

SUBCOMMITTEE REPORT

(Please use one report for each subcommittee recommendation)

Subcommittee Name	Nonprofit Relationships
Subcommittee Chairperson(s)	Christina Gabriel
Title of recommendation	Rec #1: Establish Nonprofit Coordinator
Describe the recommendation	Create a position reporting to Mayor Peduto to facilitate interactions with nonprofits of all sizes. A task this large would need someone who is not only well versed in non profit relationships in Pittsburgh, but also well matched to the task of working with large and small nonprofits. It is possible that philanthropic foundations would be willing to support part of this person's position, given their ability to enable this conversation. This position may or may not be permanent, but this individual would need to put a new and more productive nonprofit engagement process into place for the long term.
Is this an immediate or long term recommendation?	Both; to establish a new process and to maintain effectiveness over the longer term
How will this address our challenges or reach our goals?	<ul style="list-style-type: none"> • Leads process within Administration to define responsibilities of and policy outcomes vis a vis nonprofit organizations • Engages nonprofits and key community stakeholders in an open conversation to achieve shared goals • Solicits bottom-up leadership and agenda setting • Addresses nonprofit organizations' responsibilities to City and its residents • Addresses City responsiveness to full range of issues for which nonprofits take responsibility • Enables conversation, builds relationships and encourages collaboration
What are the obstacles to implementation?	<ul style="list-style-type: none"> • Resource constraints may limit participation by many nonprofits, making fair representation difficult to achieve • Attracting sufficient attention to address this during the very busy early Peduto Administration • Nonprofit politics • Maintaining effective nonprofit/City communication and

	working relationship over the long term
Who needs to be involved?	<ul style="list-style-type: none"> • Foundations • Government • Nonprofit Advisory Council (see committee's Rec #2) • City Executive Staff • Unions • Community organizations
What city resources need to be invested?	<ul style="list-style-type: none"> • Funding/Space • Staff time to meet with Coordinator and Nonprofit Advisory Council • Re-investment of tax income into Social Impact Bonds (see committee's Rec #4)
What will be different if the recommendation is adopted?	<ul style="list-style-type: none"> • Nonprofit buy-in with City • Better City use of nonprofit resources and vice versa • Along with this committee's other recommendations, we will see stronger communities and neighborhoods. Nonprofits behave responsibly and contribute fairly, and City supports nonprofits in carrying out their mission.
Describe any background materials that you consulted	<ul style="list-style-type: none"> • National Council of Nonprofits • Living Cities Resources • New York city nonprofit coordinating committee • Loveland, CO
Have other cities implemented this recommendation?	
Are there any other considerations?	Potentially a survey of nonprofits and key community stakeholders to measure effectiveness at the start of Mayor Peduto's term, then one a year later. Can measure progress and outcomes.

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Subcommittee Name	Nonprofit Relationships
Subcommittee Chairperson(s)	Christina Gabriel
Title of recommendation	Rec #2: Establish Mayor's Nonprofit Advisory Council
Describe the recommendation	<p>Now is the best time for the Mayor's office to foster a new, improved relationship with city's diverse nonprofit community. The nonprofit community's resources, services and commitment to city residents and their communities should be coordinated to support the new Mayor's agenda of strengthening and rebuilding neighborhoods, along with other areas for which nonprofits take responsibility.</p> <p>A new Nonprofit Advisory Council would convene leaders from the Pittsburgh Council on Higher Education, Greater Pittsburgh Nonprofit Partnership, leading medical and religious institutions, Greater Pittsburgh Arts Council and other existing groups to ensure good representation from nonprofits of all sizes and in all mission sectors.</p> <p>Mayor Peduto could use this group to provide ongoing input from the nonprofit community for the work of the new "Nonprofit Coordinator" (see this committee's Rec #1) and the larger policy conversation about issues that affect nonprofits and the City. The Council would also strengthen the collaborative working relationship among the diverse network of nonprofits.</p> <p>Contributions in Support of Community: The Advisory Council and the Nonprofit Coordinator would provide a forum for the City to engage with Nonprofits around the contributions and community benefits expected from Nonprofits. As its first task in collaboration with the Nonprofit Coordinator, the Mayor's Nonprofit Advisory Council would review existing guidelines and support from the previously established Pittsburgh Public Service Fund and Nonprofit Sector Support Task Force, as well as institutions' current community benefits. The Advisory Council would then make recommendations from the nonprofit community as the mayor works to replace these earlier structures</p>

	<p>with a new, transparent system. The shared goal of this new system would be to enable and ensure that tax-exempt organizations contribute fairly and in alignment with their mission and the vital needs of the City and its neighborhoods.</p> <p>The committee's "Anchor Institutions" recommendation (Rec #3) provides a reasonable framework for this review and restructuring. Considerations should include a recognition of the diversity among nonprofits, for example in staff size, finances, record of corporate citizenship, and alignment of mission with the needs of the City and its communities, neighborhoods and citizens. This will not be a "one size fits all" approach.</p> <p>The Advisory Council would also take responsibility for identifying and informing the design of specific community revitalization projects that would need to be carried out with broad participation and collaboration between the City and its nonprofits.</p>
Is this an immediate or long term recommendation?	Immediate. It's important for this effort to begin at the same time as the new administration.
How will this address our challenges or reach our goals?	This effort would create a sense of urgency to motivate collaborative coordination among nonprofits, foundations and city leadership in addressing the entire range of issues around strengthening neighborhoods and other areas for which nonprofits take responsibility.
What are the obstacles to implementation?	Reluctance of some nonprofits to participate and agree to a transparent process.
Who needs to be involved?	Mayor, Chief of Staff, City executive leadership team, leadership from other entities previously mentioned
What city resources need to be invested?	Time, patience and coordination of effort
What will be different if the recommendation is adopted?	This will provide the City with the coordinated efforts of its significant nonprofit community infrastructure to solve community wide problems. The nonprofit community will have a better, more transparent way to present its value to the community. The City's nonprofits will be contributing fairly and reasonably to support public services and promoting a healthy, just, and vibrant economy for all Pittsburghers.
Describe any background materials that you consulted	City of Boston voluntary payment system, significant prior experience with Pittsburgh Public Service Fund
Have other cities implemented this recommendation?	We are not aware of a specific case like this in another city.
Are there any other considerations?	N/A

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Subcommittee Name	Nonprofit Relationships
Subcommittee Chairperson(s)	Christina Gabriel
Title of recommendation	Rec #3: Engage Anchor Institutions To Achieve Shared Goals
Describe the recommendation	<p>Mayor Peduto should engage Pittsburgh's major nonprofits within a framework that considers them as "Anchor Institutions" for our City. This draws upon an active conversation that is taking place nationally now among major "eds & meds" nonprofits, HUD & other federal agencies, the Federal Reserve, philanthropic foundations, Brookings and other policy think tanks, cultural institutions, corporations, unions and metropolitan governments. Pittsburgh's Anchor Institutions would collaborate with City government and other local actors toward our common goals of shared prosperity and sustainable community well being.</p> <p>Definition (from a 2013 report funded by Annie E. Casey Foundation): "Anchor institutions are place-based entities such as universities and hospitals that are tied to their surroundings by mission, invested capital, or relationships to customers, employees, and vendors. These local human and economic relationships link institution well being to that of the community in which it is anchored. Increasingly, anchor institutions across the nation are realizing this interdependence and are expanding their public or nonprofit mission to incorporate what we call an 'anchor mission.' In other words, they are consciously applying their long-term, place-based economic power, in combination with their human and intellectual resources, to better the long-term welfare of the communities in which they reside."</p> <p>And from a 2011 report, "Anchor Institutions and Urban Economic Development," by the Initiative for a Competitive Inner City: "Anchors can create shared value by embracing their interdependencies with their neighborhoods and strategically including community impact in their business strategy. This can produce measurable advantages, such as increased demand for their products and services, more success in hiring and retention and the ability to leverage private development money."</p> <p>New activities the Anchors would take on would in most cases align well with the institutions' core missions. Some could be carried out</p>

	<p>without significant new costs, while others would require investment from all partners. For example, specific economic revitalization projects identified as City priorities, whether in neighborhoods, in business districts or for the City as a whole, might need to be carried out with broad participation and collaboration between the City and its nonprofits, as well as corporate and faith-based organizations. Anchor Institutions could play a valuable role in both leading and supporting such efforts toward shared goals targeted by the Nonprofit Advisory Council (see this committee's Rec #2).</p> <p>Examples of outcomes within an Anchor shared value framework, along with indicators and data sources for measuring them are given in the attached graphic, from a 2013 Annie E. Casey Foundation publication. A few of the other reference sources are provided below.</p>
Is this an immediate or long term recommendation?	Immediate to structure the approach, but implementation will occur over the long term, evolving based on what works.
How will this address our challenges or reach our goals?	Much more focused attention and investment (\$ and in-kind) to develop and implement solutions to longstanding economic and neighborhood challenges.
What are the obstacles to implementation?	Complexity of engaging the players to participate, developing an appropriate strategy for each, and securing commitments to track progress toward shared goals; Possible reluctance based on "Not Invented Here" syndrome since many of these ideas were pioneered in other cities.
Who needs to be involved?	Senior staff, Mayor Peduto; and (as appropriate for the specific initiative) leaders of major "eds & meds" anchors and other large nonprofit institutions, key corporations, financial institutions, the Federal Reserve's Pittsburgh office, unions, CDCs and other neighborhood representative organizations, and philanthropic foundations.
What city resources need to be invested?	Staff time
What will be different if the recommendation is adopted?	<p>Over time, a range of positive outcomes:</p> <ul style="list-style-type: none"> • Stronger local economy as dollars circulate more times here before leaving the region; • Reduction of poverty and racial economic disparities as we ensure that employment in anchor institutions creates good jobs that provide a pathway to the middle class. • Locally owned businesses will capture procurement dollars from anchor institutions, leading to wealth creation and later reinvestment in our local communities by business owners who live there; • Workforce development programs will be guided jointly by anchors and labor and community partners; their graduates will be hired by anchors and local businesses; • The City's largest employment sectors will be characterized by high quality jobs that strengthen the region's middle class now and in the future; • Anchors will invent new and better ways to contribute to the shared goals because they will adopt this ethic as part of carrying out their missions.

<p>Describe any background materials that you consulted</p>	<p>A wealth of information has been archived in several recent reports funded by national foundations, government agencies and the Federal Reserve, including specific case studies and efforts to create a set of tracking metrics. Several Pittsburghers have participated in national workshops and contributed to these reports. Our region's foundations have provided funding for small-scale pilots that are getting underway. See for example:</p> <ul style="list-style-type: none"> • "Building Resiliency: The Role of Anchor Institutions in Sustaining Community Economic Development," U.S. Dept of Housing & Urban Development, February 2013 • "Achieving the Anchor Promise," Democracy Collaborative, U. Maryland for the AE Casey Foundation, August 2013 • "The Anchor Dashboard," Democracy Collaborative, , U. Maryland for the AE Casey Foundation, August 2013 • "Summary of Anchor Institutions Design Lab: Opportunities, Barriers and Strategies for Harnessing Anchors' Economic Impact," A. Burris & T. Novotny, Living Cities, July 2012 • "Harnessing the Full Economic Impact of Anchor Institutions," Framing Paper for Living Cities Design Lab, March 2012 • Presentations from "Redefining Economic Assets: Anchor Institutions as Engines of Economic Growth," workshop hosted by Richmond Federal Reserve, Baltimore Branch (e.g. from U. Maryland BioPark; Initiative for a Competitive Inner City), November 2012 • "Anchors Aweigh: Why Do Anchor Institutions Matter?" P. Chakrabarti, Boston Federal Reserve, Cascade, Fall 2012
<p>Have other cities implemented this recommendation?</p>	<p>Yes, aspects are being implemented in several other cities. A good example is the Cleveland Evergreen Cooperatives; a small, foundation-funded effort is beginning here in Pittsburgh based on that model.</p>
<p>Are there any other considerations?</p>	<p>As we work to restructure the relationship between the City of Pittsburgh and our Anchor Institutions, the City should be concrete about the policy outcomes we are striving to achieve. Working with the City's new Nonprofit Coordinator and Nonprofit Advisory Council (see this committee's Rec #1 and Rec #2), Mayor Peduto can define the most important policy outcomes based on national best practices for Anchor Institutions, adapted for Pittsburgh's specific circumstances. Such clarity in defining desired outcomes in the City's relationships with Anchor Institutions is critical in order to ensure that these relationships result in real progress for our neighborhoods and an enhanced quality of life for the people of our City.</p>



THE OFFICE OF THE MAYOR-ELECT
BUILDING A NEW PITTSBURGH

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Subcommittee Name	Nonprofit Relationships
Subcommittee Chairperson(s)	Christina Gabriel
Title of recommendation	Rec #4: Additional Funding
Describe the recommendation	Three new and innovative sources of support for nonprofit-City collaborative initiatives
Is this an immediate or long term recommendation?	Both
How will this address our challenges or reach our goals?	<p>1) Doubling the municipal service tax (the one-dollar-per-week amount that is currently collected annually from those who work in Pittsburgh) would provide support for City operations at a higher level than what the Pittsburgh Public Service Fund has been able to do. Some compensation (e.g. doubling the salary threshold; establish an age limit) might be provided to those organizations and individuals for whom this would be a hardship.</p> <p>2) Creating a tax credit mechanism analogous to Pennsylvania's popular Educational Improvement Tax Credit program, through which corporations could purchase credits to offset their own tax burden, thereby providing for new programs and initiatives.</p> <p>3) Offering Social Impact Bonds (SIBS) or other performance-based investment vehicles to launch or expand promising new programs. Private-sector investors would buy these bonds to cover the upfront costs and assume performance risk to promote new initiatives, ensuring that taxpayers will not pay for the programs unless they demonstrate success in achieving the desired outcomes.</p>
What are the obstacles to implementation?	<p>1) Tax increases are never popular. A public information campaign spelling out the benefits of this small increase would have to be launched, perhaps along with a positive marketing campaign for the City and the region.</p> <p>2) The state legislature must adopt legislation to implement this proposal.</p> <p>3) SIBS are relatively new and will probably require an education campaign for prospective participants.</p>

Who needs to be involved?	<p>1) The state legislature. Mayor and City Council. City Controller. Public and private partners to promote.</p> <p>2) Same</p> <p>3) Same for public acceptance and sense of direction in regard to the initiative being funded. In addition: Banks and investors. For example, BNY Mellon has expressed in exploring the potential of SIBS and has already started looking into what they might offer. Goldman Sachs has pioneered related work in New York City. The foundation community, both here in Pittsburgh and nationally, has begun to show an interest in mechanisms such as this; for example, the Rockefeller Foundation is currently funding SIBS projects. The Social Impact Bond Technical Assistance Lab at Harvard's Kennedy School and the Nonprofit Finance Fund could provide additional assistance.</p>
What city resources need to be invested?	Primarily the time and attention of officials and staff.
What will be different if the recommendation is adopted?	If these proposals are successfully implemented, the general operating budget would be substantially increased and government and non-profit initiatives would gain significant financial support without a significant new taxpayer burden.
Describe any background materials that you consulted	<p>Many sources. Examples: Materials from the Center for American Progress, especially "Social Impact Bonds: Social Finance: A Primer" by S. Shah and K. Costa, November 2013. U.S. News & World Report; Harvard Magazine. Nonprofit Finance Fund, especially work in Greater Philadelphia. Press release on the City of New York's use of a SIB to reduce recidivism. Conversations with Harvard's SIBS Lab, BNY Mellon, and others.</p>
Have other cities implemented this recommendation?	SIBS: New York. Denver. Philadelphia. Fresno.
Are there any other considerations?	



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Subcommittee Name	Nonprofit Relationships
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Title of recommendation	Rec #5: Develop National Connections & Public-Private Partnerships
Describe the recommendation	<p>Mayor Peduto should continue to re-engage Pittsburgh as a member of national organizations and informal networks that connect forward-thinking city leaders across the U.S. (and possibly internationally). This will not only enable Pittsburgh to remain up to date on best-practice initiatives to address common challenges faced by cities, but it will also ensure that Pittsburgh is a key player, recognized by other leading cities and by the nation more broadly. More positive media attention will lead to easier attraction of both talent and investment to Pittsburgh.</p> <p>In recent years nearly all major federal agency programs require "comprehensive, place-based" applications, led by city or metropolitan leadership and involving a broad range of nonprofit, for-profit and government organizations. Strong, effective working relationships among public and private actors will make it much easier to win large federal grants & contracts. This is especially important for funding neighborhood revitalization and community economic development.</p> <p>Examples: (1) Winning the Youngstown-based National Additive Manufacturing Innovation Institute (https://americamakes.us/) in 2012 required more than 100 organizations to collaborate on proposal development but attracted \$30 million in federal dollars and more than \$40 million in private-sector matching for the region.</p> <p>(2) Two years ago, the federal Jobs & Innovation Accelerator Challenge attracted \$1.95 million for targeted workforce development, urban economic revitalization and job creation, led by a group of Hill District nonprofits in collaboration with</p>

	<p>technology-based economic development organizations and educational institutions.</p> <p>Rebrand and leverage existing initiatives and collaborative strategies, such as PowerUp Pittsburgh, Power of 32, CONNECT and others, that bring together government, non-profits, business, universities and entrepreneurs to align our region's resources toward job creation and broadening economic opportunity.</p>
Is this an immediate or long term recommendation?	Immediate, to rejoin organizations in cases where the current mayor has let memberships lapse. Implementation to solidify better working partnerships over time will continue over the long term, evolving based on what works.
How will this address our challenges or reach our goals?	It will bring the best ideas nationally to bear on our challenges. It will attract larger investments to Pittsburgh based on our improving national reputation & relationships.
What are the obstacles to implementation?	Working relationships take time and energy to build. Participating in national forums requires the active participation of key staff, who will need to balance this commitment with their ongoing daily responsibilities here.
Who needs to be involved?	Senior staff, Mayor Peduto; and (as appropriate for the specific initiative) leaders of major "eds & meds" anchors and other large nonprofit institutions, key corporations, financial institutions, unions, and philanthropic foundations. Other current collaborative efforts, such as PowerUp Pittsburgh, Power of 32, CONNECT and others, should be engaged in this conversation to determine what has been working well and how efforts should evolve to support common goals, especially in seeking major new federal investments. The Nonprofit Coordinator (see this committee's Rec #1) should be a key point of contact.
What city resources need to be invested?	Staff time; funding for memberships; possible cost-sharing of federal dollars to win grants & contracts.
What will be different if the recommendation is adopted?	Over time, better national reputation for Pittsburgh, attraction of world-class talent, increased investment in Pittsburgh-based firms, innovative initiatives to address a range of challenges by adapting what works in other cities.
Describe any background materials that you consulted	Federal agency program officials and documents. National organizations' missions and activities. Experience with fundraising proposal development and contract execution with federal, state, philanthropic and other sources of support.
Have other cities implemented this recommendation?	Yes, there are many groups that convene cities and groups within regions for sharing of best practices.
Are there any other considerations?	