood business districts, Little Havana is not managed by any one entity. Private investment by the Barlington Group has put the firm in a de facto leadership position, while the dissolution of the Merchants' Alliance and Little Havana Chamber of Commerce means there is currently no formal forum for merchants and owners. The defeat of the Business Improvement District effort has precluded a structural funding mechanism, at least for now. However, the community should build on the successful efforts of *Viernes Culturales* (Cultural Fridays).

Little Havana can still form a commercial district management entity that is supported through voluntary contributions. At a future date, commercial property owners may be more amenable to establishing a BID to fund it. When the Merchants' Alliance existed, the organization benefited from an experienced Main Street manager who had worked in commercial district management in Washington, DC. Not only could the merchants not agree on a vision but they had a difficult time funding the organization on their own.

Currently, the community at large continues to debate what is the actual identity of Little Havana. While much progress has been made through large, community-led planning efforts, it's still too early to tell whether the latest planning efforts are accepted by most stakeholders. As it specifically relates to Calle Ocho, younger families want more diverse offerings as far as types of businesses and restaurants, other are concerned that Little Havana is losing its Cuban identity. Older businesses are disappearing due to increasing rents but also because a generational change is taking place as long-term business owners are retiring. The community needs to have a full and open conversation on the future vision of the commercial district that accommodates both the district's past while at the same time embracing the future in an authentic way.

Here are some specific recommendations for Little Havana:

1. *Raise private funds to hire a manager.* A number of local property owners were ready to fund a BID. Capitalize on existing good will and the visionary leadership of the Barlington Group to simply hire a manager. Previous failed attempts to form a BID should not stop the community from moving forward.
2. *Create a new organization.* None of the existing organizations that we surveyed have the capacity or the trust to undertake a commercial district program. A new organization should reach out beyond retailers to include strong partners such as Miami College, Continental Bank, the Health Foundation South Florida, the City of Miami and others that represent the

diversity of the Little Havana community. These stakeholders should seek to expand Calle Ocho beyond the currently successful five-block area.

3. *Start with small activities that build community.* The Urban Impact Lab has a track record of building community such as its street play initiative to close streets for neighborhood kids. Similar tactical urbanism methods should be used to build community along the retail corridor beyond the five-block area on 8th Street between 17th and 12th avenues.
4. *Hire a small business navigator.* Work with the City of Miami to hire a small business navigator at the same time. Little Havana has several commercial districts that require immediate attention yet these additional districts are not ready to undertake a commercial district revitalization program. The navigator could serve as liaison to existing training, technical assistance, and loans increasing the efficiency of existing service organizations.
5. *Work with the Health Foundation.* The Health Foundation of South Florida (HFSF) already has a well-funded, ongoing initiative – Live Health, Little Havana – that has made inroads with a diversity of stakeholders. HFSF is interested in understanding how the social determinants of health have an impact on the community including small business. HFSF would be a willing partner and possibly a funder if the commercial district program can dovetail with existing efforts.
6. *Reach out to the Exile Generation.* Some older Cuban-Americans who are long-time residents, business owners, or active in historic Cuban exile organizations are skeptical of the rapid changes along Calle Ocho and are concerned about the loss of the commercial district's authenticity. Yet staying the same will only guarantee that rapid change will come to parts of the district that remain stagnant. The new organization should ensure that older groups are represented on the board and should plan events that respect the corridor's Cuban past. Although outreach has remained elusive and difficult, new efforts will flounder if this group is not included.
7. *Create an inventory of small businesses.* Creating an inventory has already been listed as a need to better understand small businesses by tenure and type. The University of Miami's MAP program is interested in exploring commercial property in its next development phase. Fortunately, the SFCDC has been awarded an Equitable Neighborhood Development grant targeting the Allapattah neighborhood. Lessons learned from the Allapattah survey can be shared and implemented by allowing the community groups in Little Havana.

Road Map & Next Steps

Based on our assessment and our most recent conversations with current stakeholders, partners, and funders, we have identified the most urgent technical assistance needs to implement and execute the proposed strategy. NALCAB is already working with local partners on the next phase of its work. The following is a list of current and proposed technical assistance in the 4th quarter of 2018 and 2019:

1. *Action Plan Session.* NALCAB worked with community activist, Mileyka Burgos to prepare a realistic action plan with monthly deliverables that include: forming a new

organization, board development, community building, and resource development that complements existing deliverables that Ms. Burgos is implementing for the JP Morgan Chase Equitable Neighborhood Development grant in cooperation with the South Florida Community Development Coalition. *Completed November 2018.*

2. *Community Benefits Agreement Technical Assistance.* Local neighborhood activists, partners, and stakeholder continuously raised the need for assisting communities in developing community outreach and organizing strategies, better understanding local zoning and planning regulations and processes, and learning about best practices from around the country on how to develop, execute, and enforce community benefits agreements (CBA). Stakeholders identified CBAs as a high priority need not only for Allapattah and Little Havana but for several Miami neighborhoods. NALCAB is working with local partners and has hired national experts to provide technical assistance and training to the community. *Begun November 2018.*
3. *Equitable Neighborhood Development Award.* In September 2018, NALCAB made an Equitable Neighborhood Development grant award through JP Morgan Chase to the South Florida Community Development Coalition (SFCDC) to develop a realistic and actionable equitable neighborhood development plan for Allapattah. NALCAB is assisting local activists to develop a business survey, collect and analyze data, and map neighborhood change that will empower the community. NALCAB will bring knowledge and experience from a wide variety of national experts and peers from other communities such as San Francisco's Mission Economic Development Agency (MEDA) and former Los Angeles Deputy Mayor and HUD senior official Mercedes Marquez. *September 2018-February 2020.*
4. *2018 Capacity Building Award.* NALCAB will invest \$25,000 to build a neighborhood-based organization focused exclusively on commercial revitalization efforts in Allapattah. NALCAB is currently reviewing potential partners who serve as a fiscal agent but also provide organizational development expertise to establish a new organization focused on the commercial revitalization of Allapattah. Initially, NALCAB intended to support the Agency for Community Empowerment (ACE) through the SFCDC. Over the summer, ACE's board changed its mission toward voter registration and immigrant rights and away from small business development. The SFCDC also encouraged NALCAB to explore other options as they are currently searching for a new Executive Director. Because of these changes, NALCAB is exploring partnerships with strong local partners who would incubate the creation of a new organization in consultation with Mileyka Burgos. The community is currently in the process of incorporating the Allapattah Collaborative with a mission for anti-displacement strategies for small businesses and commercial district revitalization. *November 2018 – January 2019.*
5. *Commercial Revitalization Technical Assistance.* Both Allapattah and Little Havana need assistance in re-orienting their existing efforts towards a comprehensive commercial revitalization strategy. This means strengthening existing efforts - such as promotional events like Little Havana's Viernes Culturales and small business assistance – and providing new technical assistance in new areas - such as conducting a market survey to

reposition and attract new businesses and bringing new stakeholders to create an effective board oriented around commercial revitalization efforts. NALCAB is in discussions with the National Main Street Center, the CLUE Group, a consulting firm with over 30 years of national and international experience, and Larisa Ortiz and Associates, a firm that has worked in diverse urban neighborhoods. Most recently, the firm created a toolkit and provided consulting services to several neighborhoods in New York City. *December 2018 – January 2019.*

6. *Commercial Revitalization Training.* The National Main Street Center (NMSC) and the International Downtown Association (IDA) are the premiere providers of training for downtown and neighborhood-based commercial revitalization managers. Both NMSC and IDA hold their national conference in the spring and fall of each year, respectively. NMSC's next conference will be in May 2019 in Seattle, Washington and will gather downtown managers from rural and urban neighborhoods. IDA brings business improvement district managers from the U.S. and Canada mostly from larger downtown and urban neighborhoods. NALCAB proposes to seek funding so that at least one local leader from each neighborhood can attend each conference. *May & October 2019.*
7. *Organization Development.* Each neighborhood has struggled with bringing the right stakeholders to the table who will support commercial revitalization efforts. At the same time, each neighborhood will require a new organization to support this effort as existing efforts have failed or have proved insufficient. Allapattah is creating a new organization by building on its efforts to create a steering committee for the Equitable Neighborhood Development grant. Little Havana has a defunct merchant's association but brings together many stakeholders through Viernes Culturales, an arts-based monthly event that brings hundreds of locals and tourists to visit Calle Ocho. Little Havana also has property owners who are willing to commit funds toward a commercial district revitalization effort. Each organization could use advice on start-up efforts to create and manage a non-profit, develop realistic goals and timelines, resource development, board recruitment and development, and establishing financial controls. NALCAB will provide technical assistance for organization development but also seeks local partners to help in this effort such as the South Florida Community Development Coalition, Miami Foundation, Radical Partners, and Legal Services of Miami. *Ongoing.*
8. *Tactical Urbanism.* Both Little Havana and Allapattah need small wins. While there are hopeful signs for each neighborhood, the community is also disjointed. Both neighborhoods would benefit from efforts to build community through events that have tangible results. Tactical urbanism is defined by Street Plans Collaborative, noted urbanists who pioneered this approach, as a city, organizational, and/or citizen-led approach to neighborhood building using short-term, low-cost, and scalable interventions to catalyze long-term change. For example, the Urban Impact Lab worked with neighborhood groups and the City of Miami to close a busy street to create a temporary play area. Little Havana has little park space or green areas. Previously, city regulations made the temporary closure of streets practically impossible. The community came together with the Miami police department and city staff for the temporary closure of a street that allowed dozens of children to play games on the street. Efforts like this raise

the confidence of neighborhood groups by demonstrating that local citizens can get something done. NALCAB proposes to work with the Urban Impact Lab to develop two events for each neighborhood. *Winter 2019-2020.*

9. *Start-up Funding.* While Citi, NALCAB, and other funders are bringing resources to the table, successful commercial revitalization efforts are a public-private partnership. Both Allapattah and Little Havana qualify as a Neighborhood Revitalization Strategy Area (NRSA) under the Community Development Block Grant program. The City of Miami Housing and Community Development department is already considering new strategies and has supported NALCAB's efforts in each neighborhood since we started our efforts in August 2017. CDBG funding would be crucial in helping each neighborhood stabilize and grow its efforts by partially supporting the salary of an executive director, operational support, program funding and small business development and training. This would include the small business navigator for each neighborhood. NALCAB will work with its partners, especially the SFCFC, to seek funding from the City of Miami. *Fall 2019.*

Appendix A

Main Street Program Model

A Main Street program is an entity that continually manages all aspects of a commercial district's economy and environment. For it to work, each neighborhood will need to either establish an independent organization or create a program within an existing host organization. Funding for the programs will present a particular barrier and will require a blend from businesses, property owners, the City, and others. (A business improvement district, or BID, which has been explored in Little Havana, should be viewed as a funding tool, rather than a revitalization model or framework.)

Florida Main Street, in the Florida Department of State's Division of Historical Resources, has a contractual relationship with the National Main Street Center to designate and work with Florida Main Street communities. Allapattah and Little Havana do not necessarily need to apply to Florida Main Street to become officially designated programs; they can adopt the Main Street model independently. However, the use of the "Main Street" name is restricted to designated Florida Main Street communities.

There has long been a question of whether to create a new Main Street organization or fit a program into an existing entity. The answer depends on local organizational context, alliances, and capacity.

Consider some of the pros and cons for the two options:

New	Existing
No baggage	Baggage/history
Opportunity to build a new forum	Existing alliances and factions
Start-up cost	Existing funding partners and resources
Opportunity to establish mission from scratch	Potential conflicts with existing mission and priorities
No track record	Track record

Little Havana and Allapattah are at different points in their revitalization and development, but both could benefit from better management of their commercial districts. The Main Street model is one option and we recommend pursuing it to determine financial feasibility and community support. While many commercial districts pursue improvements without adopting the Main Street model specifically, it has always seemed to us to be the most practical, comprehensive, and commonsense approach.

The Main Street America is a volunteer-led, place-based management strategy and network of over 1,600 communities of all sizes from rural to urban areas. As preservation-based economic development, Main Street programs are driven by a locally-adopted, market-based strategy.

According to Main Street America, Main Street organizations are typically established as independent nonprofits with a board of directors comprised of business owners, commercial property owners, residents, and civic leaders. They work across a broad range of activities that include:

- Design: improvements to the physical environment (e.g., streetscapes, facades)
- Promotion and marketing (e.g., events, social media, image-building)
- Economic Vitality (e.g., business assistance, new business development, economic strategy)
- Organizational activities (e.g., human and financial resources).

Main Street organizations can also be housed within another entity, such as a community development corporation (CDC), a chamber of commerce, or (for small towns) in a city office. They are typically funded by a blend of resources, including voluntary support from the business community and resident memberships or contributions, as well as proceeds from events and other fundraisers. Many urban programs also receive financial support from the city hall; some programs establish BID and/or TIF districts to support their work. If local leaders choose to establish a Main Street program, its organizational format (e.g., stand-alone nonprofit or a program within an existing entity) is a critical consideration.

Convene a small working group of local leaders, including business owners, commercial property owners, and residents. Consider the following questions:

- What does Little Havana or Allapattah want to be?
- What kinds of changes need to happen to move toward that vision?
- What are the district boundaries?
- Is there a missing organizational element to support Little Havana's or Allapattah's management? Would a "Main Street" program be the right tool to advance the effort?

Attributes of a Main Street Director

If Little Havana and/or Allapattah establish a Main Street program, they will each need a manager or director who is focused on the commercial street (Calle Ocho or NW 17th Avenue). The position requires a wide range of skills, including program administration, marketing, fundraising, small-business assistance, project management, and others. Because the skill set is so broad, Main Street directors come from many backgrounds. In general, they possess:

- Great communication skills
- Ability to build relationships across alliances and stakeholder groups

- Visionary thinking about what the district could be
- Strategic management and the ability to break down a vision into achievable projects
- Enthusiasm for the work and the ability to motivate others

Example: Boston Main Streets

Boston Main Streets, established in 1995, was the first citywide, urban Main Street program and it is still the largest, operating in 19 of the city's neighborhood commercial districts. Most of the neighborhood programs are organized as independent nonprofits, each with its own board and full-time Main Street director.

The City of Boston, through its Office of Economic Development, provides training and technical resources. It also funds approximately 50% of the salary of the local directors. (The local programs raise additional funds through a blend of activities, such as events, fundraisers, membership, sponsorships, and grants.)

Among the Boston Main Streets districts are several neighborhoods that are closely identified with one or more immigrant groups, and these may be worth a visit by Little Havana and/or Allapattah leaders. These include districts that face gentrification and displacement concerns for businesses and residents, including:

- Fields Corner, which is Boston's largest Vietnamese neighborhood;
- Dudley Square, a historically African American neighborhood;
- East Boston, home to Dominican, Colombian, and other Latino residents;
- Egleston Square, also home to Dominican and other Latino residents.

Appendix B

Models & Partners

The following are existing models and potential partnerships that have successfully been tested in other parts of the country.

Latino Economic Development Center's Small Business Navigators

The Latino Economic Development Center (LEDC) has employed an outreach coordinator to allay the negative effects of small business displacement in the Wheaton Triangle in Montgomery County, Maryland and rapid gentrification along the Georgia Avenue Corridor in Washington, DC. The outreach coordinator connects small businesses with existing service providers as well as provides direct service in each corridor including training, technical assistance, and loan opportunities. The outreach coordinator is part of any overall package of assistance as a result of a small business advocacy campaign led by LEDC and its partners. More information about the campaign can be found [here](#).

Anchor Institutions

Health Foundation of South Florida, Citi Foundation and the Federal Reserve Bank of Atlanta are exploring opportunities for place-based institutions to utilize their procurement systems, employment pipelines and community investments/community benefit activities to improve economic inclusion in South Florida and support their own institutional goals and priorities. More information is available at the Health Foundation's [website](#).

Equitable Neighborhood Development

With support from Citi Community Development, NALCAB studied neighborhood commercial districts in Los Angeles and Queens and published a working paper that analyzes the dynamics of "commercial gentrification." Our learnings led to the development of the Equitable Neighborhood Development (END) Toolkit which was piloted in Philadelphia, Los Angeles, and San Antonio. The success of the pilot led to an additional investment by JP Morgan Chase (JPMC) to apply the END tool in ten communities to measure gentrification and displacement that will inform action plans to address local conditions.

The Guide includes the following:

- Principles for equitable neighborhood development
- Guidance on effectively engaging with local policymakers
- Analytical tools and methods for anticipating neighborhood change
- Strategies for adapting data analyses into local policy

The link to the guide can found [here](#).

Appendix C

List of Site Visits, Team Members and Partner Engagement

Site Visits:

August 14-15, 2017
November 20-22, 2017
April 3-5, 2018
July 10-13, 2018
August 7-9, 2018
August 14-15, 2018

NALCAB Team

Paul DeManche
Andrea Guerrero
Levar Martin
Manuel Ochoa
George Sanchez
Josh Bloom, CLUE Group
Ronni Wood, Florida Main Street Coordinator

Summary of Site Visits

In mid-August 2017, the NALCAB team reached out to Citi Community Development in Miami for an introductory meeting to review the proposed engagement and meet with potential stakeholders including SFCDC, the City of Miami, and key players with contacts in the community and economic development field in South Florida. Interviews included Ines Hernandez of Citi Community Development, Ana Castilla of TD Bank, Shekeria Brown of the SFCDC, and George Mensah of the City of Miami.

During the fall, the team made contact with key players for a convening of community lending, small business, housing, and economic development experts and leaders. The convening provided a forum to learn and share organizations' goals, barriers and challenges, existing strategies and initiatives, and potential opportunities. Originally, the convening was to coincide with our national conference scheduled for October 2017. However, due to Hurricane Maria, the convening was rescheduled to November 21-22, 2017 in Miami hosted by the SFCDC.

During the November convening, stakeholders shared a number of factors that are limiting the impact in a particular city or neighborhood. Factors include the enormity of their service areas, sometimes county-wide or regional; resource constraints that limit scaling existing services or providing more intense services on a neighborhood level; lack of lending capital; and local policies that support small business development. While stakeholders differed on barriers and challenges, all of them agreed that several neighborhoods in the City of Miami were experiencing enormous development pressure that is negatively affecting historic commercial districts and causing the displacement of existing businesses particularly Allapattah – a decades old Dominican neighborhood, Little Havana – the heart of the Cuban-exile community, and Little Haiti – home to the Haitian émigré community. Stakeholders requested further research on

existing barriers and constraints, data and mapping analysis, and information on NALCAB's Equitable Neighborhood Development initiative. Stakeholders also agreed to consider a neighborhood-focused, place-based approach.

During the subsequent months, Citi Community Development agreed to explore a place-based approach by piloting new strategies centered on the Allapattah and Little Havana neighborhood – two predominantly Latino neighborhoods that are experiencing significant gentrification and displacement of low-income people. During winter of 2017-2018, NALCAB analyzed available data and created maps of the two neighborhoods as it completed and published the Guide to Equitable Neighborhood Development. The NALCAB team also followed-up with phone interviews with various stakeholders and key partners including the Health Foundation of South Florida, Agency for Community Empowerment, and Prospera. The NALCAB team returned to conduct a site visit of the two neighborhoods, meet with neighborhood stakeholders, and present its findings along with the Equitable Neighborhood Development framework on April 3-5, 2018.

The stakeholder group was supportive of a place-based approach and guided the NALCAB team to engage the small business community. This led to a commercial district assessment in July 2018 with national and state experts to develop a place-based service strategy to effectively support diverse small business owners. The assessment team conducted dozens of interviews in the Allapattah and Little Havana neighborhoods that included artists, bankers, local historians, property owners, educational institutions, public health experts, entrepreneurs, and long-time business owners.

Subsequent visits during the month of August 2018 provided additional feedback on NALCAB's preliminary findings and recommendations as well as the opportunity to explore potential partnerships and additional resources for the proposed strategy. Over the next several months, NALCAB will share the findings and recommendations of this working paper with the stakeholder group to identify potential funding opportunities, solidify partnerships, and provide additional technical assistance and resources to implement the proposed strategy.

List of interviews:

Irvans Augustine, Founding Partner, Urban Impact Lab
Josie Bacallao, President & CEO, Hispanic Unity of Florida
Mandy Bartle, Executive Director, South Florida Community Land Trust
Shekeria Brown, Executive Director, South Florida Community Development Coalition
Leigh-Ann Buchanan, Venture Cafe
Mileyka Burgos, Co-Founder, Agency for Community Empowerment
Ana Castilla, Senior Vice President Community Development, TD Bank
Sherri Colas-Gervais, Beacon Council
Lindsay Corrales, Program Officer, Health Foundation of South Florida
Maria Coto, Executive Director, Partners for Self-Employment
Charles Dabney, Miami Market Manager, South Florida Community Land Trust
Jorge de la Paz, Office of Community Engagement, University of Miami
Patricia de la Rosa, Owner, Azucar
Guillermo Diaz-Rousselot, President & CEO, Continental Bank

Fabiana Estrada, Loans Director, Accion East
William O. Fuller, Co-Managing Partner, Barlington Group
Paul George, Historian & Co-Founder, Miami History Channel
Kim Henderson, Executive Director, NHS of South Florida
Ines Hernandez, Senior Vice President, Citi Community Development
Eric Isaac, Assistant Vice-President, Prospera
Annie Lord, Executive Director, Miami Homes for All
Meaghan McLaughlin, Planning Leader, PlusUrbia
Giovanna Medina, Project Manager, McKenzie Craft
George Mensah, Director, Dept. of Housing and Economic Development, City of Miami
Juan Mullerat, Founding Principal, PlusUrbia
Kathleen Murphy, Executive Director, Miami Bayside Foundation
Edward Murray, Metropolitan Center, Florida International University
Valeria Perez, Vice President & Program Manager, Citi Community Development
Martin Pinilla, Co-Managing Partner, Barlington Group
Felipe Pinzon, Senior Vice President of Strategy & Programs, Hispanic Unity of Florida
Benji Power, Engaged Citizen
Michael Roman, Community Partnerships Manager, Office of Grant Administration
Christine Rupp, Executive Director, Dade Heritage Trust
Janisse Schoepp, Vice President of Operations & Strategy, Health Foundation of South Florida
Michael Sellinger, Loans Programs Director, Miami Bayside Foundation
Arden Shank, Former Executive Director, NHS of South Florida
Myrna Sonora, Regional Vice President, Prospera
Jacqueline Sousa, Regional Director, Florida Small Business Development Center at FIU
Marta Vicedo, Founding Partner, Urban Impact Lab
Brooke Wallis, Relationship Management, Cambridge Innovation Center

Participating Organizations

Acción East

Serving the East Coast empowers small business owners through access to capital and education. They offer affordable business loans, complemented by in-depth guidance, coaching and an entire support system of peers, mentors and resources.

Barlington Group

Barlington Group was founded by Bill Fuller and Martin Pinilla II, in Miami Florida in June 2004, as an urban development company committed to revitalizing neighborhoods within Miami's the urban core. Since inception, Barlington Group has acquired, developed, and managed commercial projects with a value exceeding \$50 million. Projects have focused on asset repositioning, ranging from multi-family, retail, office, and mixed-use buildings. The company currently operates 100 plus multi-family units and more than 400,000 sqft of retail and office space in 13 retail and mixed-use centers. The company is also invested in retail, entertainment, and hospitality ventures. The core mission of the company is to have fun creating unique places to live, work, and play.

Dade Heritage Trust

Founded in 1972, Dade Heritage Trust is Miami-Dade County's largest preservation organization. Dade Heritage Trust's mission is to preserve Miami-Dade County's architectural, environmental, and cultural heritage through preservation, education and advocacy efforts.

Florida Main Street

Florida Main Street is a technical assistance program with the goal of revitalizing historic downtowns and encouraging economic development within the context of historic preservation. Since 1985, Florida Main Street has offered technical assistance to Main Street programs across the state. The program is a part of a network of over 40 nationally recognized programs throughout the country. Florida Main Street is administered by Division of Historical Resources under the Florida Department of State. The program is affiliated with the National Main Street Center and utilizes the National Main Street Center's Four-Point Approach® which offers a framework for community-based revitalization initiatives.

Florida International University (FIU) Small Business Development Center (SBDC)

The Florida SBDC at Florida International University (Florida SBDC at FIU) serves aspiring and existing small businesses in Miami-Dade and Monroe counties with no-cost consulting, low-cost training, and access to business data and research resources. In addition to its core service offering, the Florida SBDC at FIU also offers specialized services to qualifying companies, including capital access, market growth, government contracting, international trade, business continuation, cybersecurity, and disaster planning and recovery.

Health Foundation of South Florida

Health Foundation of South Florida exists for charitable, scientific and educational purposes to advance the health and well-being of the people of Broward, Miami-Dade and Monroe Counties. The Foundation's grant making approach facilitates and supports efforts at the neighborhood, county and regional levels to improve the health status of underserved individuals and families.

Hispanic Unity of South Florida

Founded in 1982 as a haven for immigrants and refugees, HUF has grown to serve diverse and multi-cultural working families from the United States as well as more than 25 other countries. We provide a range of wrap-around services to help more than 17,000 clients of all ages, from preschoolers to adults, successfully transition to a productive new life. HUF offers 12 programs and services in five languages - English, Spanish, Haitian Creole and Sign Language.

Miami Bayside Foundation

MBF was created in 1986 as a means to revitalize and serve the City of Miami's downtown economic core. MBF currently advances economic development throughout the City of Miami through the support of minority businesses and education. MBF approach to economic development is the creation and administration of loan programs for minority businesses, the creation of programs and educational scholarships for minorities, and providing technical assistance to minority-owned businesses.

Miami Homes for All

Miami Homes for All's (MHFA) mission is to promote community collaboration to prevent and end homelessness in South Florida. LMHFA's goals are to effectively advocate for the rights of the homeless, develop and support prevention initiatives on local, state and federal levels that will lead to the elimination of homelessness, coordinate available resources in Miami-Dade County and beyond to maximize utilization and efficiency in assisting the homeless population in accessing resources. Miami Homes For All (MHFA) employs various guiding principles to both prevent and end homelessness in South Florida. These principles are focused around our mission and are employed with dedication to respect, compassion, collaboration, and effectiveness. MHFA's goal is to implement all of these principles into every aspect of our organization

NHS of South Florida

Established in 1978, NHSSF is a 501(c)(3) chartered member of the NeighborWorks® network - a nationwide network of 245 trained and certified community development organizations at work in more than 4,400 communities across America. NHSSF provides a full spectrum of homeownership services in English, Creole, Spanish, and French to assist potential homebuyers in reaching their homeownership goals. Services are provided in four languages (English, Creole, Spanish, French) and include: homebuyer education, financial capability, homeownership counseling, lending, financial capability, housing development, and community outreach.

Partners for Self-Employment

Partners for Self-Employment promotes financial well-being of low to moderate income individuals and families in South Florida via financial literacy training and providing opportunities to borrow and save. Partners for Self-Employment strives to be a cost-effective provider of financial and training services to its constituents and as a prudent and responsible steward of the funds.

PlusUrbia

PlusUrbia Design is a South Florida based design firm with more than 15 years of professional success in architectural design, planning, urban design, zoning, code creation, development and project management. The practice is rooted in collaboration that designs contextual cities, towns and neighborhoods that create lasting value. PlusUrbia's diverse team creates inspired design, collaborative approaches and innovative solutions to shape vibrant, efficient, adaptable and sustainable places of lasting cultural identity. The firm has worked in China, the Middle East, North, South and Central America. PlusUrbia's international experience and global portfolio of completed projects is unmatched by any firm of its size. The studio's work on the Wynwood Neighborhood Revitalization District earned the American Planning Association's 2015 America's Great Places Award. PlusUrbia was honored by the Congress for New Urbanism as a member of the team that created the Best City Plan of 2014. Firm founder Juan Mullerat, Assoc. AIA, APA, NCI, CNU, was awarded the 2013 Urban Designer of the Year by the Miami Chapter of The American Institute of Architects.

Prospera, South Florida

Prospera (formerly the Hispanic Business Initiative Fund of Florida or HBIF) is an economic development, nonprofit organization specialized in providing bilingual assistance to Hispanic entrepreneurs trying to establish or expand their business. Prospera empowers Hispanic entrepreneurs through training, support and resources so their businesses can grow and prosper. Prospera is able to serve entrepreneurs and the community, and without charging for its services, thanks to investments in its mission by generous corporations, individuals and government agencies.

South Florida Community Development Coalition

South Florida Community Development Coalition (SFCDC) is a nonprofit membership organization dedicated to building communities and developing assets in Miami-Dade County. We achieve these goals through expanding the capacity of community development practitioners to develop affordable housing and economic opportunities through capacity building and training; policy research and advocacy, and partnerships. SFCDC facilitates the opportunity for comprehensive community development in South Florida by providing benefits to its members including funding alerts, technical assistance, training scholarships, increased visibility in the community, opportunities to promote events, job openings and more.

Urban Impact Lab

A Miami-based civic innovation firm, Urban Impact Lab works collaboratively with private and public partners to develop people-focused urban innovations and experiences that make cities more enjoyable, communities stronger, and people happier.