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Findings from a Review of Five “Mature” Community Development Ecosystems

Prepared for

Building the Engine for Community Development in Detroit

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PART ONE

Study Overview with Lessons and Recommendations

The Scan Approach

Building the Engine for Community Development in Detroit (BECDD) is a multi-phase collaborative initiative intended to determine how best to create a stronger and more complete community development support system with the potential to benefit all of Detroit's residents. Now in its second phase, BECDD is convening several cross-sector working groups to consider different issues and opportunities related to strengthening how Detroit supports neighborhood-based organizations across the city. BECDD is also sponsoring a range of research activities that will help improve understanding of current efforts to build more capacity among community development organizations (CDOs) and grass-roots organizations now serving residents of neighborhoods throughout the city.

The lessons and recommendations described here are drawn from one of those research efforts, a national review of the evolution of thriving community development industries in other urban places. The purpose of the national fieldwork is to examine how five selected cities – Boston, Chicago, Cleveland, Indianapolis and Philadelphia – have evolved such support systems that have contributed to the increased capacity of CDCs and other community-based organizations to improve neighborhoods for the benefit of their residents. For the scan, we deliberately chose cities with mature community development systems where community development practice has been institutionalized and is now generally recognized as successful, innovative and sustainable.

We also adopted a systemic view of capacity: Our view is that increased capacity is a co-product of numerous elements working together within a community development ecosystem. A variety of conditions within these ecosystems have enabled CDOs (including CDCs and other community-based nonprofits formed to improve neighborhood conditions) to become organizationally stronger and more productive over time.

Within this frame, the presence of CDO training and technical assistance resources are one part of a larger picture that includes political support and favorable public policies, access to capital of various kinds, assistance from intermediaries and other types of support organizations that are effectively coordinating their efforts, the availability of data that is widely accessible and used to gauge progress, career pathways and professional development opportunities for individuals interested in this type of work, and various governance arrangements that help set the direction and ensure accountability for performance among all the system players.

The national fieldwork has resulted in a set of case profiles that: (1) describe the evolution and current characteristics of the ecosystem supporting community development in each city; (2) assess the key factors that have contributed to capacity increases among neighborhood-focused CDOs and the sustainability of the local community development industry; and (3) offer lessons for Detroit to consider. This synthesis report is not a consolidation of individual site findings; instead it is a further distillation of key lessons and implications drawn from the five case profiles taken together. Besides offering a set of more general lessons, this report offers a list of recommendations for BECDD participants to consider as they determine how to build a stronger community development ecosystem that is well-suited to the unique conditions and priorities now existing in Detroit.

Key Lessons

- 1. The five ecosystems studied evolved over time to favor increased influence and capacity of CDOs.** The national review confirms that none of the community development systems selected for study is the result of a coherent, intentional design process. Rather, the key features of these systems fell into place over a decades-long adaptive process. During that period, critical leadership emerged, alliances were formed and practical choices were made in response to changing local conditions. In contrast with other cities where community development systems are less well developed, choices were made at key points in their evolution that reflected an increasingly broader consensus on the value and benefits of having strong community-based organizations able to play a critical planning and development role at the neighborhood level – to represent resident interests and translate community priorities into tangible improvements in neighborhood quality.
- 2. No single factor explains the capacity gains that occurred among CDOs.** The fieldwork revealed no silver bullets, no pivotal event or decision that accounted for either the increasing role and influence of the community development sector or the capacity and productivity gains of individual CDOs. Instead, the development process was often uneven and the systems now in place were shaped by numerous factors working together.
- 3. Key factors supporting CDO capacity gains.** Some of the most significant factors contributing to CDO capacity development within the sector included:
 - **Community organizing** that drew attention to the needs of the more disinvested neighborhoods in each city and gradually built a broader base of support for community-based problem-solving.
 - **Supportive public policies** that were often successful in delivering governmental resources and that also helped create helped CDOs gain influence within their urban settings.
 - **Flexible grant funding** from local foundations and other charitable sources that provided a sufficient level of support for programs and projects to move forward and for organizational infrastructure to be built.
 - **Successful community projects** that enabled CDOs to learn by doing and that demonstrated the potential roles that CDOs can play in achieving tangible results in disadvantaged neighborhoods.
 - **Civic and political leadership** that lent visibility and support to community-based efforts and enabled CDOs to gain the access and resources necessary to expand the sector's role.
 - **Capable intermediaries** that provided resources, thought leadership and varying levels of coordination within the system.
 - **Networks of technical support** that enabled CDOs to draw upon diverse expertise from the public, private and nonprofit sectors, most often in the context of practical projects and programs. It should be noted that expanded opportunities for training and TA followed rather than led the development of the systems studied. Training and TA were important but not definitively so; other factors mattered more.
 - **Associations and coalitional structures** representing CDOs within the industry that helped strengthen the sector's political influence, advocate for favorable policies and support knowledge sharing and practice improvements among CDOs.

These different factors – each contributing to ecosystem strengthening in different ways at different times – complemented one another to enhance the position of CDOs and build momentum for neighborhood-based planning and decision-making within the political and policy landscape in these places.

- 4. Additional ecosystem characteristics that lent further impetus to local capacity building and enabled CDOs to expand their influence.** Besides the above factors, the ecosystems that developed in each of the cities studied

all added another “layer” of adaptive features as they grew in scale. (From a systems theory perspective, these additional features are “emergent properties” of the ecosystems themselves.) These additional attributes of the local ecosystems enabled the CDOs and their supporting organizations to become healthier and more stable with increased capacity to take on new roles in their neighborhoods. Some of these adaptations at the ecosystem level include:

- **More reliable and diversified funding** to sustain a healthy cadre of capable and respected CDOs. As each ecosystem developed, the level and variety of available funding increased. Increasing funding provided CDOs with the resources needed to cover professional staffing costs, maintain and build program and administrative capacity, and retain technical expertise. In systems that have developed around affordable housing real estate activities (e.g., Boston, Cleveland, Indianapolis and Philadelphia), a significant share of available CDO funding derives from project fee income. In Chicago, a number of CDOs have replaced a portion of fee income once covered by affordable housing work with income from economic development activities such as small business development and a network of Financial Opportunity Centers introduced by Chicago LISC.
 - **Coordination and alignment arrangements.** These arrangements, most often informal, enabled key actors in the ecosystem (including CDOs, intermediaries and other support organizations) to come together to improve effectiveness, adapt to challenges and pursue new opportunities. Whether or not by explicit design, these self-governing arrangements helped the sector to set expectations for performance and accountability, providing improved guidance for CDOs and other actors in assessing their roles and responsibilities within the system.
 - **Career pipelines and professional education opportunities.** These adaptations by local educational institutions provided increased recognition and legitimacy to the community development sector, providing avenues for introducing new talent into the field and offering mid-career practitioners access to mid-career training to hone their skills. Among the five sites studied, there are now certificate and degree programs in place at one or more educational institutions. In addition, in Boston and Philadelphia there are now institutes allied with local membership associations that offer a range of classroom and service learning opportunities for community development practitioners and resident leaders. In Indianapolis, the Indianapolis Neighborhood Resource Institute fulfills a similar role, with emphasis on smaller community-based organizations serving neighborhoods throughout the city.
5. **In each of the five cities, the ecosystems all benefitted from consistent political leadership and policy support from local government.** In all the cities, there is a strong synergy between the political support that mayors and council members provide to the sector and the recognized influence of CDOs and their supporting associations, intermediaries and coalitions in articulating and supporting the city’s neighborhood revitalization agenda. That synergy has delivered tangible benefits for both political and community development leaders. Over time, this interdependence has led to the institutionalization of local policies and resource arrangements that have increased support for the community development sector over time. In Cleveland, Philadelphia and Boston, community development leaders have occupied influential positions in local government over several administrations. This strong interdependence of CDOs and local mayors is most evident in Boston over a nearly 40-year period covering four different mayoral administrations – a factor in the successful adoption of numerous policies including the Massachusetts Community Investment Tax Credit.
6. **Philanthropic resources played a key role both early on and in later stages.** With the possible exception of Indianapolis, philanthropic dollars do not provide the largest share of the resources supporting the community development ecosystems studied. Nonetheless, these charitable contributions are critical to the sustainability of the sector – not only because they are the most flexible dollars, but because they are so critical in filling gaps,

supporting learning and development and attracting and leveraging both public and private sector investments in the neighborhoods served by the sector. Across the five sites, philanthropic support was essential in providing early seed investments that enabled CDOs to become established and begin to build their organizational and programmatic capacity. These dollars typically paid for neighborhood engagement activities, policy work and technical support for program development. They often enabled intermediaries to establish themselves as coordinators and champions of work at the neighborhood level. As these ecosystems matured, and as additional resources became available in some sites (for example in Philadelphia and Boston, where tax credit programs were established to provide core operating support), philanthropy continued to support CDO experimentation with new program strategies such as economic and small business development or policy initiatives such as land banks.

- 7. Individual leadership mattered at key stages in each system's evolution.** These systems were all shaped by individual leaders who exerted influence at key stages, whether from within the neighborhoods or in philanthropy or in government. Each city story contains one or more examples of individual action at pivotal moments to take advantage of opportunities, bridge divides. In Boston, that leadership came from a succession of mayors; in Philadelphia and Cleveland, it came from early and significant support from local foundations, intermediaries and support organizations. In Indianapolis and Chicago, it came from multiple sources including local mayors, committed local philanthropy with an ability to provide patient longer-term funding, and intermediaries with an understanding of the vital roles that CDOs play in advancing neighborhood interests.

Recommendations

The above lessons from the national fieldwork component provide the basis for several recommendations for BECDD participants to consider as they determine how to build a community development ecosystem that is well-suited to the unique conditions and priorities now existing in Detroit.

- 1. Build consensus on CDO roles and success measures that all key system investors are prepared to embrace.** It is evident that such a shared definition of the role and value of neighborhood-based organizations does not yet exist in Detroit. BECDD made progress during its first phase of exploration of the key components of an effective community development system. However, more clarity is still needed on what the goals and success measures would be for such a system. It is difficult to attract the additional broadly based investment in an improved system until a clear case can be made for what such investments would yield. It is also difficult to calibrate and phase in a new capacity-building investment without a broadly shared understanding of how that investment will lead to the results desired.
- 2. Secure local public-sector support for strengthening the role of neighborhood-based increased nonprofits (CDOs and GROs) within the current administration's neighborhood revitalization strategy.** There is no confidence at present among key community development stakeholders that the current administration's priorities are sufficiently aligned to support an increased role for neighborhood-based leadership in determining the future course of Detroit's neighborhoods. Yet this alignment between neighborhood and city hall interests is a common characteristic of all five cities studied. There may be opportunities to strengthen this working relationship; the Academy without Walls concept proposed by the city government could provide a good starting point for rebuilding what is now a relatively weak working relationship. Determining what type of support the current administration will provide for strengthening the roles of CDOs and GROs in determining neighborhood priorities should be a top priority for BECDD as it continues its work.
- 3. Pursue a coordinated TA capacity building strategy to introduce more definition into current TA/Training offerings and identify and fill current gaps.** Detroit now has numerous providers of TA and training for CDOs

and community leaders. However, it is not clear that the current range of offerings is well-matched with practitioner needs; for example, practitioners and other observers believe that greater emphasis should be placed on learning-and-doing approaches rather than the seminars and classroom type instruction approaches that now prevail. There is also a concern that capacity-building resources are not well coordinated and there is role confusion among those currently offering these resources. We recommend that BECDD continue to convene key stakeholders for the purpose of defining how to coordinate and align TA providers around a TA and training strategy that better meets the needs of CDOs and GROs.

4. Pursue an orchestrated campaign to secure more stable longer-term support for core operations of CDOs.

Detroit's community development sector will not gain capacity without an infusion of capital to cover the basic administrative and operational expenses of neighborhood-based nonprofits. The national fieldwork confirms that access to core operating support is critical in enabling existing CDOs to stabilize and further professionalize their operations. In addition, the availability of core operating support funding may incentivize GROs in neighborhoods not currently served by an established CDO to consider expanding their roles and professionalizing their staff, or to pursue strategic alliances with a CDO operating in an adjacent neighborhood, to extend services to their neighborhood. Core operating support can be funded from numerous sources. One attractive option for producing a more stable source of this type of funding would be a state-level tax credit arrangement like those in place in Pennsylvania and Massachusetts, which award funding on a competitive base to organizations meeting well-defined standards. However other options could also be considered to accomplish the same end – such as an allocation from transfer taxes or a set-aside from tax revenues from new residential and commercial development in the city. Within the philanthropic sector, we recommend that BECDD complete an assessment of the current level of direct and indirect philanthropic support for CDOs and GROs and determine options for aligning, increasing/targeting support to achieve the common definition of success. We also recommend that BECDD work with interested funders to identify a strategy for funder convening and coordination to execute an improved strategy over a multi-year period.

5. Determine how CDAD, Detroit LISC and other support organizations can be positioned to take on larger roles in representing and supporting the full array of CDOs and GROs.

The national fieldwork confirms the important role that member associations and intermediaries play in representing and supporting the interests of neighborhood-based nonprofits. These organizations' roles include, sharing knowledge, providing services to members, offering training and TA of various kinds, and pursuing policy and system change improvements – most often in collaboration with local intermediaries and other sector stakeholders. CDAD is well positioned for further growth as the entity playing this role in Detroit; however, its current functions are more limited than its counterparts in other cities like Boston and Philadelphia and its future trajectory is not widely understood by others in the sector. We recommend that CDAD work with BECDD and other key partners to review its options for further developing its support role within the community development sector, taking into account the needs of both GROs and CDOs throughout the city. Any local review of the roles of CDAD, LISC and other support organizations should consider the applicability of strategies that have emerged in the five places reviewed as part of the national fieldwork reported on here. In addition, we suggest that CDAD and potentially other organizations working with it, should consider undertaking an updated and comprehensive study of the ways that neighborhood-based organizations have contributed to the revitalization efforts already occurring in Detroit. Such a study would help make the case for investing more deeply in Detroit's CDOs and other community-based nonprofits. Similar studies undertaken in Philadelphia and Boston have been instrumental in helping the membership organizations in those cities to better position themselves for wider influence within the local ecosystem.

6. **Conduct a comprehensive review of capital needs for strengthening the sector and establish a plan for supplying needed capital.** Any design for strengthening the Detroit community development system should include a disciplined examination of capital requirements for such a system. This type of study will inevitably lead to more clarity in assumptions about overall system scale, key functions of CDOs of different size and programmatic scope, and the economics of what is involved in creating a financially more stable system. A study of this kind could assess opportunities for increased coverage and coordination among local CDFIs and other capital sources, and determining how philanthropic and public dollars could be used to maximum advantage in assembling the range and levels of capital needed to support a citywide system.

PART TWO

Five Case Study Profiles

Boston, MA

Chicago, IL

Cleveland, OH

Indianapolis, IN

Philadelphia, PA

Boston, MA

This case profile is part of a national scan of community development systems prepared for the Building the Engine for Community Development in Detroit (BECDD), a multi-phase initiative to provide the means for creating a stronger and more complete community development system with the potential to benefit all of Detroit's residents. These system profiles highlight how selected cities have evolved support systems that have contributed to the increased capacity of CDCs and other community-based organizations to improve neighborhoods for the benefit of their residents.

For the scan, we deliberately chose cities with mature community development systems where community development practice has been institutionalized and is now generally recognized as successful, innovative and sustainable. We also adopted a systemic view of capacity: Our view is that increased capacity is a co-product of numerous system elements working together to enable CDCs to become organizationally stronger and more productive over time. Within this frame, the presence of CDO training and technical assistance resources are only a part of a larger picture that includes favorable public policies, access to capital of various kinds, organizational intermediaries and other types of support organizations that are effectively coordinating their efforts, the availability of data that is widely accessible, career pathways and professional development opportunities for individuals interested in this type of work, and methods for ensuring accountability for performance among all the system players.

This profile has four parts. First, it describes how the Boston community development system evolved and its current characteristics. Second, it summarizes the roles and functions of an array of organizational players involved in building community development capacity in Boston. Third, it offers an assessment of the unique factors that influenced how the Boston system was shaped. Fourth, it highlights a few specific lessons from Boston that may be relevant to system strengthening efforts in Detroit.

1. Evolution of the Boston System

Boston has long been considered a city that has it all: both the industries, colleges, arts, sports, dining and nightlife of a booming city, and the heart and neighborhoods of a small town. The growth in population and racial/ethnic diversity of Boston's neighborhoods has been phenomenal since the mid 1950's, due in part to Boston's appeal as a destination for refugees and those simply looking for better economic opportunity. These included the surge of post WWII European refugees, and African Americans escaping the Jim Crow south; huge numbers of Puerto Rican, West Indian, and Cape Verdean families, and later Southeast Asian refugee families, all drawn by the promise of freedom and economic security.

The Boston System at a Glance

- Boston's community development system supports 16 state-certified CDC's – including 11 CDCs in the city and five additional CDC's in the greater Boston region (two in Roxbury and one each in South Boston, Cambridge and Chelsea).
- Born out of community activism of the 1960's and 1970's; the CDCs comprising the system were progressively strengthened by supportive local and state government leaders and policies and the sustained contributions of local funders, particularly the Boston and Hyams Foundations.
- Much of the system's current strength and stability can be credited to the coordinated efforts of numerous support organizations – including a strong local intermediary, Boston LISC and an equally strong CDC association, MACDC, the Mel King Institute for Community Building, and
- In recent years, Boston's CDC's have benefited greatly from two state-level policies – the 2010 passage of a CDC Certification for a total of 62 CDCs operating throughout Massachusetts, and the 2012 introduction of the Massachusetts Community Investment Tax Credit program

By the 1960's, Boston's inner-city neighborhoods were overcrowded and showing severe signs of physical and economic distress. And yet the ethnic clustering within neighborhoods was clearly a strengthening factor that, over time became the beginning infrastructure for collective action within groups, and later across groups, as whole community organizing was called for in the push back against urban renewal. But despite much opposition from activist resident groups, implementation of federal urban renewal plans moved forward in Boston that would drastically expand its highway system in ways that boxed-in several low-income inner-city neighborhoods. The grassroots response was predictable outrage. Local community activist leader, Mel King, led a tent city protest of the highway reconstruction, which morphed into broader urban renewal resistance and general discontent. The demand for decent, affordable housing and resident involvement in redevelopment planning escalated, fueled by frustration over high rates of crime, under-employment, deteriorating neighborhood conditions, white flight, and abandoned properties.

This was the environment that spawned Boston's community development system. Most of Boston's current cohort of CDC's grew out of this era of community activism, and the responses to it from local government. In fact, the entire Boston CDC cohort's steady progress in gaining stability, notably its more recent policy gains in achieving greater legitimacy and financial support at the state level, is attributable in large part to the early and continuing community activism of Boston CDC's and the game-changing policy responses of local and state government.

In Boston, mayoral leadership has played a large role in the in the evolution of Boston's community development system. In a 2005 Urban Institute study by Langley Keys and Neil Mayer, the authors describe the distinct engagement and leadership each Boston mayor to the maturing of the industry.¹ The authors argue that each successive administration played a role in further consolidating the position of neighborhood-based planning, and with it the growing influence of neighborhood-based CDCs. In Boston, the community development system has been sustained because it has been mutually beneficial to both the local CDC industry and local government, particularly mayoral administrations over several decades.

As a result of this interdependence, the CDC industry has played an increasingly strong role in shaping the policies guiding how Boston has approached the revitalization of its neighborhoods. The first Boston CDC was Nuestra Comunidad, established in 1978 with roots in Roxbury's Latino community. The system grew steadily to its current total of 11 in the city, with 5 others in the Greater Boston region, totaling 62 CDCs in the state. Massachusetts had one of the first community development systems, and gained early and ongoing recognition for its civic commitment to community-driven, innovative strategies and productive partnerships. From the beginning, the CDC's have operated in inner-city neighborhoods of tremendous need and urgency, not unlike those in Detroit. In part, their nationally acclaimed record of success is attributable to a well-resourced economic environment and a deeply supportive policy environment.

But it is also clear that there is a great deal to learn from the group of tough, unstoppable grassroots activists that drove Boston's community development movement from nothing to national prominence. Nuestra Comunidad Development Corporation, the first CDC in Boston and Massachusetts, exemplifies this. Founded in 1978, Nuestra CDC has developed more than 700 affordable rental homes and 200 affordable homeownership opportunities in the Roxbury community and nearby Boston neighborhoods.² With roots in Roxbury's Latino community, Nuestra CDC

¹ Add citation for Urban Institute study by Keyes and Meyer (2005).

² Nuestra CDC accomplishes its community revitalization mission by: (1) developing high quality affordable and mixed-income rental and for sale housing; (2) encouraging homeownership through homebuyer education and coaching; (3) increasing financial resiliency through financial coaching and foreclosure prevention; (4) engaging community, developing neighborhood leaders, and preventing and reducing crime through community organizing; and (5) promoting economic development by fostering small business creation.

has helped to lead the renowned ongoing revitalization of Roxbury's Dudley Square. It is a chartered member of the NeighborWorks America Network and a HUD-approved Housing Counseling Agency. It is currently undertaking Roxbury's largest-ever mixed-income/mixed-use development, Bartlett Place, which will create 323 new apartments, condos, and town homes, as well as retail and office space for local entrepreneurs on an 8-acre Brownfields site that was formerly a Transit Authority bus yard. The organization has an additional 144 apartments in three developments under construction and nearing completion. Its community policing and neighborhood stabilization efforts received a first-place national award from the MetLife Foundation and the Local Initiatives Support Corporation.

2. Key Components of the Boston System

The critical drivers that have enabled Boston's community development system to thrive over decades including the following:

A stable cadre of community development corporations. There are 16 state-certified CDC's in Boston's community development system – including 11 CDCs in the city and five more in the greater Boston region (two in Roxbury and one each in South Boston, Cambridge and Chelsea. (Altogether, there are 62 state-certified CDC's in Massachusetts.) At its core, the story of the Boston community development system is about the uniquely robust support that this group of culturally diverse, activist, non-traditional community development organizations garnered from city and state government, local partners, and others over a period of decades. This synergy between CDOs on the one hand and public and private supporting organizations on the other is the principal explanation for the system's phenomenal growth and development over time, which has positioned Boston as the preeminent city for CDC housing production in the USA.³

A Supportive State Public Policy Environment. Over time, both the City of Boston and the State of Massachusetts came to understand the importance of community development organizations to their efforts to alleviate poverty and distress in the city's increasingly volatile low-income neighborhoods. Housing and economic development regulations needed to be coupled with generous capacity building, training and project funding support. CDC's needed to operate as recognized skilled, legitimate entities with privileges, constraints and protections under state and local jurisdiction. This led ultimately to two major state policy initiatives that opened huge doors of opportunity and stability for community development practitioners statewide.

In 2010, the Commonwealth of Massachusetts, under the authority of then Governor Deval Patrick, passed into law *Certification Standards for CDCs*. These defined and qualified a CDC in the state as: "a nonprofit corporation exempt from taxation and which focuses a substantial majority of its efforts on serving one or more specific neighborhoods, or a constituency that is economically disadvantaged". The law contains specific rules as to the work that CDC's undertake, the kinds of communities they operate in, the ways they engage local residents in the work of their organizations, and how they work to create economic opportunities for them. It also sets requirements for inclusion of community residents on their governance boards and other mechanisms to ensure that constituents have a meaningful role in governance. Today, all 62 certified CDC's in Massachusetts have the benefit of clarity regarding their organizational structure and operations; as well as the benefits, protections and constraints of being legal entities in Massachusetts. CDC certification also leveled the playing field regarding CDC's legitimization, and their equal access to state and local organizations, opportunities and resources.

Two years later in 2012, the Massachusetts *Community Investment Tax Credit (CITC)* was signed into law. CITC was designed to support high-impact community-led economic development initiatives, through a strategic, market-based approach that leverages private contributions and builds strong local partnerships. It was intended to be a

³ (Seidman, Lee and Selinger, 2016 White Paper)

model for tax credit transparency and accountability. Since the CITC program's inception in 2014, CDCs across the Commonwealth have significantly increased their ability to raise funding from private investment. The CITC program has generated over \$22.8 million in private investments across Massachusetts in the last three years. The current Massachusetts Governor, Charlie Baker, is strongly committed to the program. In 2017, a total of \$6 million in tax credits was allocated to 46 CDCs and two community support organizations under the state's CITC program. Among those included were eight Boston organizations whose CITC awards totaled \$983,845.⁴

Both these critical policy initiatives were developed under the leadership of Deval Patrick during his relatively short term as governor of Massachusetts. He was committed to reducing some of the fallout from a state economy whose middle was eroding. In these two policy decisions, Governor Patrick both established a new funding stream for community development and credentialed CDCs to access it. In the process, he also set aside funding to enable those at the bottom of the income ladder, and those headed for the top, to have housing assistance. His Housing Initiative included a 2012 commitment to produce 10,000 multi-family housing units per year thru 2020; this was intended both to prevent young professionals from leaving the state and to supply \$25 million in new funding to aid homeless families housed in hotels and motels. Taken together, these policy actions demonstrate the game-changing effects on a community development system as a result of the well-informed decisions of a committed political leader.

The City of Boston as a Community Development Partner. Perhaps the deepest contributor to the strength of Boston's community development system has been the City of Boston's responsiveness to the many challenges facing the sector over the decades. The City has been a willing partner to work with community development organizations, their funders and partners, resident groups, and individual CDC's to remove barriers to their effectiveness. In the early years of community development in Boston, land banking was the City's major contribution to the system. Since then it's support has broadened considerably. Whenever needed and possible, the City has granted waivers, established set asides, and provided funding, influence, and endorsements to benefit the community development system.⁵

Community development association effectiveness. The benefits of multiple CDC's forming a collective vehicle are apparent: broader expertise, shared learning and problem solving, more credibility, political clout, deeper impact, and sometimes project partnership. Massachusetts has a robust group of productive local CDC associations, but

Here's how the Massachusetts CITC works:

- State-certified CDC's develop multi-year business plans for community improvement and economic development with evidence of how local residences and businesses helped craft the strategy, and how it will leverage resources and community improvements.
- The State, through the HCD Department, ranks the plans. 20% of the tax credits are allocated for rural areas and 30% for gateway cities.
- The strongest plans are awarded up to \$150,000 in state CITC's per year for 3 years; and the funds attract up to \$300,000 in private investment each year. Tax credits make up 50% of private donations raised.
- Oversight is shared by community-based boards, DHCD and private donors.
- The cost to the State was \$3 million in 2014 and \$6 million from 2015 thru 2019 when the program sunsets. This is a total of \$34.5 million in public resources over 7 years, that leverages \$33 million in private funding.

⁴ The 2017 CITC awardees included Asian CDC, Fenway CDC, Inquillinos Boricuas en Accion, Local Initiatives Support Coalition, MA CDC Assoc., South Boston NDC, Urban Edge, and Southwest Boston CDC.

⁵ Two of the best Boston examples of city leadership in support of community development are: (1) Mayor Kevin White's actions in the period from 196 to 1984 to create a nourishing city environment for the development of Boston's community development system; and (2) Mayor Thomas Menino's *Boston Housing Strategy, FY2001–2003, a document produced in the 1990s* as response to the city's housing crisis during the which set strategies and performance goals that helped transform city government's approach to fulfilling its community development responsibilities.

there is broad agreement that the best example of local CDC collaboration is the Boston Community Development Collaborative (BCDC).

- **Boston Community Development Collaborative (BCDC).** This entity was formed to promote and stimulate development of personal wealth and community economic development to break the cycle of poverty for residents of low and moderate-income communities in Suffolk County. BCDC members are the 11 state-certified City of Boston CDC's. They have a strong track record of productive collaboration that has paid off in high quality development projects. BCDC is known to have made huge contributors to positive change in Boston and also in more economically challenged Suffolk County communities.

An Example of BCDC's impact is their role in making credit union history in Boston back in 2006. The Tremont Credit Union and BCDC joined forces that year to open a model community credit union in Dudley Square. It was the first faith based and community based credit union in Boston and one of the first ever in the nation. The mission of this community financial partnership is to promote economic self-sufficiency for low- and moderate-income families. The credit union was the culmination of 10 years work. It provides members with a wide range of benefits, including financial education, credit counseling, coaching on home improvements, small business technical assistance and business education. The physical site was developed by a local Dudley Square CDC and the credit Union is housed in a building which they constructed. What makes the project unique is how BCDC's products and services complement those of the Tremont Credit Union.

- **Massachusetts Association of CDC's (MACDC).** MACDC is the capacity building and advocacy arm of the community economic development movement in the state. MACDC offers extensive programming and service offerings to its members and other professionals involved in community development. Its mission is "creating places of opportunity where all people can live with dignity while participating in and benefiting from our Commonwealth's economy". The core values that guide MACDC's work are: Community leadership, economic opportunity, innovation, high performance and accountability, and collaboration. MACDC is one of the largest and best known of community development associations working in the US. Over the past 10 years MACDC members invested more than \$43 billion across the Commonwealth. The tally of their accomplishments in 2016 is impressive: (1) engaged 2,228 community leaders; (2) constructed, rehabbed or preserved 814 homes in Massachusetts; (3) provided home improvement loans or lead abatement services for 467 homes; (4) provided development consulting or construction management to 362 homes; (5) CDC's engaged 961 board members and 1267 community leaders; (6) helped 1,912 people obtain jobs; (7) provided technical and financial assistance to businesses that created 1,803 jobs; and (8) developed and provided programs for over 28,000 children and youth. Among its accomplishments, MACDC working with Boston LISC and other partners is credited with launching the Mel King Institute for Community Building (described below).
- **Community Economic Development Association (CEDAC).** Boston CDC's have also benefitted from an additional community development collaborative, CEDAC. This is a Boston-based public/private community development finance institution that provides technical expertise and financial resources to community-based and other non-profit organizations. It works with organizations engaged in community economic development throughout Massachusetts and nationally. CEDAC is a valuable resource for the field, particularly because of its much-needed, hard to access, early-stage capital and its quality technical

assistance to non-profits.⁶ It is also an active advocate for state and national affordable housing preservation.

CEDAC created The Forum, a place for informed dialogue about innovation in the community development field. The Forum is a valued resource, with over a hundred people who have participated in its working groups and stakeholder meetings, and contributed thousands of hours of volunteer time to the work of the Forum. which includes professional practice networks, new policy proposals, new financial tools, and plans for new organizational designs.

Engaged Philanthropic Partners. Boston CDCs have benefited from the generous support of numerous charitable organizations that understand and value the work of community-based revitalization of neighborhoods across the city. Two local foundations stand out as leaders within the philanthropic sector that have provided sustained support for the community development system:

- **The Boston Foundation** is a 100-year old charity with a long history of supporting local Boston organizations that build neighborhoods and enable residents to improve their conditions. All Boston Foundation's work is guided by two main strategic goals that reflect its deep commitment to strengthening the city's communities: Greater Boston residents are successful and thriving; and Greater Boston communities are vibrant. Paul Grogan, President and CEO of the Boston Foundation, has himself been a community development professional, having served a long term as LISC National President. Access to his community development lessons, leadership, and networks is a valuable resource for advancing community development in Boston. During his tenure, Grogan has earned the reputation of transforming the Boston Community Foundation into a veritable think tank for community wellbeing.

Because of its multiple roles in the city, the Boston Foundation has endless opportunities to act on its interest in boosting the success of community development in Boston. It's Greater Boston's community foundation, it is a valued partner in philanthropy with other local and national foundations and is a key local convener and civic leader (for example, it convenes the Greater Boston Housing Task Force that monitors the wellbeing of Smart Growth Housing Districts in the city). The Foundation coordinates the Boston Indicators Project in partnership with the City of Boston and the Metropolitan Area Planning Council. Every year it publishes the Greater Boston Housing Report Card which focuses on the link between housing and the economy. The Foundation's 2016 three-year \$1 million grant to Boston LISC, as well as its continuing support for the Massachusetts Association of Community Development Corporations and the Massachusetts Union of Public Housing Tenants are evidences its continued support for the sector at multiple levels. The Foundation has also helped to develop comprehensive community plans for three neighborhoods under the Resilient Communities/Resilient Families initiative, in partnership with LISC. And the Foundation has committed to ongoing strategic investments in the Fairmount/Indigo Line CDC Collaborative, a group of neighborhood-based organizations that are creating dynamic, diverse centers in Dorchester, Mattapan and Hyde Park near train stations on the Fairmount/Indigo Line.⁷

- **The Hyams Foundation** is a mid-sized, local private, independent foundation that is very active in funding public policy advocacy and change, and encourages other foundations to do so. They are the progressive

⁶ One of many examples of CEDAC's value to Boston community development is its work to preserve affordable housing units in the Fenwick community: Burbank Gardens contained 52 of those units and was at high risk of shifting to market rate status due to the threat of an expiring use challenge. CEDAC was able to finance the purchase of Burbank Gardens by Fenwick CDC and sustain its affordable units. The purchase would not have occurred without CEDAC financing, and both city and state cooperation.

⁷ One urban village in the area, the Dudley Village, has been completed. It offers affordable rental housing and commercial space in the Dudley Street neighborhood to improve the quality of its built and natural environment and the wellbeing of its residents.

foundation for the cities of Boston and Chelsea. In 2016 Hyams' grants totaled \$5.8 million in Boston and Chelsea. The majority of their grants focus on strategies for enhancing grassroots leadership development, community organizing and policy change to address three specific racial justice issues of critical importance in those cities: (1) disrupting the "School to Prison Pipeline" by decreasing the number of youth of color suspended/expelled/excluded from Boston and Chelsea public schools; (2) expanding fair wages and benefits, and improving working conditions for low-income workers; and (3) reforming and adopting land use and institutional policies to advance equitable housing access.

Hyams often partners with other local and national funders who support physical development and capacity building more directly. One example is the public and private funders who created the Neighborhood Stabilization Loan Fund in 2008 to acquire and rehab foreclosed properties to prevent high concentrations of foreclosures that were jeopardizing neighborhood stability. Hyams Foundation currently has \$3.4 million in Program Related Investments made from its endowment, mainly in the form of long-term, very low interest rate loans to support the creation and preservation of affordable housing. Additionally, Hyams invested \$5 million in affordable housing mortgage backed bonds with Community Capital Management. This is intended to earn market rate returns while also achieving the Foundation's goal of supporting affordable housing. The Foundation also has invested \$750,000 in a Certificate of Deposit Account in a local Boston Bank, also to support affordable housing in the local area. In 2016 Hyams' grants totaled \$5.8 million in Boston and Chelsea

Community development intermediaries and support organizations.

- **Boston Local Initiatives Support Corporation (LISC).** Boston LISC is the key community development intermediary. It is credited with being among the most effective LISC organizations, partly attributable to the leadership of a sequence of strong executive directors. Some of Boston LISC's accomplishments in the past decade: In 2008, Boston LISC convened a very successful Community Development Innovation Forum in 2008 in partnership with the MA Association of CDC's. Supported by the Boston and Hyams Foundations and the MA Housing Partnership, the Forum was intended to create ideas and strategies for increased effectiveness and responses to changing local conditions and practices in the field statewide. Participants included statewide CDC's, community development lenders, funders, policy makers, consultants, academics, and other industry partners to reflect the thinking of the entire field. The agenda topics were collaboration strategies, comprehensive community building, real estate finance reform, and regional equity strategies.⁸ More recently, LISC, the City of Boston and CEDAC came together to capitalize an acquisition fund to help qualified nonprofit affordable housing development partners compete in today's real estate market. The fund will be used to acquire substantially vacant and underutilized parcels of land and buildings for future development as mixed-income and affordable housing. The funding will target Boston neighborhoods that are at risk of gentrification with potential displacement of long term residents.

Professional and career development opportunities. Boston is a city with well-established resources to support professional development for community development practitioners and resident leaders and to encourage newcomers to enter the field. Some of the key resources include:

- **The Mel King Institute for Community Building.** The Mel King Institute has long been a valuable resource for community development in Boston and throughout Massachusetts. It carries and honors the name of a legendary Boston community advocate, one of those local heroes whose activism undergirded the rise of

⁸ The publications developed from the Forum were disseminated widely. They included 1) *Joining Forces: Community Development Community Collaboration in Greater Boston*, 2) *Boston Area CDC's State of the Sector Report*, and 3) *Voices from the Field: Current Perspectives from CDC's on the State of Community Development in their Neighborhoods*.

the community development industry statewide. The Institute has a national reputation and following for its equitable development expertise, and skillful delivery of a broad range of training programs for community development practitioners, and other professional and community groups. The Institute's offers multiple training programs at its Boston offices each week in four broad topic areas: Community Organizing and Planning, Economic Development, Nonprofit Governance, and Real Estate Development.

The Institute sponsors trainings; serves as a clearinghouse for community development information, strategies and programs; operates the Alliance for Racial Equity; conducts its Innovation Forum for Massachusetts practitioners throughout the year; operates the Alliance for Racial Equity; and provides customized technical assistance, leveraging the resources of many institutions. "The Mel King Institute enables Massachusetts CDC's and their partners to build more homes, create more jobs, grow more businesses, nurture more community leaders, and pursue more comprehensive community building strategies."⁹

- **Community development programs at the University of Massachusetts.** The University of Massachusetts offers both a BA and MS degree intended to prepare students for careers in community development field. The Urban Planning and Community Development Master's program draws on faculty from several colleges within the university and builds on research and community engagement by the university's institutes and centers. The program encompasses the metropolitan area's diverse population, governance, and its built and natural environments and takes advantage of partnerships with community-based organizations "to promote economic development, affordable housing, and small business development, with a deliberate agenda to address social and environmental inequity and serve the needs and interests of underrepresented communities."
- **Clark University BA/MA program in community development and planning.** The Community Development and Planning (CDP) program at Clark University in Wooster MA prepares community development practitioners, activists, and scholars to take on the challenges and struggles facing urban areas in the United States. The program focus includes an emphasis on transforming communities to achieve greater equity and social justice. Students are exposed to community development's policy legacy and theoretical and conceptual debates in the field; acquire a range of skills in areas such as theory application, community organizing, finance, geographic information systems, planning and zoning, and non-profit management; and engage in critical thinking about power, racial, and economic privilege. CDP students can either design their own area of specialization, or focus their studies on one of the following areas: (1) community planning, (2) enterprise management and economic development; or (3) community-based development and social change.

1. Factors Contributing to the Local System's Evolution and Growth

Boston's community development system has consistently drawn its strength and effectiveness from the following factors:

- The persistence of the cohort of well-organized and well-trained activist CDCs who listened to the voices of equally persistent and well-organized residents of Boston's culturally diverse neighborhoods, and who were able to work together across neighborhood boundaries to solve common problems they confronted in responding to community development needs on the ground in the neighborhoods where they worked.

⁹ From the Mel King Institute website, 2017

- Bold and forward-thinking state and local public-sector leaders who were prepared to provide leadership in introducing critical changes in policies and practices to support the community development sector at each stage of its evolution.
- Intentional professional development policies and practice led by Boston's CDC associations, coalitions and intermediary organizations who have demonstrated a sustained capacity to coordinate their efforts to accomplish system-level results.
- A broader range of support for community-based development that has emanated from multiple fields (finance, philanthropy, faith organizations, organizing, health, the arts and education) and that has created a more conducive climate for introducing the policy changes that have appeared at both the city and state government levels.
- At a broader level, a consistently healthy state and local economy that enabled system advocates to dependably access the various types of capital needed to enable the system to adapt and grow.

Lessons from Boston for Detroit's Community Development System

One lesson for Detroit's community development system can be drawn from the early and continual investment of attention and resources that both Boston and Massachusetts government leaders made to drive support for the city's community development system as a matter of public policy. Five decades ago, the Boston mayor restructured city policy for neighborhood revitalization around devolving neighborhood revitalization planning resources to communities, and until today that policy formalizes Boston's community development system as the locally driven strategy for neighborhood development citywide. More recently, Massachusetts governors have made policy decisions that institutionalize community development system organizations as the targets for state support of development at the local jurisdiction level. These include the impressive Massachusetts CDC certification system that prioritized credentialed CDC's for state funding, and for various supports for state level CDC associations.

A second lesson for Detroit lies in the publicly-supported Mel King Institute for Community Building, which has demonstrated that a single effective, well-resourced professional development organization can drive immeasurable gains in a city and state's community development capacity and accomplishments. It has armed community development professionals with knowledge and skills beyond those acquired from routine practice, and has been a driver for helpful public policy changes.

A third lesson from Boston for Detroit to consider relates to how it reaffirms and intensifies its commitment to community organizing. The Boston community development system exemplifies the critical difference that institutionalized community organizing played in developing and sustaining CDC's citywide. Community organizing was deemed essential to their operations, was staffed and supported by public and philanthropic sources, and is enhanced through ongoing training and development of organizers within and across organizations. There are now career ladders and professional development opportunities for community organizers in the Boston CDC system.

A fourth lesson may lie in the depth of Boston's collaboration and partnerships among CDC's within sections of the city. Some of the most impressive community development projects in recent years have been partnerships

Boston's Lessons for Detroit

- The state certification and tax credit program have provided an enormous boost to the legitimacy and sustainability of the CDC sector.
- Having a resource like the Mel King Institute has helped to focus local efforts to support community leadership and professional development within the sector.
- The Boston experience highlights the longer-term impacts of a sustained and institutionalized commitment to community organizing.
- The Boston's system's capacity for partnerships among the numerous players comprising the system has helped the sector to maintain its coherence and given it greater clout on broader policy issues.

between CDC's and/or among CDC's and other community-based organizations. Detroit's community development CDO's have projects that were developed thru community partnerships, and learning from the scale and maturity of community development partnerships in the Boston system could be beneficial for Detroit.

A final lesson for Detroit's local foundations (one that the CDC community already gets) is how Boston's locally-based foundations committed support for community development over the long term, and did so in a way that allowed the forms of funding made available to adapt to the evolving needs of Boston's community development organizations as they successfully mobilized local partnerships and completed projects. In the process' there were multiple ways that foundations contributed as local partners, listening to and supporting the industry as it matured.

Community Development System Profile

Chicago, IL

This case profile was prepared as part of a national scan of community development systems undertaken for Building the Engine for Community Development in Detroit (BECDD). BECDD is a multi-phase initiative to create a stronger and more complete community development system that benefits all of Detroit's residents. These system profiles highlight the key features of multi-faceted support systems that have over time increased the capacity of community development organizations (CDOs) – including CDCs and other nonprofit community-based organizations) – to improve neighborhoods for the benefit of their residents.

For the scan, we deliberately chose five cities (the others include Boston, Cleveland, Indianapolis, and Philadelphia) with mature community development systems where community development practice has been institutionalized and is now generally recognized as successful, innovative and sustainable. We also adopted a systemic view of capacity, on the assumption that capacity gains occur when numerous system elements reinforce one another to create an ecosystem in which CDCs are able to become organizationally stronger and more productive over time. Within this frame, the presence of CDO training and technical assistance resources are only a part of a larger picture that includes favorable public policies; access to capital of various kinds; organizational intermediaries, coalitions and other support organizations that coordinate their efforts; the availability of data that is widely accessible; career pathways and professional development opportunities for individuals interested in this type of work; and methods for ensuring accountability for performance among all the system players.

This profile has four parts. First, it first describes how the Chicago community development system has evolved over time. Second, it describes the scale and key components comprising the Chicago system. Third, it offers an assessment of the key factors that contributed to the Chicago system's evolution and growth. Fourth, it highlights a few lessons from Chicago that may be relevant to system strengthening efforts in Detroit.

2. Evolution of the Chicago System

Chicago is widely recognized for its large and now well-established community development system that has for over 40 years provided financial and institutional support for CDOs and low-income neighborhoods. That system has undergone significant change in composition and programmatic focus over that period, while enabling the development of an array of productive and well-connected nonprofit organizations that now operate at significant scale.

The Chicago system has benefitted greatly from having a strong, well-supported community development intermediary in Chicago LISC; for decades, it has had an ability to attract and sustain public dollars for community development and has been an effective advocate for supportive public policies and practices. Chicago has also

The Chicago System at a Glance

- Well-established system providing financial and institutional support for CDOs and neighborhoods, which enabled the development of several productive organizations operating at significant scale.
- Since 2003, Chicago has adhered to a model of community development built around quality of life plans, the result of the New Communities Initiative, which replicated the CCRP approach in the South Bronx in the 1990s.
- Some erosion of system capacity in recent years as a result of key leadership changes and some loss of foundation and public support.
- Strong, sustained philanthropic support, including ten years of large-scale support from the MacArthur Foundation.
- Strong, well-positioned intermediary in Chicago LISC, with ability to attract public dollars and encourage supportive public policies and practices.
- Availability of flexible financing tools (e.g., tax increment financing or TIFs) that enabled public dollars to be leveraged to attract private reinvestment in neighborhoods.
- Several university-based degree programs and research activities supporting career development within the community development sector.

benefitted from sustained philanthropic support for LISC and other support organizations and coalitions and also a network of CDOs and other community-based and citywide organizations serving the city's lower- and moderate-income residents.

One critical contribution to the character of the Chicago system was LISC's New Communities Program (NCP), an initiative that began with a pilot in three neighborhoods and that later expanded to include numerous neighborhoods in the city. The New Communities program replicated a comprehensive community development approach that was first introduced in the South Bronx in the 1990s as the Comprehensive Community Revitalization Program (CCRP). As part of a 10-year, \$50 million commitment by the MacArthur Foundation, LISC selected 16 lead agencies serving some 20 Chicago neighborhoods, funding commercial retail, health care, education and youth programs and projects, as well as housing production.

The 10-year New Communities Program breathed new life into the Chicago's earlier community development system after a period of retrenchment in the early to mid-1990s – a period that included the demise of a few high-profile CDCs, a reduction in funders' trust of CDCs as effective entities for leading community development work, and the curtailment of Low-Income Housing Tax Credits to CDCs by the City's Housing Commission. A 1997 report entitled "Where Do We Go from Here" looked critically at the local system and focused on that key question for the industry. One key answer that emerged was a decision to shift from a housing production focus to a comprehensive community development strategy modeled off the CCRP approach.

Over the course of NCP, LISC worked to take comprehensive community development planning to the next level by investing in comprehensive and integrated neighborhood-level projects and programs while aggregating experience and needs that can best be addressed through systems change. One of its priorities was to deepen the focus on economic development given the growing economic disparities that underlie much of the instability affecting poor communities. It adopted the view that trying to 'house our way out of poverty' is a flawed strategy. The new focus was on generating sustainable, living wage jobs by attracting businesses to targeted neighborhoods and to the Chicago region; preparing residents to be hired into these jobs; and embracing local businesses and entrepreneurship to create community wealth. During the period of NCP, LISC also looked to play a more active role in problem-solving and advocacy on citywide/system issues, including working with its neighborhood partners to model best practices and address issues that cut across and impact neighborhoods, including public safety, transportation, and economic development, as well as housing.

As an overarching strategy, LISC made substantial investments in strengthening neighborhood planning to help advance social cohesion and build power bases at those levels by engaging a broader audience in the planning process so that everyone in the community is included. It identified lead agencies in targeted neighborhoods in developing quality-of-life plans and benchmarks to measure success and ensure they are clearly defined and communicated to all stakeholders. A major objective of this initiative was to expand the number of communities engaged in planning while enhancing the chances of successful planning by ensuring that communities have a baseline level of capacity before they enter into the process.

Connecting and aligning those plans to known sources of public and private capital involved engaging potential public and private funders earlier in the planning cycle and to support "shovel-ready" projects and longer-term strategies with a clear path to make larger investments more feasible over time. LISC helped broker and occasionally invested in real estate deals when they were invited and when appropriate. One of the hallmarks of LISC's approach was offering a variety of capacity-building activities (e.g. training, peer learning, coaching) to help advance projects, programs or policy proposals.

Today's community development system in Chicago continues to reflect most of the features introduced over the NCP period. Many neighborhood strategies and investments continue to be guided by quality of life plans, many of

which have been recently updated. There is an increased focus on economic empowerment of residents, small business development and support, and a continuing capacity to work across neighborhood boundaries on critical issues affecting neighborhoods and their residents.

3. Key Components of the Chicago System

The Chicago system that now supports CDOs is now quite large and includes a wide range of actors including intermediaries and support organizations, funders, lenders.

CDCs and community-based organizations. It is difficult to establish a current estimate of the total number of CDCs now active in Chicago, but it is likely that the total reaches near 50 organizations. Of this total, perhaps up to 20 organizations are larger, well-established CDOs with full-time professional staff that have been in operation for 20 or more years. The Chicago Rehab Network lists a total of 42 members on its website, of which the majority are CDCs or other community-based nonprofits. The statewide Housing Action Illinois coalition lists some 13 members from the Chicago area, including some of the larger and more familiar CDCs that have helped to establish Chicago's reputation as a city with a strong and stable community development system

Governmental agencies supporting community development. The local government sector has played an important role in advancing Chicago's community development systems. The structures and key responsibilities of numerous agencies of local government now reflect how deeply community development voices and practices have been institutionalized within the governmental sector. The following agencies provide specific types of support for community-based planning and program implementation efforts:

- **Community Development Commission.** This agency reviews and recommends action on the provision of Tax Increment Financing (TIF), a widely-used resource in the city's financial toolbox; through TIFs, public dollars are used to attract private reinvestment in special purpose districts in selected neighborhoods. This agency also oversees decisions regarding the sale of city-owned property located in TIF districts and redevelopment areas. Using these two major tools, the Community Development Commission encourages and facilitates capital projects across the city and in lower-income neighborhoods.
- **Community Development Advisory Council (CDAC).** This Council of up to 23 citizen members serves in an advisory capacity to OBM on policy and administrative matters related to federal entitlement funds awarded by the U.S. Department of Housing and Urban Development. CDAC members are appointed by the Mayor and represent areas of interest and expertise including affordable housing; homelessness; disability services; neighborhood revitalization; social services; fair housing; public finance, accounting and auditing; economic development and non-profit management. CDAC makes recommendations regarding development, implementation, and evaluation of programs covered under the Consolidated Plan and Action Plan submitted to HUD for funding consideration.
- **Chicago's Technical Assistance-Community program (TACOM).** This program coordinates 25 agencies that provide housing-related information, problem solving, community events, workshops and housing fairs to assist low- and moderate-income homeowners; funded by the Chicago Department of Planning and Development they work together to provide technical assistance, comprehensive housing information, and service referrals.
- **Technical Assistance Citywide (TACIT).** These are the delegate agencies that provide training and technical assistance on Fair Housing compliance, property management, rental, and affordable housing issues to non-profits and industry-related entities in low- to moderate-income areas. All these agencies have outreach programs to disseminate information, training and assistance throughout the City. The TACIT agencies work together with TACOM-based delegate agencies.

- **Chicago Department of Planning and Development.** This agency provides funding to the above network of TACIT agencies offering the specialized training and technical assistance services described above.
- **The Chicago Metropolitan Agency for Planning (CMAP).** This agency, established in 2005 to oversee the development of a new regional plan for the area, teamed up with the Chicago Community Trust to support communities' efforts to help implement the GO TO 2040 comprehensive regional plan that was adopted in 2012.

Housing and community development intermediaries. Chicago benefits from having a well-developed network of nonprofit intermediary and support organizations that contribute to the health and effectiveness of the community development sector. The three principal intermediaries include:

- **Chicago LISC.** This well-established intermediary continues to function as a major system resource, providing financial resources including grants, loans and equity financing to community organizations comprising its Neighborhood Network (a group of CDCs who LISC views as its principal neighborhood programmatic partners). Chicago LISC provides technical assistance and an evolving array of programs for advancing the system. Over the years it has been a generator of ideas initiatives have influenced community development practices in Chicago and nationally (e.g., the Retail Initiative, Main Street Initiative, and LIHTCs, as well as the comprehensive approach reflected in the NCP as described earlier). LISC works in some 37 neighborhoods across Chicago, serving 70 CBOs engaged in programming ranging from housing and economic development to education and placemaking.

Going forward, the LISC program is concentrating on four areas of work: (1) taking comprehensive community development planning to the next level by providing strategic support to neighborhoods' quality of life plans developed through the New Communities Program; (2) deepening the focus on economic development; (3) increasing direct investments in neighborhoods via new and improved lending products; and (4) taking a more active role in addressing city-wide/system issues that cut across neighborhoods such as public safety, transportation, economic development, and housing.

In addition to its established financial intermediary role, Chicago LISC has for more than a decade worked with other partners to support a network of 11 community-based Financial Opportunity Centers (FOCs). "A distinctive feature of LISC's FOC model is that multiple neighborhoods and agencies are part of a single network with consistent operating principles, extensive interaction among the neighborhood groups, and streamlined technical and financial support linking all of them in one coordinated effort."¹⁰ Besides its continuing support for the network of FOCs, LISC has in recent years increased its focus on school-based programs. Through the "Elev8" school program, LISC in collaboration with other partners is seeking to transform the educational achievement and life outcomes of disadvantaged middle school students in five Chicago schools. Each school hosts an in-school health center managed by a Federally Qualified Health Center.

- **IFF.** IFF is a multi-state CDFI based in Chicago that serves the entire Midwest. IFF is the largest nonprofit CDFI in the Midwest, having made more than \$700 million in loans, leveraged \$2.3 billion in community investments, and with total managed assets of \$606 million. It finances affordable housing, and early childhood education, healthcare and school facilities, plus initiatives that focus on healthy food access in Chicago and lower income neighborhoods. IFF serves a diverse mix of client organizations including human

¹⁰ FOCs help families become more financially secure in three critical areas: employment and/or increased wages; improved financial condition; and improved access to public benefits. The FOC approach to financial stability includes working with clients to: (1) find a better job; (2) identify and apply for public benefits; (3) build digital skills; and (4) act on financial counseling by establishing a household budget and balance sheet, building credit, and making connections to mainstream financial products.

service agencies, health centers, schools, housing developers, and grocery stores. Its staff of nearly 100 professionals works from its Chicago headquarters and it maintains six regional offices – in Indianapolis, IN; Detroit, MI; Minneapolis, MN; St. Louis, MO; Columbus, OH; and Milwaukee, WI.

- **The Chicago Community Loan Fund (CCLF).** CCLF is a certified CDFI providing low-cost, flexible gap financing (mostly predevelopment, construction and rehabilitation loans) to community development organizations engaged in affordable housing, social services and economic development initiatives that benefit low- and moderate-income families and neighborhoods throughout metropolitan Chicago. Founded in 1991 by a small group of Chicago investors, CCLF was created to act as a social investment lender for community developers to turn to for harder-to-underwrite projects and enterprises. Since then it has closed more than 265 loans across the region and now claims more than \$70 million in capital under management.

The philanthropic sector. Local funders have played a critical role in supporting Chicago’s community development system since its inception.

- The latest effort emerging from this sector is a recently announced program intended to deliver much needed capital to Chicago's nonprofits and social enterprises. The MacArthur Foundation, Calvert Foundation and Chicago Community Trust have launched an innovative collaboration called “BENEFIT CHICAGO”. An initial \$65 million investment by MacArthur and Calvert will be supplemented by donor-advised funds from the Community Trust, along with an additional \$10 million that had already been invested since it opened the online application portal this past July.
- MacArthur will provide support to six Chicago-area organizations that will use \$12 million to train and employ adults with autism, support retail development along a challenged corridor in the Pullman neighborhood, provide 300 North Lawndale residents with training and transitional jobs, expand the operations of a vertical hydroponic produce company, and build projects that support youth and families in underserved Chicago neighborhoods. One of its awards will go to Chicago LISC, an early borrower from the MacArthur investment targeting the Lawndale neighborhood, in the form of a \$3.5 million to support a new community partnership focused on revitalizing Chicago's 63rd Street corridor from Cottage Grove Avenue to Pulaski Road and on Halsted from 63rd through 79th Street. The goal is to mobilize \$100 million as part of a multi-year effort. Chicago LISC was an early borrower from the MacArthur investment, targeting the Lawndale neighborhood.
- Two decades ago, the National Community Development Initiative (NCDI) awarded a \$5 million grant to Chicago and the Chicago Arts and Industry Commons (CAIC) as part of its commitment to counter the growing economic and social fragmentation in U.S. cities. The project is a collaboration between Professor Theaster Gates' Rebuild Foundation, University of Chicago’s Place Lab, and the city of Chicago. The grant was part of Reimagining Civic Commons, a partnership of four national foundations within NCDI that sought to foster civic engagement, economic opportunity and environmental sustainability through revitalizing and connecting parks, libraries, community centers and other public spaces. Chicago was one of four cities selected for the grant, as were Detroit and Philadelphia.
- Support from the original NCDI (now Living Cities) partnership of funders and community development intermediaries has had phenomenal positive impact on Chicago's system from the early years to the present. The MacArthur Foundation has been a deep advocate for Chicago within the partnership, and Chicago is uniquely both a LISC and Enterprise city.
- Citi Community Development, another Living Cities partner, is leading Citibank's national commitment to achieve economic empowerment and growth for underserved individuals, families and communities nationwide. Since 2013, it has supported MoneyThink, a Chicago-based nonprofit, to bring tech-

enhanced financial coaching to more than 5,500 students. In the high-touch field of community work, this new approach has proved helpful in ensuring that many more students achieve higher-education success. To expand the number of students who could benefit from the app, and ensure the innovation could scale, Citi Community Development is supporting MoneyThink to build out the backend platform that will enable it to be replicated for use by other community partners.

- In 2016, the Chicago Enterprise Foundation office provided \$633 million of loans and investment in the Chicago region through its family of financial companies:
 - Enterprise Foundation, which supports a Midwest community development region, invested \$50.1 million in Low-Income Housing Tax Credit equity, supporting new construction and rehab of multifamily housing in Chicago and St. Louis.
 - Enterprise Community Loan Fund provided \$15.4 million to support multifamily and scattered-site affordable housing construction and rehabilitation across the Chicago, Detroit and the Minneapolis-St. Paul metro areas.
 - Bellwether Enterprise provided \$567 million in mortgages -- capital to build affordable and market rate housing, as well as mortgages for healthcare, hospitality, industrial, office and retail construction. In November 2016, they awarded a total of \$950,000 in Section 4 capacity building grants to twenty-one (21) housing and community development nonprofits in the region, including grants awarded in Chicago, Detroit and Twin Cities Metro areas.

Trade and Membership Organizations. The Chicago system includes several different membership organizations, each playing a distinct role in support of housing and community development goals:

- **Chicago Rehab Network (CRN).** This organization was founded in 1977 by a dozen community-based housing organizations. The network was created to increase the capacity of nonprofit community developers and strengthen the political and community support for affordable housing. Its diverse membership base includes 42 organizational members, of which the majority are CDCs or other community-based nonprofits. That membership reflects the full spectrum of Chicago's diverse neighborhoods. According to information on its website, CRN's members have created tens of thousands of affordable housing units while preserving affordable housing in some of its most rapidly gentrifying ones. Members receive regular policy updates, take part in coordinated policy initiatives, and have access to training and technical assistance opportunities on a regular basis.¹¹
- **Housing Action Illinois.** Numerous Chicago CDCs and support organizations including LISC are members of Housing Action Illinois, a statewide coalition formed to protect and expand the availability of quality, affordable housing throughout Illinois. This established statewide agency works in three areas: organizing, policy advocacy, and training and technical assistance. Its members include housing counseling agencies, homeless service providers, developers of affordable housing and policymakers.

Academic programs in community development. Besides ongoing opportunities for training and technical assistance benefitting staff of area CDOs, the Chicago community development system also benefits from several community development certificates and degree programs operating within the Chicago metro area. Three examples are:

¹¹ Historians of the community development movement in Chicago recall that In about 1980 the Chicago Association of Neighborhood Development Organizations (CANDO) was formed to represent groups engaged mostly in commercial retail development versus housing. They broadened their membership to include "everyone", including banks. According to one source, this group began to lose their sense of mission and imploded in 1997.

- **A certificate program in community development at DePaul University.** This program “puts community development specialists on the cutting-edge of organization planning, leadership development, and program evaluation.” The program allows established and emerging professionals to broaden their perspective on urban-development programs in an interdisciplinary learning environment.
- **Graduate certificate program in community development at Chicago State University.** This post-BA certificate program prepares students “to foster inquiry into the effects of economic and environmental forces at the local, regional, national and global levels. Students are prepared to work in career areas that focus on economic development, business, government, teaching, advanced research and community development.” This program combines graduate classroom studies with community-oriented research and service experiences. All courses are offered in the evening and are delivered in a two-year cycle. Courses taken for the certificate may be subsequently applied toward the M.A. in Geography.
- **A Master’s in Community Development and Action at Roosevelt University-Chicago.** This innovative program scheduled to begin in Fall 2017 replaces that institution’s Applied Sociology master’s program. It combines theoretical, methodological and hands-on experiences to prepare students for a range of career options in the community development sector, including the areas of social services, community development, and community organizing.

4. Factors Contributing to the Local System’s Evolution and Growth

The continued growth and stability of the Chicago community development system is not easily explained by any one factor; instead the evolution of the system is the result of a combination of factors that have been present for decades and that have served to reinforce one another over time. The key factors at play:

- Deep and sustained philanthropic support for the sector over decades, particularly by the MacArthur Foundation and the Chicago Community Trust, whose dollars and influence have been significant for some 25 years.
- A durable and strong intermediary organization in Chicago LISC, which has shown an ability to lead with ideas and adapt its program approach as conditions have changed.
- The development of the quality- of life planning model for community-based planning and consensus building that was widely replicated across neighborhoods through the New Communities program.
- Institutionalization of community development priorities and principles within public policies and programming, which has resulted in predictable governmental funding and other forms of support for community development activities.
- The presence of ample lending resources – including flexible gap financing from several difference sources that enables harder-to-fund projects and initiatives to move forward, and public financing tools (e.g., TIF) that leverage public resources to capitalize community development projects.

5. Some Relevant Lessons for Detroit

There are particular aspects of the Chicago community development system that could provide lessons for the Building the Engine initiative in Detroit. Among the lessons learned by and insights of the NPC program and its participants include:

- **Wider adoption of the quality-of-life planning approach to neighborhood planning.** The New Communities program experience in Chicago demonstrates the potential value of adopting and adhering to a more unified approach to community consensus building around neighborhood priorities that then guide future investments of public and private resources. The type of place-based, quality-of-life planning employed in Chicago proved especially valuable as a first step in organizing and identifying lead agencies and other partner organizations to work with in each neighborhood. More broadly, it provided a venue for other aligning investments from a wide range of public, private and philanthropic sources to advance priorities adopted within each neighborhood plan.
- **Policy and advocacy to embed community development within local government.** Chicago provides an excellent example of how, over a period of decades, community development advocates were successful in institutionalizing community development principles and priorities across all key areas of the public decision-making infrastructure – from allocation of federal HOME and other entitlement dollars to prioritizing training and technical assistance for community-based organizations, to influencing longer-range planning processes for the entire region.
- **Expansion of flexible project working capital and creative use of public financing tools.** One means for doing this would be to create additional pools of multi-year, performance-based working capital and project capital available to a wider range of neighborhoods (beyond downtown and Midtown) to leverage other resources to help support CBO capacity and infrastructure in servicing their neighborhood markets beyond housing. A vehicle for doing this could be the adoption of Chicago’s use of TIF tools within special purpose districts in selected target areas.

Chicago’s Relevant Lessons for Detroit

- The quality-of-life neighborhood planning model introduced through the New Communities Initiative and then implemented with consistency and scale over a long period is an approach that Detroit could introduce more widely across city neighborhoods.
- Advocacy to embed community development principles across a wide range of local government agency decision-making has proved to be an effective long-haul strategy that has contributed to the durability of the Chicago system.
- Availability of a range of flexible project capital and reliance on public financing tools (e.g., TIFs) has increased the flow of investment capital for community development projects beyond housing and enabled public dollars to be more effectively leveraged to attract new private reinvestment in neighborhoods.

Community Development System Profile:

Cleveland

This case profile was prepared as part of a national scan of community development systems undertaken for Building the Engine for Community Development in Detroit (BECDD). BECDD is a multi-phase initiative to create a stronger and more complete community development system that benefits all of Detroit's residents. These system profiles highlight the key features of multi-faceted support systems in that have over time increased the capacity of community development organizations (CDOs) – including CDCs and other nonprofit community-based organizations) – to improve neighborhoods for the benefit of their residents.

For the scan, we deliberately chose five cities (the others include Boston, Cleveland, Indianapolis, and Philadelphia) with mature community development systems where community development practice has been institutionalized and is now generally recognized as successful, innovative and sustainable. We also adopted a systemic view of capacity, on the assumption that capacity gains occur when numerous system elements reinforce one another to create an ecosystem in which CDCs are able to become organizationally stronger and more productive over time. Within this frame, the presence of CDO training and technical assistance resources are only a part of a larger picture that includes favorable public policies; access to capital of various kinds; organizational intermediaries, coalitions and other support organizations that coordinate their efforts; the availability of data that is widely accessible; career pathways and professional development opportunities for individuals interested in this type of work; and methods for ensuring accountability for performance among all the system players.

This profile has four parts. First, it describes how the Cleveland community development system has evolved over time. Second, it describes the scale and key components comprising the Cleveland system. Third, it offers an assessment of the key factors that contributed to the Cleveland system's evolution and growth. Fourth, it highlights a few lessons from Cleveland that may be relevant to system strengthening efforts in Detroit.

1. Evolution of the Cleveland System

The early formation of Cleveland's community development system can be traced back to the late 1960's. Cleveland like many other cities started forming community development organizations to directly address the myriad and complex social and economic issues impacting neighborhoods across the City of Cleveland. At the time, most of Cleveland's housing stock, built in the mid-1920s, was in need of repair, and many Cleveland residents, either because of job loss or the migration of higher income families to the suburbs, could not afford housing maintenance. Cleveland's CDCs had similar attributes of traditional settlement houses in that their programs were broad and comprehensive scope, but overtime this would change. A close examination of how Cleveland's community development system evolved suggests that a shift occurred from comprehensive community development towards an emphasis on physical development around the advent of the Community Development Block Grant (CDBG) program in the early 1980s. In fact, many Cleveland CDCs began as subsidiaries and/or the programmatic arms of neighborhood-based advocacy organizations. The backbone of the current system (i.e., CDCs, intermediaries and associations) was founded throughout 1980s. For example, "in 1981, six CDCs significantly

The Cleveland System at a Glance

- Cleveland's community development system is widely viewed as among the most productive and complete platforms for neighborhood revitalization, benefitting from sustained cross-sector support over several decades.
- The system is citywide in scale with a strong focus on affordable housing, real estate development and physical revitalization; it is also recognized for encouraging higher-capacity CDCs to adopt a comprehensive approach to neighborhood change.
- Well-established system providing financial and institutional support for CDOs and neighborhoods, which enabled the development of several productive organizations operating at significant scale.

involved in affordable housing development created the Cleveland Housing Network (CHN), an umbrella organization with a mandate to identify additional CDC funders and low-income housing tax credit (LIHTC) sponsors.” “National intermediaries, the Local Initiatives Support Corporation (LISC) and the Enterprise Foundation (EF), arrived in Cleveland in 1982 and 1988, respectively, providing grants, loans, and LIHTC syndication.” The Neighborhood Progress Inc. (NPI), now known as Cleveland Neighborhood Progress, was established in 1989 created Cleveland’s first local initiative, the Community Development Partnership (CDP), which provided CDCs with operating support, development financing, training and technical assistance. NPI became the go-to or leading local organization responsible for stimulating the strategic, revitalization of Cleveland’s neighborhoods in collaboration with CDCs. NPI also introduced quality standards for CDCs it supports, through criteria for organizational funding and adherence to financial performance guidelines. “Since its inception, NPI has assisted more than 25 CDCs and other community development support organizations, raising in excess of \$30 million and leveraging \$180 million toward community revitalization efforts.”

In a span of two decades, the volume and capacity of housing production clearly demonstrated a mature system, “building thousands of new and rehabilitated housing units in neighborhoods throughout the city and developing new retail, commercial and industrial space.¹² The “infiltration” of former CDC staff and leaders into senior positions in the philanthropic and governmental sectors only reinforced local support for CDCs. However, it was unprepared for the meltdown of the housing market and the looming foreclosure crisis that jeopardized much of the public, private and philanthropic investment in neighborhoods. Throughout Cleveland’s neighborhoods the property values were in freefall and community developments leaders witnessed an unimaginable spike in vacancy rates, abandonment and vandalism.¹³

To fast forward, the City of Cleveland’s community development still remains strong and resilient, but it continues to struggle to regain some of the stability it had a decade earlier, as a result of population loss and the foreclosure crisis. It is also slowly adapting to a new landscape that requires a recalibration, innovation and new thinking. There is a clear acknowledgement that “community developers must take a hard look at their current organizations, practices, and strategies and adapt to emerging conditions.”¹⁴ The Greater University Circle Initiative is an example of the local leaders thinking outside the box, as is the creation of the Cuyahoga County Land Bank.

2. Key Components of the Cleveland System

The Cleveland system continues to be largely representative of wide range of actors including intermediaries and support organizations, funders, lenders.

CDCs and community-based organizations. Cleveland has one of the nation’s most comprehensive systems of neighborhood-based development organizations. The City works with 33 groups in their efforts to revitalize their neighborhoods through housing and commercial development, job creation, land reutilization and the provision of critical development services. The City assists CDCs with basic operating support and provides development capital for projects. The operating support comes from Cleveland City Council members, who receive \$500,000 in Community Development Block Grants each year to distribute in their respective wards.

Governmental agencies and programs supporting community development. The local government sector remains a central player in Cleveland’s community development system. The following agencies provide specific types of support for community-based planning and program implementation efforts:

¹² Re-Thinking the Future of Cleveland’s Neighborhood Developers: Interim Report, Norman Krumholz, Kathryn Hexter, Center for Community Planning and Development, Maxine Goodman Levin College of Urban Affairs, Cleveland State University, March 2012.s

¹³ Ibid

¹⁴ Ibid

- **Cleveland Department of Community Development.** This agency is the custodian for planning, administering and evaluating the city’s allocated HUD funds, and it is the lead agency mandated by City Council to “implement programs designed to conserve and expand the housing stock; revitalize commercial areas; acquire, maintain, and market vacant land; improve the quality of human services; and develop small area or neighborhood strategies.”
- **The Neighborhood Transformation Initiative (NTI)** is a recently announced by the Mayor of Cleveland will invest a total of \$65 million to help revitalize and stabilize Cleveland’s neighborhoods and catalyze small business growth. “The initiative will concentrate on investing in neighborhoods where traditional development models don’t work and where developers and lenders have considered it too risky for investment.” This public/private funded initiative has garnered the financial commitment of Key Bank; Huntington Bank; PNC Bank; Fifth/Third Bank; Capital Impact Partners; The Cleveland Foundation; Urban League of Greater Cleveland; ECDI (Economic & Community Development Institute); National Development Council; Neighborhood Housing Services of Greater Cleveland; JumpStart Inc.; CCDC (Cleveland Citywide Development Corp); The Real Black Friday; and Greater Cleveland Habitat for Humanity. The city has allocated \$25 million from a 2014 \$100 million bond issue.
- **The Community Development Corporation (CDC) Program Grant,** administered by the Department of Community Development, provides funding for local improvement projects such as home repair, housing development and retail/commercial revitalization. The program is to directly benefit low and moderate-income residents, eliminate and prevent blight and property deterioration and serve an urgent need.
- **Afford-A-Home** programs was designed to increase the affordability of purchasing a home for low-income residents. The program provides funding to certified developers looking to rehabilitate vacant homes needing at least \$40K of rehab for a single family or \$50K for a two-family home. A second mortgage assistance in the amount of \$10K or \$20K may be offered to the homebuyer through this program. To qualify, the house must be vacant and require at least \$40,000 of work for a single family or \$50,000 for a two-family structure
- **Storefront Renovation Program (SRP)** housed within the Department of Community Development provides businesses development assistance in an effort to help neighborhood retail districts become more attractive, economically viable.
- **Cuyahoga County Land Bank** is a quasi-non-governmental (a separate non-profit, government-purposed entity) tasked with strategically acquire properties with the goal of returning the reclaimed properties back to productive use through rehabilitation, sale or demolition, creative reuse or traditional economic development. Funding for the land bank largely comes from the “accumulation of penalties and interest on collected delinquent real estate taxes and assessments.”
- **Thriving Communities.** Launched by the Land Conservancy, this is a statewide effort created to help protect and preserve the region’s natural assets through land conservation and restoration, helping to revitalize urban centers is also a part of its mission. Thriving Communities has been instrumental in the formation of the Cuyahoga land bank.

Housing and community development intermediaries. Cleveland benefits from having a well-developed, stable network of nonprofit intermediary and support organizations that contribute to the health and effectiveness of the community development sector. The three principal intermediaries include:

- **Cleveland Neighborhood Progress (CNP)** is the primary community development intermediary leading the revitalization of Cleveland’s neighborhoods. CNP (formerly Neighborhood Progress Inc.) provides financial

support, training and capacity building efforts to local CDCs. As an intermediary, CNP also supports and performs placemaking activities to improve residential, commercial and greenspace properties. It delivers economic opportunity programming to ensure city residents can thrive where they live. CNP convenes the local community development field for an annual Progress Institute, a day-long learning symposium. Recently CNP announced it was making a \$4.2 million investment in 12 CDCs as part of a new three-year Strategic Investment Initiative (SII), impacting 16 Cleveland neighborhoods.

CNP created two subsidiaries. Village Capital is a Community Development Financial Institution, a wholly-owned subsidiary of CNP, providing financing for market-rate and affordable development projects. Since 1992, “Village Capital has provided nearly \$100 million in loans to support almost \$1 billion total development costs for over 200 separate real estate projects. Village Capital’s financing activities have helped to create and preserve over 8,100 residential units and nearly than 2 million square feet of commercial space.” The second subsidiary, New Village was created to provide multi-faceted technical expertise and leverage resources to support unusually complex development projects.

As an intermediary, CNP advances the community development field by offering professional development opportunities through professional consultation, certification programming, conferences, and workshops.

- **Enterprise Ohio**, part of the national Enterprise Community Partners, is based in Cleveland. It lends and grant funds, provides technical assistance, finances development and manages and builds affordable housing, while shaping new strategies, solutions and policy in its market. To eliminate housing insecurity, Enterprise Ohio has a diverse portfolio of programs and initiatives focused on community revitalization, affordable housing production and preservation and other areas that address vulnerable populations and asset building. This intermediary also provides technical assistance to support increased production capacity of select partners. Enterprise Ohio has invested over \$609 million in Ohio, creating over 14,700 affordable homes.
- **Cleveland Housing Network (CHN)**. As a large-scale affordable housing developer, CHN’s mission is to build strong families and vibrant neighborhoods through quality affordable housing and strengthened financial stability. The organization also offers its development services to other organizations, cities and coalitions. In 2012, CHN and other key partners played an instrumental role that led to the creation of the Citywide CDC Initiative to stabilize 700 affordable homes (owned by local CDCs) by raising nearly \$2M, purchasing bank notes, and influencing lenders to write down over \$6M in loans.

The philanthropic sector. Numerous local funders have played critical roles in supporting Cleveland’s community development system.

- **Cleveland Foundation.** This prominent community foundation that has over time had a significant impact in City of Cleveland and throughout Cuyahoga County in shaping and influencing the region. Presently, the Cleveland Foundation philanthropic giving is estimated at \$80 million annually, and half of those dollars are directed by the Foundation leadership. Six identified areas guide its grantmaking dollars, which include Education & Youth Development, Neighborhoods, Health & Human Services, Arts and Culture, Economic Development and Purposeful Aging. The local community development industry is largely, but not solely, funded within the foundation’s “neighborhood” area of impact. Viewed as a thought-partner as well as a funder, the Cleveland Foundation employs a holistic approach to tackle the complex issues impacting Cleveland. Over three decades the Foundation has invested well-over \$65 million toward neighborhoods development. Receiving financial support from the foundation are the city’s community development corporations, Cleveland Neighborhood Progress, Cleveland Housing Network, Downtown Cleveland Alliance, Midtown Cleveland, and The Greater University Circle Initiative. As a Foundation that incubates

and tests bold ideas, it is recognized nationally for the creation of the Greater University Circle Initiative (GUCI) to stimulate investment in seven neighborhoods surrounding University Circle. The Neighborhood Connections small grants program it launched in 2003 is large and well-known nationally.¹⁵ Since 2014, the program has funded approximately 2,063 projects totaling more than \$7 million. A resident-led body is involved in awarding grants to resident groups.

- **George Gund Foundation.** A well-established private foundation with over sixty-years of grantmaking, Gund provides grants in the areas of education, human services, economic and community development, the environment and the arts. Under its economic and community development cluster, the Gund Foundation has a longstanding record for supporting intermediary organizations such as Cleveland Neighborhood Progress that are focused on improving the competitiveness of Cleveland. Philanthropic services is another focused area in which the Gund Foundation invests in strengthening the infrastructure of the nonprofit. The Foundations also uses its grant dollars to make program-related investments (PRIs) that align with its funding priorities. Since its inception, the Foundation has made grants totaling more than \$538 million.
- **The Jack, Joseph and Morton Mandel Foundation** is an independent foundation involved in international relations between U.S. and Israel, and supports leadership educational programs funding the Mandel School of Applied Social Science at Case Western University. In 2007, the Foundation established the Neighborhood Leadership Development Program (NLDP), a training ground for residents to develop and hone their leadership abilities. The Foundation also directs its grantmaking towards urban renewal and community development. In 2016, 518 grants totaling \$46,386,000 to support nonprofit institutions and programs; \$16,362,000 for Leadership Development and \$914,000 towards Urban Renewal.
- **St. Luke’s Foundation.** In a span of two decades this foundation’s mission has evolved and broadened from fostering and improving the health outcomes of Cleveland residents to catalyzing and sustaining opportunities employing a place-based approach to improve social conditions and the physical environment. The St. Luke’s Foundation has concentrated its efforts in Mt. Pleasant, Woodland Hills, and Buckeye under the auspice of A Strong Neighborhood program, which is centered on cross-sector partnerships involving residents, community-based organizations and public/private partners.
- **KeyBank Foundation.** A nonprofit charitable organization founded in 1969 and funded by KeyCorp, this foundation supports organizations and programs engaged in efforts in the following priority areas – Neighbors, Education and Workforce, and Community Service. The grants that support “neighbors” enable the local community development industry advance economic inclusion; create safe, affordable communities and housing; and development small businesses. KeyBank also offers a Community Development Lending and Investment program.
- **William J. and Dorothy K. O’Neill Foundation** is private family foundation whose guiding mission is to partner with nonprofits to improve the quality of life for families and communities. The O’Neill Foundation has three overarching grant programs that supports the nonprofit organizations internal infrastructure projects (i.e. strategic and succession planning and board development etc.); general operations; and special projects and grants are also available for time-sensitive needs.

Trade and Membership Organizations. The Cleveland system includes the following membership organizations:

- **Ohio Conference of Community Development (OCCD)** is a statewide membership association of community and economic development professionals. Aside from conducting meetings and conferences, the

¹⁵ That program provides grants ranging from \$500 to \$5,000 designed to empower and encourage local resident engagement by funding small grassroots neighborhood projects that are resident-led.

association also offers trainings and workshops, namely the Ohio Community Development Professionals (OCDP) Certification Program. This program provides community development professionals with a basic understanding of State and Federal programs used to facilitate housing, economic and community development efforts. This certification program is a joint effort between the Ohio Conference of Community Development, Inc. (OCCD) and the Ohio Department of Development (ODOD).

- The **Ohio CDC Association** (OCDA) is a statewide membership organization that fosters vibrant neighborhoods and improves the quality of life through advocacy and capacity building. OCDA also offers a variety of training and professional development opportunities, delivering 10-15 days of training (i.e. webinars, workshops and multi-day intensive training) per year on topics including community development, economic development, affordable housing, financial empowerment, food access, real estate, finance, project development, leadership, and management.

Nonprofit and academic programs in community development. Cleveland’s philanthropic community and academic centers support the numerous professional and resident-based leadership training programs; there isn’t a dearth of skill-based community development certificates and degree programs operating in Cleveland.

- Cleveland State University offers to graduate degree programs in the community development field. A **Master’s in Urban Planning and Development** (MUPD) program “prepares men and women for planning practice in a wide variety of organizational settings and professional pursuits” and a **Master of Science in Urban Studies**, which offers advanced training in urban studies to recent graduates, in-service professional and others wishing to pursue or advance careers in fields such as economic development, environmental affairs, and community organization management.” Graduates of this program are prepared to “assume leadership roles in organizations, to analyze urban systems, and to develop creative and effective strategies for urban revitalization.”
- Located and administered by Cleveland State University for 27 years, the **Center for Leadership Development** brings together policy-makers, elected officials, senior administrators and community leaders to analyze, design, and collaborate on contemporary urban issues. The Center’s fee-based training offerings are organized under three program areas, leadership (i.e. Leadership Academy); management and customized training.
- **Neighborhood Leadership Development Program** (NLDP) was founded in 2007 by the Mandel Foundation to develop a new vanguard of engaged neighborhood leaders. It’s intensive, one-year course designed to hone the participant’s leadership skills and explore strategies for neighborhood improvement. The program’s more than 140 graduates covered topics such as program planning, fundraising and community engagement.
- **Neighborhood Leadership Institute (NLI)** was formed by graduates of the Neighborhood Leadership Cleveland (NLC) to foster grassroots leadership in 2001. The Institute provides leadership training, resources and development to individuals to help improve the quality of life for neighborhood residents throughout Greater Cleveland. The Neighborhood Leadership Cleveland, is a 19-week course which was started in 1994 and is the flagship leadership program of Neighborhood Leadership Institute and it’s presented in partnership with Cleveland State University.
- **Ohio Conference of Community Development (OCCD)** is a statewide membership association of community and economic development professionals. Aside from conducting meetings and conferences, the association also offers trainings and workshops, namely the Ohio Community Development Professionals (OCDP) Certification Program. This program provides community development professionals with a basic understanding of State and Federal programs used to facilitate housing, economic and community

development efforts. This certification program is a joint effort between the Ohio Conference of Community Development, Inc. (OCCD) and the Ohio Department of Development (ODOD).

3. Factors Contributing to the Local System's Evolution and Growth

The continued growth and stability of the Cleveland community development system has been disrupted by external factors that the CDC leadership has not anticipated and were ill-equipped to manage. Many could argue that this presents Cleveland with an opportunity to retool and re-envision Cleveland's future. The factors that were instrumental in enabling the local system to evolve are central players in its next phase of evolution. The thoughtful planning and willingness to work collaboratively has boded well for Cleveland. In looking back, there is evidence that a confluence and timing of multiple events and factors established the framework for Cleveland's local system. The key factors at play:

- Since the early 1990s, CDBG dollars have been deployed to provide core support to CDCs in each council district, helping to stabilize these organizations and connecting political leaders directly to neighborhood issues and priorities.
- A very generous and committed philanthropic community that has invested its resources and intellectual capital to nurture, grow and sustain the community development system.
- A well-supported local intermediary, Cleveland Neighborhood Progress, has for over 25 years provided thought leadership, flexible grant dollars (mainly from local philanthropy) along with project-related and organizational technical assistance and project financing.
- A readiness by CNP early on to introduce quality standards for CDCs it supports, through explicit criteria for organizational funding and adherence to financial performance guidelines.
- The "infiltration" of former CDC staff and leaders into senior positions in the philanthropic and governmental sectors has reinforced local support for CDCs.
- Both Cleveland State and Case Western universities have been strong supporters of the system with data and research as well as professional education programs

4. Some Relevant Lessons for Detroit

A few aspects of the Cleveland community development system could provide lessons for the Building the Engine initiative in Detroit. Among those lessons are:

- **Coordination and strategic deployment of local, state and federal funds for optimal effect is critical to strengthening and sustaining a community development system.** The continuing performance of the Cleveland system, even during unfavorable conditions, shows how essential it is to provide strong, high performing CDCs with operating funds as well as funding for innovative and high-risk projects, and sustaining efforts that yield consistent positive results.

- **The flexibility, durability and scale of local philanthropic investment has provided a critical underpinning to the Cleveland system.** Without this support it would have been much more difficult if not impossible to attract the scale of additional support and resources that have flowed into Cleveland neighborhoods over the past decade. The Cleveland and Gund Foundations especially have leveraged their resources and thought leadership in ways that have encouraged experimentation and innovation. That support has not just introduced stability to the system but strengthened the capacity of all the key players comprising the system to become more effective in adapting to unforeseen shifts in the local landscape over the past decade.
- **Expand and deepen the local offerings of technical and skill-building training opportunities beyond leadership development.** Training and capacity needs to be responsive to local demands. There also needs to be a mechanism for evaluating the scope and type of training and capacity building before offered. With multiple program options available it would be tremendously helpful to catalog or inventory the offerings to gauge if there is too much overlap and to identify the gaps in knowledge building.
- **The adoption of a multi-pronged community development strategy should be encouraged.** The Cleveland experience of the past decade has shown the potential vulnerability of a community development strategy that relies mainly or solely on housing development. A broader approach could prove more effective and sustainable for CDCs committed to addressing the social and economic issues impacting low- and moderate-income neighborhoods.

Cleveland’s Relevant Lessons for Detroit

- The NPI intermediary model demonstrates the value of channeling funding through a “one stop” entity following a clear strategy for building capacity in the system.
- Cleveland provides an example of how philanthropic leadership together with public core operating support can create a sustainable citywide network of CDCs.
- Cleveland’s experience of the past decade suggests the need to build a community development system on a broader foundation. CDCs might have proved more resilient in responding to the severe housing market downturn, had they been encouraged to build a broader programmatic base.

Indianapolis, IN

This case profile is part of a national scan of community development systems prepared for the Building the Engine for Community Development in Detroit (BECDD), a multi-phase initiative to provide the means for creating a stronger and more complete community development system with the potential to benefit all of Detroit's residents. These system profiles highlight how selected cities have evolved support systems that have contributed to the increased capacity of community development organizations (including CDCs and other community-based organizations) to improve neighborhoods for the benefit of their residents.

For the scan, we deliberately chose cities with mature community development systems where community development practice has been institutionalized and is now generally recognized as successful, innovative and sustainable. We also adopted a systemic view of capacity: Our view is that increased capacity is a co-product of numerous system elements working together to enable CDCs to become organizationally stronger and more productive over time. Within this frame, the presence of CDO training and technical assistance resources are only a part of a larger picture that includes favorable public policies, access to capital of various kinds, organizational intermediaries and other types of support organizations that are effectively coordinating their efforts, the availability of data that is widely accessible, career pathways and professional development opportunities for individuals interested in this type of work, and methods for ensuring accountability for performance among all the system players.

This profile has four parts. First, it first describes how the Indianapolis community development system evolved and its current characteristics. Second, it summarizes the roles and functions of an array of organizational players involved in building community development capacity in Indianapolis. Third, it offers an assessment of the unique factors that influenced how the Indianapolis system was shaped. Fourth, it highlights a few specific lessons from Indianapolis that may be relevant to system strengthening efforts in Detroit.

1. Evolution of the Indianapolis System

The first Indianapolis CDCs were founded in the 1970s, usually from concerned neighborhood groups seeking to address issues within their neighborhoods. The creation of many of these organizations were a direct result of Mayor Hudnut's 1987 affordable housing task force, which set the stage for decades of public-private cooperation in support of neighborhood improvement. That task force led to an intentional civic commitment to ensure urban neighborhoods undertaking community development would have a CDC and that these local groups would not have

The Indianapolis System at a Glance

- A mature system comprised of up to 12-14 CDOs mostly serving neighborhoods throughout Center Township (the old city boundaries prior to expansion to a county-wide government).
- Strong growth during the 1990s, supported by local priorities and federal dollars that funded mostly housing and physical revitalization.
- Since 2008, transitioning toward more comprehensive neighborhood strategies guided by community-supported quality of life plans.
- More recently, a further shift toward a targeted neighborhood transformation strategy that prioritizes neighborhoods with high levels of disinvestment and potential for repopulation and attraction of increased private investments.
- Strong cross-sector collaboration in support of a ten-year goal of attracting 100,000 new residents into the city while raising per capita income by 20% county-wide.
- Neighborhood planning and implementation being coordinated within designated target areas (5 so far) by designated conveners including traditional CDOs and other nonprofits.

overlapping service areas. As a result, as John Marron from the IU Public Policy Center in Indianapolis has argued, CDCs were (and remain today) rooted in the geographies within which they were created.¹⁶

During the 1990s, several more CDCs were formed and the system continued to expand, with most CDC activities concentrated in housing, continuing a trend that had begun in the previous decade. Housing activities dominated the work of the industry throughout the decade, supported by philanthropic contributions and federal funding for housing and community development activities. During that period, CDCs invested more than \$131 million in housing and homeowner development and produced 3,823 units of housing.¹⁷ CDCs invested more than \$27.8 million additional dollars in economic development (e.g., commercial and retail projects and the creation of community centers) and community building (e.g., Individual Development Account programs, job training and placement, youth programs and neighborhood beautification efforts).¹⁸ Local government policies prioritized neighborhood development, with an emphasis on homeownership and increasing the supply of viable rental housing. Most of the resources expended by the Indianapolis Department of Metropolitan Development over the decade supported the activities of Indianapolis' CDCs. Local Federal dollars flowing into Indianapolis in the 1990s for community development were as high as \$24 million annually. As elsewhere, HOME and CDBG allocations have decreased significantly for well over a decade; In Indianapolis, federal funding declined by 32.4 percent since its peak in 2001. Allowing for inflation, those resources have declined by more than half.¹⁹

Besides the steady decline in funding for neighborhood reinvestment, other factors also influenced recent civic decisions to refocus investments in Indianapolis neighborhoods. These included the outward spread of concentrations of low- and moderate-income families beyond Center Township neighborhoods into other parts of Marion County and the steady loss of population in core neighborhoods of the city.²⁰ Increasing poverty and neighborhood disinvestment was affecting communities where CDOs had not been established or supported. In addition, there were concerns about the capacity and stability of some established CDOs serving neighborhoods in the traditional urban core. It had become increasingly clear that the community development system created three decades earlier was not adequately addressing the scale of neighborhood disinvestment, population loss and loss of tax revenues confronting the city.

These led civic leaders to adopt a more strategic and targeted approach to allocated limited public community development resources within a smaller number of geographic areas. In addition, a cross-sector consensus has emerged that favors a broader approach to aligning resources for neighborhood improvement. This emerging consensus among public and private investors in community development gave rise to what came to be referred to as a "Community Development 2.0" strategy that better integrates continuing "people-based" neighborhood investments throughout the city with targeted, larger-scale revitalization strategies that address both people- and place-based investments in a limited number of neighborhoods. This new arrangement combines the efforts of the city's two housing and community development intermediaries, the Indianapolis Housing Partnership and Indianapolis LISC (both described below), with resources from city government, the local Chamber of Commerce and the United Way. A new targeted investment strategy spearheaded by Indianapolis LISC, called Great Places 2020, was rolled out in 2013 in three places. It has since been expanded to include two more target areas.

One of the most interesting features of this public-private collaborative is its commitment to a ten-year goal of attracting 100,000 new residents to the city and raising per capita income citywide by 20% over 2010 levels. This

¹⁶ Marron, John, *Substantive Review of the Indianapolis Community Development Delivery System*, IU Public Policy Center, March 2014.

¹⁷ Marron, *Ibid.*

¹⁸ Marron, *Ibid.*

¹⁹ Marron, *Ibid.*

²⁰ Marron, *Ibid.*

dual approach requires that efforts be directed not simply toward convincing middle-income residents to return to core city neighborhoods but also achieving significant gains in the incomes of current lower-income residents living in those same neighborhoods and elsewhere within Marion County. If successful, this effort will also bring significant benefits in the form of increasing the City of Indianapolis tax base, something that is critical to maintaining essential city services and balancing the budget.

2. Key System Components

The key components of the Indianapolis system include a network of CDCs and community-based nonprofits, a set of governmental agencies and the city and state levels that provide funding and policy support to the system, the philanthropic sector, local and statewide membership associations serving and advocating for the sector, several technical support providers, data and research entities, and university-based entities providing career and professional development training for community development professionals. The Indianapolis system is also guided by an informal governance processes that provide overall guidance to how the system operates and evolves.

CDCs and community-based organizations. The Indianapolis community development landscape is changing and the population of CDCs and CDC-like neighborhood organizations is also evolving. During the 1990s the CDC population included 16-17 organizations with community development missions that mostly focused on affordable housing, commercial revitalization along with various community engagement and human service programs. Other community needs were met through a separate system of neighborhood multi-service centers, many supported through the United Way. Now the boundaries between these two forms of organization are less and there is increased coordination among neighborhood organizations, often guided by priorities identified in neighborhood quality of life plans. Indianapolis LISC now lists 20 neighborhood partners on its website; of that total, only 8 identify themselves as CDCs. The other 12 organizations on the list are community centers, a children’s museum, a community college and an arts organization.

Key governmental agencies. The relevant government agencies at the city and state levels with significant roles to play in community development are described below.

At the city level, these agencies include:

- **Mayor’s Office.** The Mayor’s office serves as the point of connection across city departments and services. Ten individuals serve as the Mayor’s Neighborhood Advocates and provide a direct link to the Mayor's office, as well as any city department and service. Neighborhood Advocates provide a combination of neighborhood and business assistance.
- **Department of Metropolitan Development.** This single agency oversees all aspects of neighborhood and business development in the city including real estate and economic development, community investments, historic preservation and metropolitan planning. This department continues to manage federal and local dollars flowing into the community development system. The FY 2017 federal awards to the City of Indianapolis included \$8,261,780 for CDBG, \$3,089,757 in HOME funds, \$1,106,921 in HOPWA and \$739,292 for ESG.
- **City-County Council.** Since 1970, Indianapolis has operated under a Unigov framework in which city and county functions are combined into a single City-County Council with 25 members serving districts throughout Marion County. The City-County Council is the primary legislative body and has the exclusive power to adopt budgets, levy taxes, and make appropriations for the operation of the City. It enacts, repeals, or amends local ordinances. It appoints some boards and commissions and confirms the Mayor’s high-ranking appointments.

At the state level, the key agencies involved are:

- **Indiana Housing Finance Agency.** The Indiana Housing Finance Agency manages the allocation of the federal low-income housing tax credit (LIHTC) program. That program provides an incentive for private developers and investors to provide more affordable rental housing (add current award levels for 2016 or 2017). The agency also operates a very broadly-defined Neighborhood Assistance Program (NAP) that offers up to \$2.5 million in tax credits annually for distribution by not-for-profit corporations. Organizations use NAP tax credits as an incentive to help them leverage more contributions from individuals and businesses for certain neighborhood-based programs and projects. The maximum tax credit award per organization per fiscal year is \$40,000.00.
- **The Community Investment Fund of Indiana.** (CIFI) provides development services and loans in qualified investment areas and to low income individuals that lack access to financial products or services throughout the state. It directly finances projects, assisting in leveraging additional capital, and facilitating access to program services. CIFI's primary customers are individuals, businesses, not-for-profit organizations, community service providers and affordable housing developers. Currently, loans are offered in amounts up to \$250,000 and CIFI can participate with banks, government agencies and non-profit community economic development lenders.

Other quasi government agencies:

- **Federal Home Loan Bank.** Compared with other cities studied, this agency has not in recent years been a significant source of funding for the community development sector. A key source of capital for community development projects is the Affordable Housing Program (AHP). Of the \$1.84 million in HAP awards made to Indianapolis, there were no awards made to community development organizations.

The philanthropic sector.

- **Lilly Endowment.** This large private foundation allocates over a third of its resources within a broadly defined community development grant area, and the bulk of its grantmaking is concentrated within Indianapolis and Indiana. Its priorities within this area of grantmaking are "human and social needs, central-city and neighborhood revitalization, low-income housing, and arts and culture in Indianapolis." During 2016, the Endowment paid grants totaling \$452.8 million; community development grants accounted for \$208.9 million (46 percent) of that total. In total, \$166.7 million (37 percent of all grants) were made to Marion County (Indianapolis) grantees.
- **Central Indiana Community Foundation** awards \$40 million annually to nonprofits in Central Indiana. The foundation awards a combination of discretionary grants and funds that it manages, including community funds, family funds, and special focus funds. Increasingly its grantmaking is directed toward community development priorities, as indicated in its areas of giving, which include Quality of Life, Education, Vitality of Community, Connectivity of Neighborhoods, and Community Assets.

Potential for adding further level of detail on levels of funding from these two organizations and adding mention of any other significant philanthropic supporters.

Housing and community development Intermediaries. Indianapolis has two intermediary organizations that have different areas of focus but do coordinate their efforts.

- **Indianapolis Neighborhood Housing Partnership (INHP).** This local intermediary was established in 1988 and in its early years developed a three-part strategy that included: (1) providing a financing pool for housing

and real estate projects in Indianapolis neighborhoods, (2) encouraging and supporting a network of CDCs across neighborhoods within the city's urban core, and (3) launching a homeowner development program for low- and moderate-income families. Additional elements have been added to the system in the years since then and much of this strategy has remained in place with the support of local government under several Republican and Democratic city administrations. INHP has benefitted from sustained support from the Lilly Endowment over its entire history.

Over the 30 years since it was established, INHP has gained national recognition for its homeownership development program, which provides a full-service approach to financial literacy, credit repair as well as facilitation of mortgage lending for low- and moderate-income families in Marion County. INHP also operates as a fully accredited CDFI and has repeatedly put together loan pools involving local banks to fund homeownership mortgage programs and multi-family affordable housing project lending. INHP has also played a well-established role as a convener for the entire system and it looked to as providing a significant platform for public-private and cross-sector collaboration on housing and neighborhood issues. Most recently it has launched an anchor institutions initiative focused on targeted revitalization of the "midtown" area in Indianapolis.

- **Indianapolis LISC.** The Indianapolis system has also benefited from the efforts of a second intermediary, Indianapolis LISC, which was established in 1992 to support CDCs and neighborhood revitalization. LISC initially played a lead role in neighborhood commercial corridor improvements and then adopted a more comprehensive strategy in 2008 with the introduction of the Great Indy Neighborhoods Initiative (GINI). That effort, which involved Indianapolis LISC, the City of Indianapolis, the Indianapolis Neighborhood Resource Center, and the Ball State University CAP/Indianapolis Center, included broad resident and stakeholder engagement in the development of neighborhood Quality of Life Plans that continue to guide implementation efforts. These highly participatory, neighborhood-focused plans have been responsible for fostering a renewed interest in community development in the city. The Quality of Life plan developed for the Near East Side is credited with attracting a commitment to invest proceeds from the 2012 Indianapolis Super Bowl in a Legacy Project that implemented key plan elements.

More recently LISC has worked with other partners to build on the success of the Super Bowl Legacy initiative. After two years of planning, joint strategy development and fundraising this new initiative, Great Places 2020, was launched under LISC's leadership. That collective approach includes five additional implementing partners - the City of Indianapolis, INHP, the Indy Chamber, Keep Indianapolis Beautiful, and the United Way of Central Indiana. Great Places 2020 is governed by a Steering Committee representing businesses, government, neighborhoods, nonprofits and philanthropy. Investments in each Great Place will be organized into four outcomes: *Livability*, which encompasses making neighborhoods healthy and beautiful; *Opportunity* which includes entrepreneurs and jobs; *Vitality* which seeks to grow neighborhood populations; and *Education*, which promotes lifelong learning. Great Places 2020 is designed structure initial funding and strategic programming to transform each place in ways that attract additional private investment. A well-developed measurement framework is in place to track progress in implementing this market-oriented place-based initiative.

In addition to its lead role in this initiative, LISC also provides other ongoing investment and support functions within the community development sector. These include: (1) providing predevelopment and development financing for real estate projects; (2) technical assistance in neighborhood planning and capacity building; and (3) systems advocacy/policy work on behalf of CDCs and the community development system.

Trade and membership organizations. Indianapolis CDCs have long been served by two membership organizations – one operating in Indianapolis and the other at a statewide level.

- **Indianapolis Coalition for Neighborhood Development (ICND).** This local association is comprised of roughly 25 neighborhood-based community development corporations (CDCs) and other Indianapolis nonprofits focused on community development. ICND provides leadership and advocacy to advance community-led housing and economic development in Indianapolis neighborhoods and helps facilitate communication, collaboration, and cooperation among Indianapolis’ nonprofits working in this field. (The organization has been less active lately.)
- **Prosperity Indiana (formerly the Indiana Association for Community Economic Development.** This statewide membership organization undertakes systems advocacy/policy work, industry promotion and conferences, member services, trainings. It also sponsors equitable development platforms/symposia. More information may be found at <https://prosperityindiana.org/>

Other technical support providers. Two prominent providers of technical support within the sector include:

- **Indianapolis Neighborhood Resource Center (INRC).** INRC serves as an additional support organization serving primarily smaller, more grassroots community-based organizations in Indianapolis. Established in 1993, INRC works directly with a wide range of neighborhood-based organizations throughout Marion County, including some 150 CDOs and volunteer-led associations of residents, faith-based organizations, and other not-for-profit groups. This organization has a 7-person staff and provides training, support and a variety of programs to address neighborhood quality of life issues. INRC offers consulting services to assist residents and neighborhood organizations in the areas of resident engagement, meeting planning & facilitation, community engagement plans, asset mapping, site-based training, and assessments.
- **Keep Indy Beautiful, Inc. (KIP).** Founded in 1976, this nonprofit organization is dedicated to preserving the natural beauty and environmental assets of the city of Indianapolis. Each year, KIB supports an average of 500 community improvement projects (e.g., tree planting, neighborhood clean-ups, greenspace projects) with more than 30,000 volunteers. For the past three decades, KIB has partnered with neighborhoods, the public sector, and Indianapolis community groups and businesses to achieve its vision for a beautiful city. KIP is one of the implementing partners for the Great Places 2020 Initiative.

Research and data. The community development sector is able to access up-to-date data and research findings provided by two main sources:

- **Indiana University Public Policy Institute, www.policyinstitute.iu.edu** In 2014, it produced a *Substantive Review of the Indianapolis Community Development Delivery System*
- **Ball State University Indianapolis Center.** The Indianapolis Center in downtown Indianapolis functions as Ball State’s outreach bridge that connects Indiana communities, organizations, and businesses with access to the resources and expertise of Ball State University and its faculty. It’s outreach activities do encompass nonprofit sector actors and that university’s College of Architecture and Planning worked through the Indianapolis Center while serving as a resource to Indianapolis LISC in implementing the Great Indy Neighborhoods program.

Professional and career development. There are no community development degree or certificate programs offering specialized professional training and career development opportunities for community development practitioners. However, two academic institutions do offer programs that prepare students to enter careers within the sector.

- **The School of Public and Environmental Affairs at Indiana University Purdue University Indianapolis.** This Indianapolis-based institution offers a Master of Public Affairs (MPA) program for students interested in careers in the public, private and nonprofit sectors. The program emphasizes preparation for legal, management, financial and budgetary leadership roles in the public and nonprofit sectors. Students spend time doing hands-on projects that promote positive change in the community; meet respected legal experts, nonprofit executives and government officials who are guest lecturers; and secure internships and jobs with local and state government agencies as well as public and private companies. The program may be taken on a full-time or part-time basis. Some 62% of the program’s graduates are employed in the nonprofit sector.
- **Ball State University Department of Urban Planning.** Although Ball State University in Muncie does not offer a formal program of training in community development, its Department of Urban Planning is the only such program in the state and does incorporate into its undergraduate and master’s degree programs a combination of training and career exposure in preparation for professional planning roles in urban community settings and the nonprofit sector nonprofit planning for nonprofits and communities in addition to no to as well as public and private sector.

System governance. The Indianapolis system has no formal governance structure; however, a group of civic leaders directly involved in funding community development organizations meet annually through the Indianapolis Neighborhood Development Initiative (INDI) review process, to evaluate the impact the system and its various players have had throughout the past year and consider funding decisions for the coming year. Funders and practitioners generally view this informal coordination process as beneficial in raising funders’ awareness of the various current initiatives and evaluating potential community development partners. At the same time, a recent review of the community development system noted that key stakeholders recognize there is not a consistent, commonly held purpose for the system across stakeholders, with little agreement upon whether community revitalization efforts should seek to improve the lives of individuals living in the community already or to reset the market to attract individuals not currently living in the community. This gap also creates challenges in measuring impact, clouds considerations around geography and geographic targeting, and makes holding recipients accountable for specific outcomes infeasible.²¹

There is also a regular process through which executive directors of the organizations directly engaged in community development service provision (mostly CDCs) meet monthly through their organizational affiliation with ICND. *(is this still true?)*

3. Distinctive System Features that Have Contributed to Current Capacity

There are distinctive features of the Indianapolis system that are central to understanding how the system has developed. These include:

- Steady and significant support from local foundations, most notably the Lilly Endowment, for both local intermediaries and for sustaining the city’s community-based development organizations and other support organizations described above. This sustained level of support has been in place for nearly three decades and has brought a level of stability to the system.

²¹ Marron, *Ibid.*

- There has been mayoral support for the CD system over several administrations. This has been important in aligning city programs and investments with the work of local community development organizations, although the bulk of resources for building the capacity of those organizations and maintaining their core operations has been covered by philanthropy.
- There has been consistent commitment to cross-sector alignment of efforts and funding. This has been reinforced by the interconnections among people working in different organizational settings but with a shared commitment to improving neighborhoods and to supporting community development organizations as an important resource for neighborhood development. There has also been a pattern of coordination among the city's two strong intermediaries and between those organizations and other players in the system.
- Indianapolis' approach to participative neighborhood planning, most evident in the GINI demonstration that began in 2008, has helped to draw broader attention to the potential for coordinated investments in neighborhood improvement.

Key Factors Contributing to System Capacity in Indianapolis

- Stable philanthropic funding, including nearly three decades of consistent support from the Lilly Endowment and other local funders.
- Capable, well-respected local intermediaries that have well-defined roles and an ability to collaborate with others to achieve collective goals.
- Consistent mayoral and public agency support for community development over several administrations.
- A civic culture that values strong cross-sector alignment of efforts and funding – community development strategies are now supported by the United Way, city government and civic organizations including the Chamber of Commerce.

According to researcher John Marron, the lessons learned from the GINI demonstration project have contributed to researchers' and practitioners' understanding of how to achieve success in comprehensive community development initiatives: 1) commit to a broad and inclusive planning process; 2) recognize the critical role played by a community-builder; 3) understand the value of an asset-based planning approach; 4) obtain a commitment from residents to engage within the process; and 5) secure a commitment from civic leadership to honor the decisions of the neighborhood.²²

- The success of the broader public-private Super Bowl Legacy project on the Near East Side of Indianapolis, which chose to focus in that area because of the quality of life plan developed there under GINI, helped to draw other civic leaders together around the most recent Great Places 2020 initiative. The participation of the Chamber of Commerce as a key player most certainly is a result of that success.
- Lending further support to more recent efforts to redesign and expand investments in the system is the shared view that neighborhood revitalization should be more targeted and market driven in order to achieve measurable impacts on neighborhood stability. Along with this understanding is a growing awareness that neighborhood quality and vitality, especially in core city neighborhoods, is critical to overall regional health. It is this shared understanding that has enabled organizations representing the community development, social services and corporate sectors to begin working more closely with local government on a place-focused strategy that balances population attraction and equitable development goals.

4. Some Relevant Lessons for Detroit

There are particular aspects of the Indianapolis experience that offer potential lessons relevant to the Building the Engine initiative in Detroit:

- The quality of life planning process first introduced in the GINI demonstration and later incorporated into the Great Places 2020 initiative has proved effective in bringing disparate neighborhood interests together and

²² Marron, *Ibid.*

building a strong working consensus on neighborhood priorities that have guided broader public and private investments. This approach could be introduced more widely in Detroit.

- The coordination of efforts among strong, well-respected intermediaries has helped to attract broader support for neighborhoods and made it possible to engage a much broader array of civic leaders, thus expanding the scope of investments and ensuring they are more closely aligned.
- The adoption of a common goal and measurable targets for neighborhood revitalization involved a difficult and time-consuming process but ultimately provided a framework for leveraging additional cross-sector commitments that are now likely to include an expanded array of government investments as well as business participation through the Chamber of Commerce and closer linkages with United Way funded human services investments.

Relevant Lessons for Detroit

- The **quality of life planning process** has proved effective in building consensus on neighborhood priorities and could be introduced more widely in Detroit
- **Strong, widely respected intermediaries** with the capacity to work together has helped draw other civic leaders and new investments into the sector, greatly increasing levels of cross-sector alignment.
- The **adoption of a common goal and measurable targets** is focusing neighborhood revitalization investments and strengthening cross-sector commitments to the investment strategy

Community Development System Profile:

Philadelphia, PA

This case profile of community development in Philadelphia is part of a national scan of community development systems prepared for the Building the Engine for Community Development in Detroit (BECDD), a multi-phase initiative to create a stronger and more complete community development system with the potential to benefit all of Detroit's residents. These system profiles highlight how selected cities have evolved support systems that have contributed to the increased capacity of CDCs and other community-based organizations to improve neighborhoods for the benefit of their residents.

For the scan, we deliberately chose cities with mature community development systems where community development practice has been institutionalized and is now generally recognized as successful, innovative and sustainable. We also adopted a systemic view of capacity: Our view is that increased capacity is a co-product of numerous system elements working together to enable CDCs to become organizationally stronger and more productive over time. Within this frame, the presence of CDO training and technical assistance resources are only a part of a larger picture that includes favorable public policies, access to capital of various kinds, organizational intermediaries and other types of support organizations that are effectively coordinating their efforts, the availability of data that is widely accessible, career pathways and professional development opportunities for individuals interested in this type of work, and methods for ensuring accountability for performance among all the system players.

I. Evolution of the Philadelphia System

Community development in Philadelphia has evolved into a large and productive sector through the work of a cadre of financial intermediaries and independent nonprofit organizations with access to capital to reinvest in poor, disadvantaged neighborhoods. Philadelphia LISC and The Reinvestment Fund, among them, opened for business in Philadelphia in the early to mid-1980s to support affordable housing development and community service programs carried out by neighborhood-based nonprofit organizations. They helped leverage debt, grant and equity financing for LIHTC projects and larger-scale homeownership developments to go beyond just doing projects in order to impact neighborhood markets.

In the 1990s into the current decade, the city's real estate market grew stronger, influenced in part by national trends and the success of a ten-year real estate tax abatement offered as an incentive to developers, initially in

The Philadelphia System at a Glance

- A mature and advanced system comprised of 50+ CDOs serving virtually all lower-income neighborhoods in the city, many of which are contiguous or in close proximity to one another in areas where poverty is most concentrated.
- The Philadelphia system evolved through and has been elevated by the work of a cadre of financial intermediaries and independent nonprofit organizations with access to capital to reinvest in disadvantaged neighborhoods. Philadelphia LISC, The Reinvestment Fund, and Regional Housing Legal Services are foremost among them.
- Informal conversations across sectors began in the early 1990s and have since evolved into a more widely-shared understanding of the importance of funding placed-based, comprehensive community development, housing production at scale, and neighborhood capacity building.
- Strong and effective leadership at the mayoral and city council levels has been reinforced by local banks, foundations and intermediaries able to bring their own resources to the table.
- This cross-sectoral alignment has enabled Philadelphia to compete effectively for funding at the local, state and federal levels (e.g., tax credits, investor equity, and

Center City and subsequently on a citywide basis. By one estimate, Philadelphia house prices increased by more than 150 percent in nearly every section of Philadelphia between 1979 and 2015.²³

Among the contributing factors prompting the creation of key system elements in the city include the following.

- The beginnings of informal conversations across sectors of the industry in the early 1990s to more formal ones now that recognized the importance of place-based, comprehensive community development and larger-scale housing production, and building capacity at the neighborhood level to achieve them both.
- Strong and effective leadership at the mayoral and city council level and from banks, foundations, and local intermediaries advocating for and putting their resources on the table to leverage one another's resources. The intended consequence of these actions was to better compete for funding at the local, state and federal levels for tax credits, investor equity, and development and operating subsidies.
- Advocacy on the part of the public, private and nonprofit sectors for performance-based funding to CDCs and nonprofit developers for: project packaging and predevelopment expenses, and construction and permanent financing for housing development and preservation, homeownership and financial counseling; and commercial corridor revitalization.
- Public policies and funding streams that support community development, including: (1) a permanent housing trust fund that exclusively supports nonprofit-sponsored projects²⁴; (2) a targeted commercial corridor management program²⁵; (3) business tax credit programs that channel program and operating support to CDCs/nonprofits;²⁶; (4) organizational strategic planning grants²⁷; (5) neighborhood strategic planning²⁸ and implementation²⁹ grants; and (7) Federal Home Loan Bank housing development grants³⁰.
- Technical and professional services to practitioners in the areas of: (1) financial management and fundraising; (2) governance, operations and management; (3) asset and property management; (4) organizational strategic planning; and (5) neighborhood strategic planning.

2. Current System Scale

The scale of housing production and the financing that facilitated it over the past twenty years of decades, due in large part to a coalescing of key actors within and across the public, and private and nonprofit sectors. This "coming together" is reflected in the growth in the number and capacity of CDCs, and investments in affordable housing, commercial corridor improvements, and neighborhood strategic planning, including:

- **Housing Trust Fund (2006-2015).** Over this 10-year period, the HTF grants supported 1,500 new or rehabilitated units and more than 16,000 home repairs.
- **Wells Fargo Regional Foundation (2004-2016).** Grants supporting 58 neighborhood strategic plans and funding towards their implementation were made totaling \$15.8 million representing 30% of the foundation's total funding for these purposes. and 27% of its grants for the PA, NJ and DE region.

²³ Paraphrased from "Community Development" by Howard Gillette Jr. and Domenic Vitiello.

²⁴ \$12 million annually (current campaign to double that amount in 2018)

²⁵ \$75,000 to \$150,000/CDC by the City Commerce Department for corridor management activities

²⁶ Pennsylvania Neighborhood Assistance Program and Neighborhood Preservation Programs (\$2.5 million in 2016) and City of Philadelphia CDC Tax Credit Program through which businesses commit \$75,000-\$80,000/year/group.

²⁷ Foundation and local government funding of \$20,000-\$30,000 dependent on size of group

²⁸ \$100,000/plan

²⁹ \$150,000/year for five years

³⁰ \$4.7 million/year to Philadelphia nonprofits over past 4 years

- **Federal Home Loan Bank of Pittsburgh grants (2013-16).** FHLB awarded \$19 million to Philadelphia over this period, an average of \$4.7 million/year. A total of 36 grants to Philadelphia nonprofits resulted in the production of 1,885 affordable housing units valued at \$349 million.
- **PA Department of Community Economic Development (2016).** This state agency awarded \$2.5 million in grants to 18 Philadelphia nonprofits.
- **Pennsylvania Housing Finance Agency—Tax Credits and Mortgage Subsidies (2016).** PHFA awarded \$9.3 million in tax credits to 8 Philadelphia CDCs and other nonprofit developers, supporting the production of 475 affordable housing units valued at approximately \$350 million.
- **Pennsylvania Housing Finance Agency—Homeownership Choice and Mixed-Use Financing— (2000-2008).** PHFA awarded \$20.9 million to Philadelphia nonprofits for affordable homeownership and commercial retail projects valued at \$95.3 million.

3. Key System Components

Although there is no overall governing or operating structure in place currently or contemplated that guides the local community development system, there is both formal and informal information-sharing among system players with some interlocking, cross-sector board and advisory board representation where programming, policy, advocacy, and funding discussions take place. Long-term financial sponsorships have developed as a result of state and local tax credit incentives for corporate investors to support core operations and capacity building of community-based nonprofits working to revitalize their neighborhoods. These have brought millions of dollars into the community development system, and efforts to expand the number of corporate benefactors are currently ongoing.

In the early to mid-1990s, a significant philanthropic investment into the system was made, which has since waned but did leave a mark on the durability and credibility of intermediary and support organizations now in place. A few political leaders provided strong support for community development at local and state levels (e.g., Mayors Rendell, Street and Nutter, various members of city council, and former State Representative and now Congressman Evans). A cadre of support organizations and consultants who know and understand community development have helped build CDO capacity through TA and coaching, and advocacy for an effective and adequately resourced system.

Community Development Intermediaries and Support Organizations. From the early to mid-1990s, there has been a long and deep history of support to CDCs, neighborhood-based nonprofits, and community-wide service providers; most of that support system has remained in place to this day become stronger and more creative in their approach and work. Philadelphia’s network of intermediaries and support organizations includes:

- **Philadelphia Local Initiatives Support Corporation (LISC).** This well-established local program is recognized as among the best performing of the over 30 LISC programs operating nationally. It provides a variety of grants as well as predevelopment and bridge loans for community development projects. During the most recent fiscal year, Philadelphia LISC provided approximately \$2 million in grant funding to local CDCs and closed on approximately \$13 million in loans for neighborhood revitalization projects, in addition to providing technical assistance and special programs advancing the Philly system. This include the Building Sustainable Communities Initiative (SCI) that helps forge partnerships among CDCs serving adjacent neighborhoods; there are now three such target areas: West Philadelphia, Eastern North Philadelphia, and Kensington. LISC’s CapMap system offers a framework and tools for assessing and strengthening the capacity of community-based organizations.

- **Regional Housing Legal Services.** This well-respected pro bono legal services, public policy and systems advocacy organization offers unique expertise in affordable, sustainable housing and its related components — community and economic development, utility matters and preservation of home ownership. RHLS attorneys provide a full range of legal services – including acquisition, financing, leasing, as well as organizational and partnership advice to nonprofits developing affordable housing and working to revitalize communities. RHLS works on multi-family and single-family development projects and brings expertise in supportive housing, housing for persons with disabilities, and fair housing. Its policy priorities include increasing resources for affordable housing; advocating for utility affordability for low-income households; promoting equitable and sustainable development; and advancing housing justice.
- **Community Design Collaborative.** This organization affiliated with the local chapter of the American Institute of Architects offers pro bono preliminary design services to and workshops for nonprofit organizations. Through its work it creates engaging volunteer opportunities for design professionals, and raises awareness about the importance of design in revitalizing communities. Volunteers working with the Community Design Collaborative have invested more than 100,000 hours in strengthening neighborhoods through over 600 community design projects.
- **Reinvestment Fund (TRF).** This social investment fund established in the Philadelphia region over three decades ago has expanded its reach into communities across the country. Since its inception, TRF has put \$1.9 billion to work for communities across the country. TRF describes itself as a catalyst for change in low-income communities, integrating data, policy and strategic investments to improve the quality of life in low-income neighborhoods. In addition to affordable housing, its investments have included high-quality grocery stores, schools and health centers. It views its projects as anchors that attract investment over the long term and help families lead healthier, more productive lives. TRF financial products include grants, loans and equity for predevelopment and development. TRF remains an active part of the community development ecosystem in Philadelphia.
- **Nonprofit Finance Fund of Philadelphia and New Jersey.** This technical assistance and financing agency offers workshops and consultations to help nonprofits plan and evaluate facilities project of various kinds. It also provides grants and loans to nonprofits for facilities development.

Membership organizations serving the sector.

- **Philadelphia Association of Community Development Corporations (PACDC).** This local trade association has over 50 CDC members. Of this number, 26% have annual operating budgets of \$500,000 to over \$1,000,000 and 40% have annual operating budgets of \$200,000 to just under \$500,000. PACDC offers public policy and advocacy, member services. It has in recent years emphasized Equitable Development policy platforms and has taken on tougher issues including racism and displacement. PACDC is also home to the Community Development Leadership Institute, modeled to some degree on the Mel King Institute in Boston; the Institute offers training on evidenced-based practices in the field, along with TA to boards and staffs of CDCs and career development support for practitioners. PACDC also has 35 associate members that support the organization’s mission and pay annual dues of \$250.
- **Housing Alliance of Pennsylvania.** A statewide organization, the Housing Alliance operates as a public policy, advocacy and training organization for CDCs and other nonprofits with a strong emphasis on affordable housing. Its annual “Homes Within Reach” conference is a major convening of the entire community development sector in Pennsylvania.

Training and technical assistance providers.

- **Urban Affairs Coalition.** This well-established citywide agency offers public policy and systems advocacy for the community development sector and a broader range of urban-focused nonprofits. It also provides back-office accounting services to some CDCs and other nonprofits.
- **Citizens Planning Institute (CPI).** This relatively new agency is the education and outreach arm of the Philadelphia City Planning Commission. CPI's main programming is a seven-week course that empowers residents to take a more proactive role in shaping the future of their neighborhoods and of Philadelphia through a greater understanding of city planning and the steps involved in zoning and in real estate development. The course includes six evening classes: three introductory classes on planning issues and principles, land use and zoning, and the development process; and three electives, the topics for which change every session. The course runs every Spring and Fall. Each participant is also required to complete a final project in order to earn their Certificate of Completion as a Philadelphia Citizen Planner, which they receive at a public ceremony. To date, 420 participants representing over 130 different neighborhoods have completed CPI training.
- **FINANTA.** This mission-driven nonprofit lending institution facilitating access to capital and technical assistance in the Philadelphia region. FINANTA offers a wide range of financial products and services, including credit building microloans, affinity group lending programs, business loans and technical assistance, mortgage counseling and mortgages, and financial education and training. As a Community Development Financial Institution or CDFI, FINANTA supports entrepreneurial expansion, affordable homeownership, consumer borrowing, and community development.
- **Entrepreneur Works.** This Micro lending/TA organization was created 25 years ago to support CDCs and nonprofit service organizations. It has since expanded to work with small businesses and entrepreneurs. Its focus is on meeting the needs of underserved communities in the Greater Philadelphia region.
- **New Beginnings Nonprofit Incubator.** This is a project of the Resources for Human Development group that focuses on providing small and startup nonprofit programs with the support and resources to build their capacity and effectiveness.
- **Philadelphia Neighborhood Information Systems (NIS).** This is an online service for mapping and visual displays of neighborhood data (demographics, vacancy, physical condition).

Support for community development from the philanthropic sector. Local philanthropy continues to provide funding of various kinds to CDCs and other nonprofits engaged in neighborhood work or providing support to the sector.

- **Wells Fargo Regional Foundation.** As noted above, this regional funder has been the principal source for neighborhood strategic planning and implementation grants locally.
- **William Penn Foundation.** This local funder has long provided support to Philly-based nonprofits. In early 2013, its grantmaking shifted from traditional community development programs and projects to the arts and culture, and civic spaces—libraries, parks and recreation centers.
- **Samuel S Fels Fund.** Fels' grantmaking is focused on arts and culture, and social, racial and economic justice.
- **Philanthropy Network Greater Philadelphia.** Formerly the Delaware Valley Grantmakers, this membership association for organizations and individuals active in philanthropy administers the Nonprofit Repositioning Fund (see below).
- **Nonprofit Repositioning Fund.** This regional effort to encourage and support formal, long-term collaborations between and among nonprofit organizations aims to have a catalytic impact on the capacity,

effectiveness, and financial health of nonprofits. Grants may be used for back-office consolidations, programmatic joint ventures, mergers and acquisitions.

Key local and state government agencies.

- **Philadelphia Department of Housing and Community Development.** This division of city government is responsible for administration of HUD housing and community development programs that benefit low- and moderate-income residents. DHCD supports a range of program activities through contracts with nonprofit organizations and other agencies, including the construction and rehabilitation of affordable rental and homeownership units. It funds a range of housing preservation programs, housing counseling services, opportunities for neighborhood planning and citizen participation, vacant land management and greening programs. Implementation is carried out through contracts administered and monitored by DHCD. It administers the City's housing budget, which is funded from a variety of public sources, including HUD and the Commonwealth of Pennsylvania. Key programs overseen directly or indirectly by DHCD include the Housing Trust Fund, CDC Tax Credits and the Philadelphia Land Bank. The agency is also responsible for carrying out the city's equitable development strategy.
- **Philadelphia City Planning Commission.** PCPC is responsible for overseeing the city's new zoning code that took effect in 2012, including resident training (described above under the Citizen Planning Institute) and zoning code reviews. It also oversees the process by which civic associations and other neighborhood groups are approved as Registered Community Organizations (RCOs). The role of RCOs—written into the new zoning code—is to hold meetings with developers seeking special exceptions to or variances from the existing code, and advise the Commission on projects that require Civic Design Review (CDR). The code recognizes two types of RCOs: local organizations, which have geographical boundaries and receive notice from PCPC about development projects within those boundaries, and issue-based RCOs, whose boundaries exceed the maximum area allowed in the regulations.
- **Pennsylvania Housing and Finance Agency (PHFA).** This state agency has jurisdiction over project development loans and grants, Low Income Housing Tax Credits, soft second mortgage loans, and special funds supporting affordable housing projects – including the Homeownership Choice program and the Mixed-Use Financing Facility.³¹
- **Department of Community and Economic Development (DCED).** This state agency administers business tax credits covering core operations of CDCs and other eligible nonprofits as well as project support through the Neighborhood Assistance and Neighborhood Preservation programs

The lending community.

- **Commercial banks including Citizens, PNC, Wells Fargo and others.** These financial institutions are a critical source of investor equity in real estate development undertaken by CDCs and other neighborhood nonprofits, whether on their own or in partnership with private developers.
- **Federal Home Loan Bank of Pittsburgh.** FHLB's Affordable Housing Program offers project development subsidies that have proved essential to the packaging of numerous real estate projects undertaken by community development organizations in Philadelphia.
- **Federal Reserve Bank of Philadelphia.** The Philadelphia Fed works closely with financial institutions, nonprofit organizations, and government agencies on public-private partnerships, affordable housing and economic development, credit, and financial services. It organizes conferences/webinars (e.g. Research

³¹ Citation needed describing the current state of these two programs.

Symposium on Gentrification and Neighborhood Change; Reinventing Our Communities: Transforming Our Economies).

Professional and career development opportunities. Philadelphia does offer resources for newcomers to enter the field and to support professional development for community development practitioners and resident leaders. Some of the key resources include:

- **Temple University’s Center for Social Policy and Community Development.** This center operates sponsored projects related to workforce, youth development, and professional development funded by foundations, local, state and federal government. It also performs fee-for-service evaluations of social and community service programs of nonprofit agencies.
- **Netter Center for Community Partnerships at the University of Pennsylvania.** This university-based outreach center provides high-impact training to help individuals, nonprofits and communities of faith to build capacity (e.g. fundraising, grant writing, media writing, public speaking, and a variety of organizational functions).
- **Drexel University** lends enrichment opportunities via civic engagement for students in its coop program and some classes. The university also provides mini-grants for capacity building of non-profits in their West Philly geographic footprint
- **LaSalle University’s Nonprofit Center.** This established resource for local nonprofits offers board training and other services to strengthen organizations, primarily through board training.
- **United Way of Greater Philadelphia and Southern New Jersey.** The local United Way administers the Emerging Leaders Program (ELP), an intensive leadership development program for nonprofit professionals under the age of 40.

4. Factors Contributing to the Local System’s Evolution and Growth

The health and productivity of the current system owes much to the informal but highly effective cross-sector conversations in the early 1990s that recognized: (1) the importance of place-based, comprehensive community development; (2) the need for larger-scale housing production pipelines; (3) production pipelines that generate developer fees to support CDC operations/build balance sheets; and (4) building capacity at the neighborhood level to achieve both. From that period forward, leaders at the mayoral and city council levels, private sector, and intermediary levels advocated for and allocated resources to the industry in order to help strengthen CDC and nonprofit’s funding proposals for state and federal resources.

In addition to advocacy for the range of resources, there was a gradual mobilization of technical assistance made available to practitioners in the areas of financial management, fundraising, governance and operations, asset and property management, and organizational and neighborhood strategic planning. Over time, public policies and funding streams were also created and aligned around these principles. Funding became generally available for CDCs to draw from in support of housing projects and commercial corridor revitalization projects, along with core operating support and organizational capacity building and neighborhood planning.

Over the past 10-15 years, Philadelphia’s community development system has garnered increased credibility and built a broader constituency by: (1) reimagining how vacant and underutilized land buildings can be repurposed as an asset to the neighborhoods they were bringing down; (2) addressing the causes of poverty gripping lower-income neighborhoods; and (3) mitigating gentrifying forces in revitalizing neighborhoods.

Looking ahead, the increasingly wide acceptance of the principle that in order for Philadelphia to remain competitive, the metro area must continue to innovate in ways that protect, rebuild and reinvent their economies is a significant factor in thinking about how the community development sector will need to evolve even further. In Philadelphia, two examples of intensive economic development investments are the proposed Innovation Neighborhood in University City/30th Street Station area involving a \$3.5 million in new development over the next few years, and transformation of the Navy Yard into thriving business campus that when built out will comprise 13.5 million square feet of mixed-use development accommodating 30,000 people. In addition to transforming their surrounding neighborhoods, both these investment nodes constitute additions to the regional economic landscape that all Philly neighborhoods need to and should tap into and benefit from.

While large scale projects like these will continue to raise questions about who benefits from the outlays of public and private capital—and to what degree these investments produce results that are inclusive and equitable—such questions are no longer being asked only by CDCs, community leaders and social justice advocates seeking increased economic opportunities for their predominantly lower-income constituencies. Rather, they are of increasing interest to policy-makers concerned with the economic and community impacts of such larger-scale public/private investments, including those on the labor force, tax burdens and benefits, and spin-off effects on small business growth in the city and within adjacent neighborhoods.³²

5. Some Relevant Lessons for Detroit

There are particular aspects of Philadelphia’s experience that offer potential lessons relevant to the Building the Engine initiative in Detroit:

- Philadelphia’s community development ecosystem has benefited from having a strong CDC membership organization—PACDC— with the resources to do high-quality policy and advocacy work to help and grow the system (e.g., Housing Trust Fund, Philadelphia Land Bank, CDC Tax Credit Program, Targeted Commercial Corridor Program, Equitable Development Policy Platforms, and other critically important legislative efforts that culminated in programs and institutions).
- Like Boston, Philadelphia’s system has benefitted greatly from the longstanding state tax credit program and the more recent local CDC tax credit program. These policy supports have generated very significant corporate funding for core operating support and helped to establish a broader corporate constituency whose support for the sector extends well beyond the money flowing to CDC participants.
- Strong local intermediaries in LISC, TRF, and RHLS, among others, have delivered financial and technical resources in support of housing, commercial and quality of life programs and projects, while being influential in shaping public policy and making the case for larger and more flexible resource to support a growing system. They have also provided critical thought leadership and legitimacy to the sector, both important in enabling it to thrive and adapt to changing local conditions.
- For decades, Philadelphia has benefitted from having local lenders involved who have come to rely upon community development lending not only as a necessary part of their compliance with regulatory requirements but also as an attractive business opportunity. Their consistent support has helped the sector to grow and made it easier to achieve significant leverage of public and philanthropic dollars invested.

³² From article in “Building a Better Bridge Linking Community and Regional Economic Development” by Tom Burns; July 2017 edition of PACDC’s Magazine entitled: “Community Capital”.

- A key factor in the continuing growth of Philadelphia’s community development sector has been the ability of the CDC community to acquire and hold onto enough political power to have significant influence over local government policies affecting neighborhood revitalization and to remain attractive to local philanthropic leaders and their institutions.
- Philadelphia provides an excellent example of how the community development sector can be positioned as an essential and necessary component of a broader economic revitalization strategy. The work that CDCs are able to accomplish at the neighborhood level has value in the eyes of elected public officials and agency heads and is recognized and supported by a philanthropy, businesses and other community leaders. The path that the sector has followed in gaining this broad-based support offers numerous lessons for those engaged in the evolving Detroit community development system.