

LISC and the revisioning of Toledo

by Steve Steel

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Imagine.

A Toledo with declining population and low population density. Where the housing market is weak, property values are decreasing, the list of vacant properties is growing and foreclosures are at an all-time high. Where job generation activity is sluggish at best. Where the ability to support public investment falls behind the need for improved infrastructure.

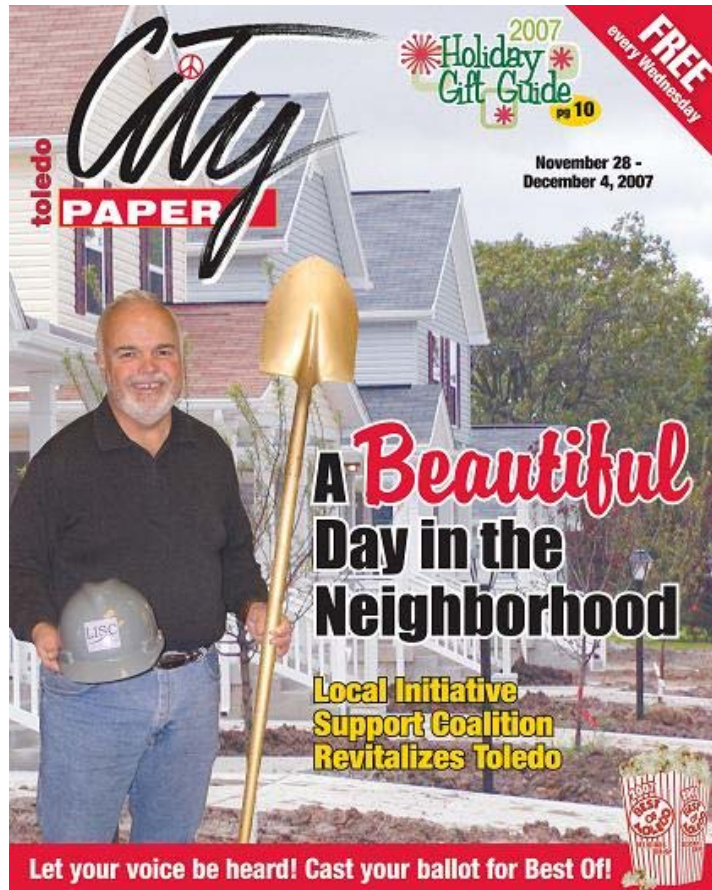
How would public institutions like schools fare in such a Toledo? Would neighborhoods be properly maintained? Would businesses choose to locate there, providing adequate services for residents? Would residents choose to live there, or would those with other options opt out? And would those who stay have already opted out, if only in their own hopes and desires, but simply not have the economic means to leave?

Unfortunately, you don't have to imagine such a place. It exists in neighborhoods throughout Toledo today.

A brighter tomorrow

Now imagine another Toledo.

One with sustainable communities of choice, where residents locate because they choose to rather than out of necessity. Imagine what you truly admire in other communities and



how that would translate into a Toledo you would admire. Vibrant business? Adequate services? Thriving public institutions like schools, libraries, parks, arts and cultural activities? An aesthetically enriching surrounding to a safe and nurturing city?

That is the vision of the future for Hugh Grefe, the Executive Director of the Toledo arm of the Local Initiatives Support Corporation (LISC), and he maintains Toledo isn't that far off track.

"Toledo is better positioned for community redevelopment than many other places," asserted Grefe. "There are urban areas with more money, but less chance to be saved."

LISC exists to support those working to make Toledo turn that development corner.

What's in a name?

LISC was conceived in the late 1970s as a response to the perceived failings of the large amount of programs and projects that emerged in the "Great Society" initiatives of the Johnson Administration of the 1960s and beyond.

"In 1979 the leader in research surrounding poverty in America was the Ford Foundation," said Grefe. "What they believed was that too many of the existing programs were missing a key ingredient, that being engaging local residents and business people" in the projects that would improve their neighborhoods.

The response was to create a new funding entity, capitalized for \$10 million and based in New York City. The first President, Franklin Thomas, had been the director of the Bedford-Stuyvesant Restoration Corporation, a Community Development Corporation (CDC) working in Brooklyn.

CDCs are neighborhood-based organizations made up of local stakeholders designed to provide reinvestment in urban areas. The Bedford-Stuyvesant CDC was organized in 1967 as the first of its kind in the nation. Currently there are over 4000 CDCs nationwide, including 12 in Toledo.

"Thomas and Mike Svirdorf, the Vice President of the Ford Foundation, took a field trip to the Jubilee housing project in Washington, DC to see what other CDCs were doing," explained Grefe. "The term 'local initiatives support corporation' was simply a phrase in

a sentence as they reported what was needed. It became a working name for the group they conceived, and eventually stuck.”

According to Grefe, reading the moniker in reverse gives better insight into what the organization does. “We are a corporation that supports initiatives at the local level for community redevelopment.”

The impact on redevelopment in Toledo was rapid, as the eleventh project LISC funded was a project proposed by local volunteers and River East to undertake a feasibility study for redevelopment of the Weber Block at Front and Main Streets in East Toledo. “The point from the beginning was to provide grants to cities for improving the urban environment,” said Grefe.

The maturation of the grant-funding process required a rethinking of LISC’s mission in the 1980s. “The CEO at the time was Paul Grogan, a former housing commissioner from Boston,” said Grefe. “He asked the important question, ‘what makes us different from any other source of funding?’” Prior to Grogan’s leadership, LISC would receive grant applications for local projects, fly out to see them, and then approve those they felt had the greatest promise. Still, there was little direct participation by local entities, with all the local insight and expertise that participation would contribute.

Grogan’s response was to form local offices of LISC, in local areas of concentration of LISC-supported activity.

“The process involved a 2-way match,” said Grefe. “Local corporations and other partners had to fund a local LISC office. This would allow access to LISC resources in a franchise-type relationship to multiply the impact of LISC dollars.”

Fundraising for a local LISC office began in 1988, with the first funding action taken in 1990. LISC Toledo was born.

Turning \$1 into \$18

Toledo is one of only 30 cities and 110 rural communities in which LISC operates. Grefe emphasized the impact that has on redevelopment efforts. “This is possible only because our local corporate community chose to step up with funding to support the operation of the local program. This in turn makes national LISC resources in grants, loans, and equity available here.”

Those national resources are vital to Toledo's renaissance, according to Grefe. Indeed, LISC's strength at the national level is well recognized. It is the largest non-profit community development support organization in the US, having raised nearly \$8 billion dollars for community investment since 1980. Former President Bill Clinton has called LISC "a proven model for doing well while doing good" for investors. The national chair of the LISC Board, former Secretary of the Treasury Robert Rubin, has written that "the remarkable thing is not only the investment itself, but that these communities ... now have the institutional capacity to use such capital."

The importance of institutional capacity is not lost on Grefe. "LISC Toledo started out life to raise the tide throughout Toledo," he continued. "To that end, hundreds of thousands of dollars were spent in investment in human capital," to improve the capacity of staff at Toledo's CDCs and other partners involved in community redevelopment. Organizational development is the key for Grefe, who says that CDCs are charged with performing the most difficult tasks in urban redevelopment, but often with the least available resources.

"LISC is a response to the outdated 'do-gooder' style of philanthropy," explained Grefe. "Being sustained by handouts is always at the option of those giving the handouts."

The alternative is using money as leverage to increase impact. "We fund projects that involve investment and strategic planning," said Grefe. "There must be financial responsibility and strategic thinking around how to best leverage existing investment and resources to maximize impacts on a neighborhood."

The results, according to Grefe, can be monumental. "An example is the current thinking around the Marina District, a massive private investment in development on the East Side," he said. "Rather than view that development as a singular project, a group of non-profit agencies and Dillin Corporation, the developer of the Marina District, have planned strategically how to leverage its impact on redevelopment of the entire adjacent neighborhood." LISC Toledo has supported that vision by investing \$200,000.

The results of such LISC investment can provide dramatic returns. According to documentation provided by LISC Toledo, "Since 1989, contributions of \$4.2 million from local corporations, individuals, small businesses and foundations have leveraged over \$80 million for Toledo CDCs." That translates into a ratio of national funds leveraged into Toledo redevelopment to local funds expended of a staggering 18 to 1, meaning for every local dollar invested 18 dollars are channeled into Toledo.

Local LISC-funded initiatives in that time have included nearly 1500 new houses constructed and almost one-half million square feet of commercial space developed. The dramatic return on investment demonstrated by LISC is one reason it was named by SmartMoney Magazine as “the #1 philanthropic investment for community development.”

Into Toledo's future

LISC Toledo has been involved in a number of signature and thriving redevelopment projects throughout Toledo's central city neighborhoods. Examples include St. Clair Village, on St. Clair Street between Lafayette and Washington downtown, Washington and Heritage Village housing developments, a revitalized housing and business district along Adams Street, and housing redevelopment near Chase Elementary School in Toledo's North End.

“We have worked with very effective CDCs on development projects,” said Grefe. The housing development on North Erie Street was led by North River Development Corporation, which has since partnered with LaGrange Development Corporation to form United North. “Our grants are awarded through a competitive process. We are targeted on a smaller number of areas for the deepest impact.”

Another factor in the success of development projects is what Grefe described as “cross sectoral collaborations. How will you get the United Way agencies involved, local churches, the business community? Will there be a truly appreciative relationship among these partners? All those factors will help determine success or failure in the future.

“We evaluate the prospects of the project by how strategic they are,” Grefe continued. “We want to know the track record of the supportive CDCs, what their organizational capacity is. We also want to know, ‘how will you leverage capital intensive activities to your benefit in redeveloping your neighborhoods?’ In other words, how strategic is the planning for your project?”

One example of using such leverage to good advantage is the investment in the Marina District. Other on-going and planned developments include the Dorr Street Corridor project, the expansion of St. Vincent's Hospital, and the rebuilding and renovation of Toledo Public Schools (TPS). Grefe emphasized the importance of CDCs envisioning creative ways to use such investment to their advantage in neighborhood improvements.

A case in point of this strategy is the focus on redevelopment of Toledo's public schools infrastructure. LISC Toledo views such redevelopment of buildings as an opportunity for the surrounding neighborhood.

To that end LISC Toledo has provided the majority of funding for a Chamber of Commerce-led project called New School New Neighborhoods (NSNN). The project has partners including TPS, the Urban Affairs Center at the University of Toledo, CDCs representing the neighborhoods surrounding selected schools, and the City of Toledo. Planning for redevelopment around the new Sherman and Chase Elementary Schools and the new Ella P. Stewart Academy for Girls has been completed. The next step is financing and implementing the plan.

"The idea is to seize the moment and use the existing energy of investment to re-envision the entire surrounding neighborhood," said Grefe. "[The NSNN project] is one way to do that."

While CDCs and foundations other than LISC exist to assist in community redevelopment, Grefe asserted that LISC is a critical component in creating neighborhoods of choice in Toledo.

"No one has the breadth or depth of resources we provide, both at the local and national levels," he said. "We advocate for progressive policy in urban development. We provide local experience in working with CDCs and their partners, including non-profit and for-profit partners, lending institutions, other agencies, and government at all levels, while using that local experience to leverage massive investment from outside Toledo."

Walking the tightrope

Grefe concluded by stressing that "this is a key time for development in Toledo. We are at a critical juncture, and we can easily turn the corner." He described LISC Toledo as a subtle but critical component at this time, which he described as a "very stressed time for philanthropy in Toledo, yet a time when philanthropy is needed more than ever."

Yet Grefe remains optimistic.

"Toledo is actually well positioned to redevelop ourselves," he maintained. "there are many reasons to believe in our future, given committed and talented organizations we have and on-going investment projects."

One key, according to Grefe, will be the political will to view investment in neighborhood redevelopment as a priority, without battles over turf and patronage. Another will be the self-image of Toledoans themselves.

Grefe described what stands in Toledo's way as the "Wallenda Effect," after the Flying Wallenda family of tightrope walkers.

"If you want to fall off a tightrope, look down," he said. "You'll most assuredly fall if you look at the dangers." The alternative is to look forward at what lies ahead, to envision where you want to be and get there.

One major part of accomplishing the walk across the tightrope to land safely at the Toledo of our imaginations is the work of people like Hugh Grefe and organizations like LISC Toledo.