



# New Approaches to Comprehensive Neighborhood Change: Replicating and Adapting LISC's Building Sustainable Communities Program

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# EXECUTIVE SUMMARY

LISC's *Building Sustainable Communities* approach to comprehensive community development is now underway in 63 distressed neighborhoods nationwide. Based on groundbreaking work in the South Bronx and, subsequently, in Chicago, *Building Sustainable Communities* creates a systemic framework for developing cohesive plans, leveraging new funds and implementing projects and programs that help raise standards of living among low-income residents and fuel sustainable, positive change in their communities. This framework is being replicated in LISC program sites across the country.

**M**any poor households in America's low-income neighborhoods remain isolated from mainstream economic and educational opportunities, despite demonstrable improvements over the past two decades in neighborhood housing and physical conditions. The gains made to date have had a significant impact on the livability of many distressed areas, but many residents are still unable to fully participate in the economic mainstream. This has significant implications for their families, their communities, for regional economies, and for our national growth and prosperity.

Community-based organizations have recognized this persistent isolation and responded with broadened advocacy, programs, and partnerships that address education, workforce development and other anti-poverty efforts. But even innovative programs are often constrained by the silo nature of disconnected funding streams and only episodically supported by the major institutions on which effective neighborhood action depends.

In recent years, LISC local offices and their partners have more actively sought to organize the needed systemic backing. At the same time, national LISC broadened its response to multiple neighborhood challenges by creating programs for community safety, educational facilities finance, workforce development and others. In early 2007, LISC dramatically expanded its commitment to comprehensive change by formally announcing its *Building Sustainable Communities* initiative, in which LISC's national and local staff helps organize the system of supports needed to make new community-based approaches to comprehensive change effective.<sup>1</sup>

The Sustainable Communities initiative builds explicitly on the experience of the Comprehensive Community Revitalization Program in the South Bronx as extended by the LISC/Chicago New Communities Program (NCP). Both initiatives have registered impressive results, thought to be due to several distinctive features of the approach, which calls for creation of cross-sectoral neighborhood partnerships led by a strong community agency able to

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<sup>1</sup> These efforts have been supported, most prominently, by the MacArthur Foundation, with other critical assistance supplied by the Kresge, Knight, and Citi Foundations, State Farm, and Living Cities.

organize and lead comprehensive programs to improve community quality-of-life. The approach relies heavily on active and continuing community engagement. It also requires LISC to act as “managing intermediary,” responsible for initiating, guiding, investing in, monitoring, and organizing systemic support for comprehensive efforts, building on long-established and productive relationships between local LISC and designated lead agencies.

By late summer of 2009, national LISC had extended the Sustainable Communities approach to 16 sites outside Chicago, covering some 63 neighborhoods.<sup>2</sup> This roll out was accompanied by relatively modest amounts of new national money, on the belief that the goal of comprehensiveness and the logic of the approach to achieving it would prompt LISC’s traditional local supporters and new funders to ramp up their support.

Over the last 18 months, LISC’s national research office has begun to implement a long-term assessment covering the first 10 “demonstration” sites outside Chicago. This report is the first product of the assessment; it aims to determine whether and how the core approach worked out in the Chicago New Communities Program has been replicated. In the course of the coming months, short evaluative reports will pick apart the core elements of the approach, and based on early experience, suggest how these have been working in practice. On a parallel track, national researchers and consultants have assembled large amounts of baseline statistical information, which will be tracked over time to monitor changing neighborhood conditions and ultimately, find out if the initiative produces the change it intends.

Report findings are based on the LISC research staff’s review of program documents, neighborhood-level statistics, and reports from LISC staff members and technical assistance consultants. The report documents the early stages of replication, ranging from the early start-up sites of Detroit and Indianapolis to Bay Area and Rhode Island, now getting underway in earnest. The variety of local conditions and capacities makes it certain that features of the approach will have to be adapted accordingly. What are those adaptations? How consistently are approach elements as worked

out in Chicago being put in place elsewhere? Are there early signs that the approach elements are working as intended?

## OVERVIEW OF FINDINGS

This report concludes that most local LISC offices have in fact introduced the core elements of the Chicago approach, an extremely encouraging result given the wide differences in economic, social, and political conditions across the 10 demonstration sites and their 38 target neighborhoods, as well as the considerable variation in local funding strength. In most targeted neighborhoods, the initiative can take advantage of already-strong relationships among community-based organizations, LISC local offices, and their systemic supporters, substantially boosting prospects for neighborhood improvement. Following each of the major elements of the NCP approach, the report further concludes that:

1. The 38 *target low-income neighborhoods* — places where resources are to be concentrated to maximum effect — are very different from one another in social and economic terms, but tend to share strong connections to LISC and the broader community development system. This should provide an excellent test of whether the approach can be successful in all types of low-income neighborhoods.
2. Most LISC offices followed the NCP community-building approach closely. This calls for *effective community leadership* exercised by a strong community-based agency leading an inclusive partnership among resident leaders, community-based agencies, business groups, clergy, and other stakeholders. LISC’s staff and neighborhood partners most often designated *lead agencies* rather than the alternative form of community collaboratives, which have sometimes been preferred in past comprehensive change efforts. These lead agencies are quite varied — nearly half are not community development corporations — and they tend to have substantial past financial ties to LISC, as do some other members of the community partnerships established in target neighborhoods.

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<sup>2</sup> These sites are, from east to west, *Rhode Island (Providence and Woonsocket)*, New York City, Newark, Philadelphia, *Washington DC*, *Rural Pennsylvania*, *Detroit*, *Indianapolis*, *Milwaukee*, Mid-South Delta, Houston, *Duluth*, *Twin Cities*, *Kansas City (Kansas and Missouri)*, San Diego, and *Bay Area (San Francisco and Richmond)*. The 10 demonstration sites are italicized.

3. Neighborhood quality-of-life plans typically include a *comprehensive slate of strategies and programs* across domains of housing, economic development, income and wealth-building, education, and health. Initially, these are supported by small confidence-building grants. More than two-thirds of neighborhoods created or will create full quality-of-life plans, nearly all of which included workforce, education, health or other areas outside traditional community development concerns of housing and land-use. (Wishing to avoid an exhausting and sometimes duplicative planning process, the remaining neighborhoods created action plans based on these earlier efforts.) LISC's own supporting investments are similarly diverse.
4. *Intermediated systemic support* is provided by local LISC offices, which take responsibility for organizing external backing for community-level action across multiple domains, and make supporting investments in community organizations, programs, and projects. As programs unfold, LISC support extends beyond capacity-building funding, such as funding for community organizer positions, to include more highly leveraged project investments and programs that have attracted foundation and other funding. Local LISC offices have made substantial staffing and organizational changes to enable them to manage Sustainable Communities efforts effectively.

The Sustainable Communities approach holds that these elements of community partnership, comprehensive programming, and intermediated support are interdependent: each works better if the other elements are present. This critical hypothesis will be tested as the analysis proceeds. Each of the following sub-sections contains more detailed findings from the report.

## TARGET NEIGHBORHOODS AND THEIR CHALLENGES

Because of the scale of investment required and the difficulty of reforming citywide institutions, comprehensive change efforts must pick their spots. In the New Communities Program, the LISC/Chicago staff chose 16 neighborhoods based on their levels of need, unique development opportunities, and perhaps most importantly, the capacity of community leaders to take an active and effective role in change. Following similar criteria, the LISC staff in the 10 demonstration sites assembled a portfolio of 38 target neighborhoods that:

- Display levels of neighborhood distress typical in LISC community development work, such as very low-incomes and high percentages of single-parent households, but which also reflect different trajectories of change based on trends in population and poverty; some places appear to be undergoing gentrification, others immigration of foreign-born residents, and still others continuing long-term disinvestment.
- Strike a balance between neighborhood need and the potential strength available in the surrounding city and metropolitan area: in cities where markets function reasonably well — cities with positive scores on LISC's index of market strength — Sustainable Communities target neighborhoods tend to be among the weakest markets — with strong negative index scores; in cities where markets are weak, target neighborhoods tend to be those that are distressed, but not the most distressed, areas.
- Have funding ties to LISC, indicating the presence of local organizations able to access resources from the broader community development system: over one-half of target neighborhoods — 21 of 38 — have such previous project funding ties, and these ties are substantial, averaging \$620,000 per neighborhood and \$14.6 million in total project costs.

## APPROACHES TO SUPPORTING EFFECTIVE COMMUNITY LEADERSHIP

Previous comprehensive community revitalization approaches have been plagued by scarce resources, fragmented responses across specialized agencies, and lack of accountability. One core tenet of the New Communities Program approach is that only a well-constructed platform for community action can overcome these chronic concerns. This platform consists of a strong lead agency, engaged resident leaders, and committed community agency partners able to attract new funding, elicit cooperation of citywide institutions, and sustain high levels of program performance.

This approach places considerable demands on lead agencies as the cornerstone of effective community leadership. They are called upon to take lead responsibility for achieving concrete results by organizing their communities, brokering relationships among community partners, and carrying out their quality-of-life plan responsibilities effectively. Strong execution is expected to provide an essential counter-weight to the delaying effects of collaborative consensus-building, which often undermined previous comprehensive approaches. Early experience in demonstration sites shows that:

- The LISC staff in most places — 26 of the 31 target neighborhoods where leadership has been declared — opted to designate a lead agency along the lines of the Chicago approach. In the five remaining neighborhoods, communities opted for collaborative forms, although stronger members within these have sometimes emerged to occupy pre-eminent positions.
- Organizations best able to carry out lead agency responsibilities are not always the community development organizations with which LISC has been long associated. In Chicago, where community development corporations are notably strong, 12 of the 14 lead agencies are, in fact, CDCs. In the demonstration sites outside Chicago, nearly half of lead agencies are not CDCs at all, and include neighborhood associations, settlement houses, community centers, and social service agencies.

- Two-thirds of lead agencies (17 of 26) had financial ties to LISC prior to designation, and these tended to be extensive, averaging \$662,000 in capacity-building and program investments, and \$822,000 in project investments from 1999 to the inception of the local program. These working relationships between lead agencies and LISC, as managing intermediary, are an important source of strength in the Sustainable Communities initiative, typically unavailable in the past to foundations funding comprehensive change efforts.

Engaged resident leaders contribute ideas, volunteer time, and political support that helps bring needed scale to the comprehensive program, identify gaps and inconsistencies in services provided by multiple agencies, and help keep community organizations and agencies accountable for results. The Sustainable Communities approach calls for extensive one-on-one organizing, involving dozens of local leaders, to lay the groundwork for sustained resident involvement in quality-of-life planning and implementation. In the 10 demonstration sites:

- The depth and breadth of community organizing turned out to be the Sustainable Communities element with the most variation across sites. Four of the 10 sites carried out (or have underway) the extensive organizing called for in the approach, in some cases using specialized community organizing agencies working in partnership with lead agencies and their neighborhood collaborators. The remaining sites omitted or downplayed this step, sometimes in view of the organizing work carried out in the past and active continuing participation by community leaders.

Community partnerships consisting of community-based nonprofits, business groups, and public agencies have been formed in each target neighborhood, often managed by steering committees or other forms of community governance. Early experience shows that, as in Chicago, local LISC and foundation support has broadened from a focus on lead agencies at the outset of initiatives to include these cooperating partners. This broadening of Sustainable Communities support takes advantage of previous LISC investments in target neighborhoods, a substantial share of which went to organizations other than lead agencies.

## QUALITY OF LIFE PLANNING AND COMPREHENSIVE PROGRAMS

Lead agencies and their partners are charged with mounting a comprehensive program across five domains of neighborhood quality specified in the Sustainable Communities initiative: housing and real estate, economic activity, income and assets, education, and healthy and safe communities. In the Chicago NCP, the community engagement process led to development of quality-of-life plans involving dozens of leaders who helped articulate a community vision; staff committees responsible for plan development in specific content areas, such as workforce development or education; and a program for strategy implementation, supported by confidence-building, early-action projects funded by LISC.

- Early results from Chicago demonstrate the considerable value quality-of-life plans have if given life by actions of the community partnership. Lead agencies and their partners have attracted substantial amounts of follow-on funding — \$69 million leveraged by \$24 million in LISC grant and loan support — as foundations in particular find that capable and well-organized communities represent optimal places for investment.
- Because many target neighborhoods have existing plans, some communities are loath to open up a wholly new planning process. From among the 38 neighborhoods in the 10 demonstration sites, 10 created action plans based on these earlier documents, as amended through new community organizing and partnership formation.
- Sites and neighborhoods have generally followed the NCP lead by developing plans that touch on most Sustainable Communities domains of real estate, economic activity, family income and wealth, education, and community health (including public safety). Although plans appear strongest in the traditional community development areas of real estate and economic activity, 17 out of the 20 plans reviewed for this analysis cover at least three of the five Sustainable Communities domains.

- Building on LISC’s increasingly diverse investments in community projects, new support for projects in the plans go well beyond real estate, to include such areas as community safety, workforce development, and school-based services for parents. The approach takes advantage of LISC’s ability to provide multiple kinds of support — for organizational staffing, program delivery expenses, and project funding — extended at various funding levels and responsive to evolving opportunities.

## INTERMEDIATION AND SYSTEMIC SUPPORT

Most of what happens in neighborhoods depends on decisions made by leaders and institutions located downtown, at the state capital, and even in Washington, D.C. This is why comprehensive approaches to change require systemic backing. In traditional community development areas, such as affordable housing development, LISC has long taken on the task of organizing this support through its traditional function of intermediation — mobilizing finance, technical aid, and political support from systemic sources and channeling it to community groups. In the Sustainable Communities demonstration sites, as in the Chicago New Communities Program, local LISC offices have accepted responsibility for brokering support for community action outside their traditional community development role. The substantial scale of previous LISC investments in comprehensive programming has positioned it to take on this considerable challenge.

- In most sites, LISC support for organizations, programs, and projects is the initial financial driver of the Sustainable Communities effort. For programs in their early stages, such as Twin Cities and Bay Area, this support amounted to \$100,000 to \$200,000 in the summer of 2009. In contrast, LISC/Chicago, since 2003, has invested some \$40 million; Detroit, which began organizing in 2005, about \$4.5 million.

- As programs unfold, LISC support expands beyond capacity-building money for neighborhood organizations — especially community organizer positions — to include support for quality-of-life projects and programs. For example, in Rhode Island, where neighborhood planning has not yet been completed, \$278,000 of a total \$378,000 was for capacity-building. In Indianapolis, where plans were completed in early 2008, less than half — \$774,000 of a total \$1.6 million — has gone to core staff support, with the remainder going into specific community programs or real estate projects.
- LISC offices have adopted a variety of strategies to begin assembling the supporting civic partnerships. In several instances, notably Indianapolis, Duluth, and Rhode Island, LISC offices convened community summits attended by civic leaders to roll out their Sustainable Communities efforts and galvanize public support. In others, LISC expanded membership in its Local Advisory Committees to include representatives of sectors not commonly directly involved in community development.
- As in Chicago, foundation support has been prominent in the early stages of the initiative, although this is not universally true. Initiatives in Milwaukee and Indianapolis depend on strong financial support from single foundation funders, whereas Duluth has been very successful in assembling support from multiple small local funders.
- As managing intermediary, LISC takes advantage of its critical funding relationships and its track record of performance-based funding to ensure accountability for results. This emphasis on accountability includes a willingness to back community-initiated changes in lead agency designations; in two instances, new and more suitable lead agencies have replaced those originally designated.

LISC's own local staffing and organizational structures have had to change to meet the considerable demands the Sustainable Communities initiative places on them. Every local office in the demonstration sites has designated staff specifically to manage the initiative, requiring new hires in many cases, and at a minimum, realignment of existing staff responsibilities. Further, LISC's national programs, such as community safety, workforce development, green development, and others, have been directed to accord priority to Sustainable Communities sites and neighborhoods.

It is clear that despite the very different community development environments, variation in financial support and local capacity, and the need for communities to take ownership of their own initiatives, the Chicago New Communities Program is, in fact, being replicated in recognizable form in nearly every site. Further, early evidence suggests that the mobilization of resources needed to fuel comprehensive efforts is proceeding apace. But although early results are promising, considerable challenges remain. One goal of research going forward is to assess whether and how these challenges will be met.

# I.

## INTRODUCTION

**F**or more than 30 years, the Local Initiatives Support Corporation has invested heavily in the revitalization of America’s lower income neighborhoods, on the belief that well-functioning communities provide critical support to families struggling to get by. These investments in affordable housing and commercial and community facilities stemmed the tide of decline in many neighborhoods and sparked renewal in others. But outward signs of success did not mask the underlying fragility of our accomplishments: neighborhoods improved, but residents remained blocked from the educational and employment pathways critical to getting ahead. This continuing isolation poses the core challenge that community development as a field is called upon to answer.

Throughout the 1980s and 1990s, LISC’s staff and community partners advanced neighborhood revitalization practice, developing new strategies and programs to spark investment and create the strong community institutions needed to shape its direction. These earlier successes laid the groundwork for a new phase in the community-based development field as a whole, and LISC’s own institutional development. In 2007, backed by initial funding support from the MacArthur Foundation, LISC announced its Sustainable Communities initiative, a new strategic approach to neighborhood investment.<sup>3</sup> The initiative aims to establish comprehensive approaches

to neighborhood change throughout the LISC footprint, following a framework that has undergone extensive testing, first in the South Bronx Comprehensive Community Revitalization Program (CCRP) and more recently in Chicago’s New Communities Program.

This is the first of a series of reports on the progress, issues, and impacts of the Sustainable Communities Initiative. It focuses specifically on the pattern of NCP program replication in the first 10 “demonstration” communities, describing how these sites have adapted and extended the NCP approach. A companion report examines the levels and trends of key social and economic indicators in demonstration community neighborhoods; these indicators form a baseline for future assessments of whether neighborhoods improve in response to Sustainable Communities investments. Future reports will assess key issues in program implementation.

### THE CHALLENGE OF COMPREHENSIVENESS

The Sustainable Communities initiative aims to create safe and vibrant neighborhoods that can sustain themselves as places of opportunity for people of diverse incomes. Community developers have learned that this goal cannot be achieved through better housing alone, despite the importance of decent and affordable homes

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<sup>3</sup> Other critical assistance was supplied by the Kresge, Knight, and Citi Foundations, State Farm, and Living Cities.

to neighborhood quality and family well-being. The multiple problems afflicting lower-income communities — such as crime, poor quality schools and health care delivery — are intertwined. Knowing this, community developers have long tried to connect solutions to these problems. Nonprofit affordable housing developers have used decent and affordable housing as a platform for delivery of the services families need to stay healthy and to educate their children. Groups striving to broaden commercial offerings in low-income areas often link physical investments in business districts to community efforts to dampen crime. Similar efforts have been pursued in other domains, such as education and public health. Drawing on this experience, the Sustainable Communities approach calls on community developers to pursue the five mutually reinforcing strategies we believe are needed to create vibrant communities attractive to lower-income and middle-income families alike:

1. Expand investment in housing and other real estate, establishing the preconditions for sustained flows of private investment, while preserving housing and commercial space affordable to lower-income families and entrepreneurs;
2. Increase family income and wealth, enabling households to achieve modest levels of material well-being, educate themselves and their children, and in some cases, move to better quality housing in comfortable middle-income neighborhoods;
3. Stimulate economic activity, expanding the range of retail services, broadening local entrepreneurial opportunities, and connecting people to employment options available throughout the broader economy;
4. Improve access to quality education, enabling individuals and households to acquire the knowledge and skills needed to seize economic opportunities and actively participate in community life; and
5. Foster livable, safe and healthy environments that keep people safe from crime, encourage active recreation, support a range of healthy food options, and create attractive and inviting public spaces.

## ELEMENTS OF THE SUSTAINABLE COMMUNITIES APPROACH

Previous efforts to link public and community action across these five domains have been pursued piecemeal, unsupported by the institutions needed to ensure consistent flows of resources of the right kind, at the right scale, and tested for their effectiveness in producing results. The Sustainable Communities approach supplies the missing institutional framework needed to assemble resources at scale, coordinate investments across domains, and ensure that multiple parties remain accountable for results.

The biggest problem is the institutional distinctiveness of each domain, comprised of its own set of laws, regulations, financing, public agencies, private organizations, educational programs, and standards and practices. This specialization, in turn, poses three chronic problems: First, actors don't naturally cooperate across domains. Second, efforts to make change across a broad front require a scale of resources not typically assembled. And third, the cooperation of multiple actors at both neighborhood and systemic levels poses thorny problems of accountability. By implication, there are three corresponding tasks that any comprehensive initiative must do well:

1. Exert financial, technical and political effort on the scale that comprehensiveness demands;
2. Make coordination across specialized and often isolated agencies possible, and
3. Provide a means to hold disparate agencies accountable for results.

The Sustainable Communities approach calls for implementation of a fairly specific set of structures and actions needed to accomplish these tasks effectively. Framers of this approach believe that these elements are mutually reinforcing, insofar as the success of one depends on the success of others. These elements include:

1. *Effective community leadership* exercised through an inclusive partnership of neighborhood residents and agencies, led by a strong community-based nonprofit agency.

Large public agencies find it notoriously difficult to meet the challenges of scale, coordination, and accountability. The Sustainable Communities approach seeks to empower community-level decisionmakers, who are close to constituents, see clearly how cooperation helps them carry out their mission, and can draw upon sources of community support unavailable to their systemic superiors. The approach encourages extensive one-on-one community organizing to spur active and ongoing participation by diverse community leaders to create a community vision and contribute money, expertise, and political clout to carry it out. In Sustainable Communities parlance, this “relational organizing” aims to create the relationships among community leaders that are thought to make effective community action possible.

2. Creation and delivery of a community-crafted, *comprehensive, quality-of-life plan*, which identifies, across the five broad domains, opportunities for action in support of a community’s vision for itself.

Community change typically follows a haphazard course, driven by the cross-currents of policies and programs of diverse neighborhood agencies and their systems-level backers. Sustainable Communities calls for plans to realize a neighborhood vision for community quality of life, enabling community agencies and their systemic supporters to align their activities in mutually supportive ways. At their best, these plans are distinguished by the active participation of community leaders, coverage of a full range of community priorities, and specific assignments of responsibilities for implementation.

3. Broad *systemic backing for community change* from civic leaders and elected officials able to commit funding and reform programs — with the active help of LISC as managing intermediary.

Because community organizations are so dependent upon the specialized institutions that support them, ambitious efforts to forge connections across domains at the community level require systemic cooperation as well. The task of the civic partnership is to enable these connections to be made more easily, thereby easing the flow of resources to community-level organizations and otherwise expanding opportunities or providing crucial community supports.

## EVOLUTION OF SUSTAINABLE COMMUNITIES

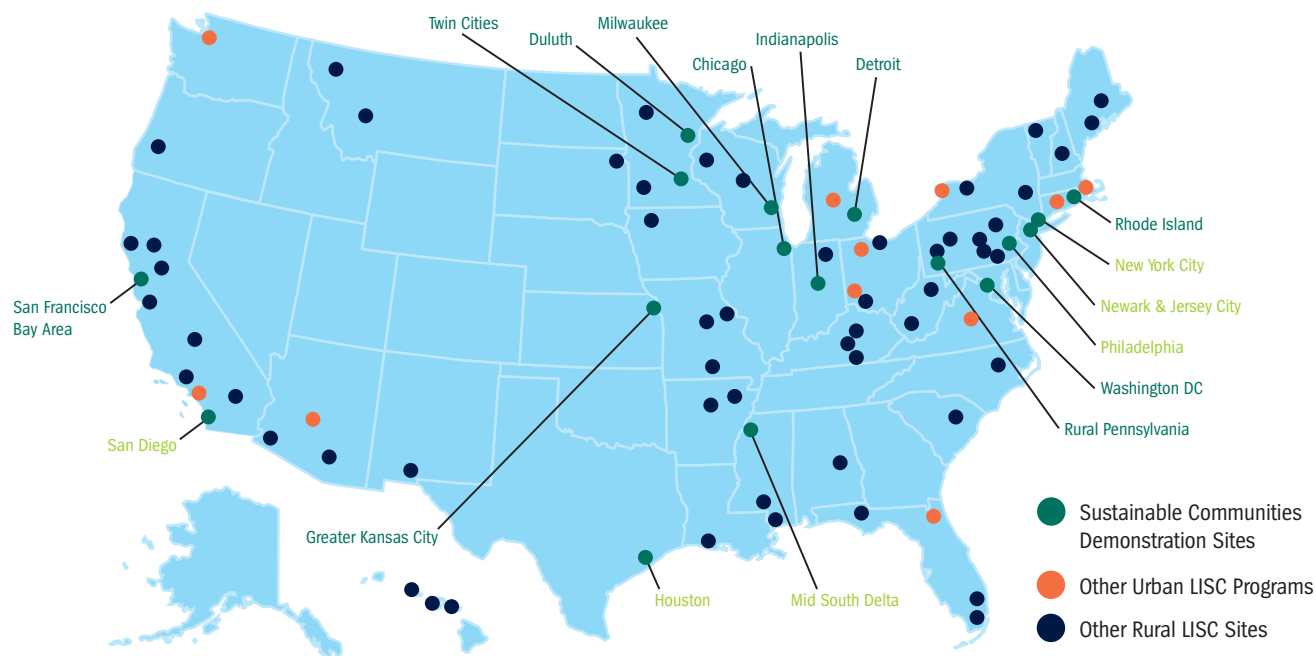
Sustainable Communities should be seen in the context of the rise of new “community-building” approaches in the late 1980s and the increasing quality and sophistication of community development systems in the 1990s and into this decade.<sup>4</sup> As supported by the Ford, Rockefeller, and the Annie E. Casey Foundations, community-building approaches placed great weight on the participation of community leaders in helping devise and implement comprehensive solutions to the problems of poor families and communities. The National Community Development Initiative (and its successor Living Cities) invested philanthropic, corporation, and government funds into efforts by LISC and Enterprise Communities to strengthen community development corporations. Both trends produced a broadening of CDC agendas, more sophisticated systems to increase production and build nonprofit capacity, strengthened intermediation, and more supportive political and civic environments, all important preconditions for the success of the Sustainable Communities approach.

The program approach itself was elaborated in the South Bronx. Initiated in the late 1990s by the Surdna Foundation, the Comprehensive Community Revitalization Program (CCRP) declared five neighborhoods and their lead community agencies as sites for implementation of broad-based programs for change. Relying on strong community partnerships among nonprofit agencies, the

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<sup>4</sup> See Chris Walker and Mark Weinheimer, *Community Development in the 1990s* (Urban Institute, Washington, DC: 1999) and Chris Walker *Systems Change for Community Development* (Urban Institute, Washington, DC: 2004).

**Exhibit 1:  
Geography of LISC Sustainable Communities (June 2009)**



Chicago and First 10 Sustainable Communities Demonstration sites (2007) labeled in dark green; Six Second-Round Sites (2009) labeled in lime green

CCRP achieved remarkable results in a very difficult social and economic environment.<sup>5</sup>

In 1998, following recommendations from a citywide commission to rethink the community development field in Chicago, LISC created its New Communities Program, which broadened its support for neighborhood revitalization to include domains beyond housing and economic development. Backed by substantial support from the MacArthur Foundation, and drawing explicitly on the CCRP experience, LISC/Chicago in March 2003 formally selected 14 lead agencies to participate in its New Communities Program (NCP), covering 16 Chicago Community Areas. The NCP variant on the CCRP approach ramped up its community organizing component, invested in the creation of high-quality community quality-of-life plans, and relied heavily on local LISC management and oversight of program implementation. The six-year experience of NCP has witnessed an upswing in both local and national investments in NCP neighborhoods,

producing real gains in community capacity and leveraged investments.<sup>6</sup>

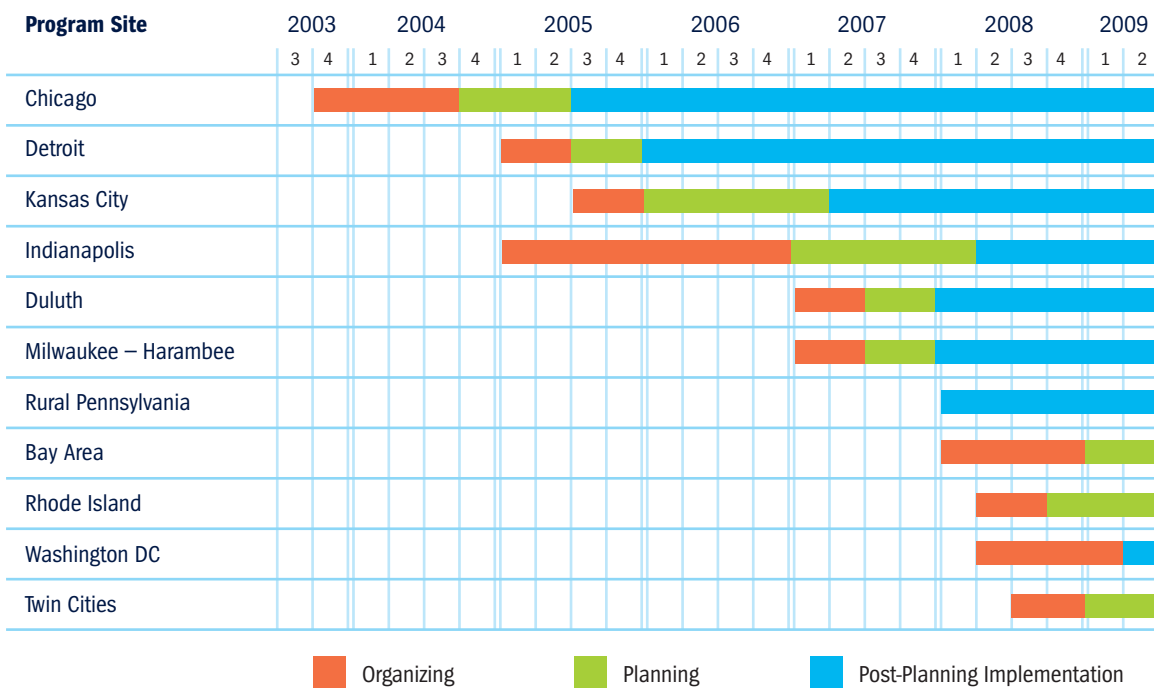
On the strength of these early tests of the core elements of the Sustainable Communities approach, the LISC national board approved a new strategic plan in late 2005, calling for widespread adoption of the CCRP and NCP approach throughout its local markets.<sup>7</sup> In 2006, LISC issued an in-house request for proposals from its local offices, resulting in declaration of 10 sites as Sustainable Communities demonstration areas. The first national funding for the initiative came in early 2007, supplied by MacArthur and other national foundations; LISC management regards January 2007 as the beginning date for the initiative. In 2009, following another internal request for proposals, LISC designated another six sites as Sustainable Communities sites, bringing the total number of sites to 17 of its 29 local urban programs nationwide and the national rural program. This report focuses on the initial 10 demonstration areas.

<sup>5</sup> See Miller, Anita and Tom Burns (2006). "Going Comprehensive: Anatomy of an Initiative that Worked — CCRP in the South Bronx." (Philadelphia: OMG Center for Collaborative Learning, December, 2006.).

<sup>6</sup> See Tom Dewar and Michael Bennett, "Review of the New Communities Program: Towards Effective Implementation of Neighborhood Plans," MacArthur Foundation grant review, October, 2006, and Local Initiatives Support Corporation, Year Six Report to the MacArthur Foundation on the New Communities Program.

<sup>7</sup> Local Initiatives Support Corporation, Strategic Plan, 2006–2010.

**Exhibit 2:  
Approximate Timeline of Sustainable Communities Implementation**



Although LISC dates the national Sustainable Communities program to January 2007, several demonstration sites had already embarked on activities that incorporated major elements of the NCP approach. Indeed, LISC’s staff and community partners from Detroit, Kansas City, and Indianapolis had paid earlier visits to Chicago to learn about the approach and how it was being implemented. As shown in Exhibit 2, these sites began the community organizing phase of the initiative in 2005 (Detroit and Kansas City) and 2006 (Indianapolis), followed by the quality of life planning period and subsequent project implementation.<sup>8</sup> As the exhibit also shows, other sites displayed a staggered implementation pattern from 2007 through June of 2009. The exhibit also makes clear that not all phases were carried out in each place, a topic of discussion later on in this report.

**RESEARCH METHODS AND REPORT ORGANIZATION**

As an approach to effective and continuing pursuit of comprehensive neighborhood revitalization, the Sustainable Communities initiative promises much to

the community development field. This is why LISC has invested heavily in an assessment of the initiative’s experience and results. This assessment, of which this report is a product, aims to answer three basic questions:

1. Did target neighborhoods improve? The research team will use new metrics for tracking and evaluating community trends indicated by newly assembled data on community demographic, social, and economic conditions. Results will be used to judge the initiative’s success, and will help community leaders to track neighborhood change and act accordingly.
2. What value did the Sustainable Communities initiative have? Our premise is that successful neighborhood change requires genuine community engagement, comprehensive strategies and programs, and new forms of accountability. To find out if this is true, researchers will elicit extensive testimony from participants of these initiatives and use this in combination with statistical data to determine whether observed changes can be credited, at least in part, to the Sustainable Communities account.

<sup>8</sup> The “organizing” phase was not always clearly defined, especially in those sites which, unlike Chicago, did not carry out an extensive process. In those places, organizing includes the process of recruiting lead agencies and preparing themselves for community planning work.

3. How can revitalization efforts be carried out more effectively? This assessment is not an after-the-fact effort; it will be implemented as the initiative unfolds. Throughout data collection, researchers will learn much of value to the participants themselves, if only because the experiences of one community and city can be systematically compared to those of others. The assessment builds in connections to LISC's national knowledge-sharing and local communications efforts to ensure that this value is fully realized.

To answer these questions, LISC research staff has designed and implemented an ambitious data collection and analysis program, involving routine monitoring of neighborhood conditions in the first 10 demonstration sites, in-depth analysis of neighborhood indicators in selected neighborhoods in four of these sites, and close scrutiny of program implementation using site-based consultants. These efforts lay the groundwork for continuing reporting on the initiative's progress and results over a multi-year period.

The first and most obvious question, however, is whether the Sustainable Communities approach is, in fact, being replicated. Within the constraints of an organizational structure that prizes local autonomy, national LISC staff members and consultants have emphasized the importance of a disciplined approach to implementation. Based on the CCRP and NCP experience, LISC Sustainable Communities program designers believe that these operating elements are mutually supporting — not easily modified without compromising their effectiveness.

That said, adaptations to individual site circumstances are inevitable due to differing community circumstances, systemic profile, and intermediary strength. Some sites are blessed with ample foundation presence and solid city and civic support for neighborhood development; others less so. In some neighborhoods, leadership is highly concentrated in one or two organizations that work well together; in others, leadership is diffuse and fractious. Nevertheless, the approach has proven adaptable enough to work well across different neighborhoods in Chicago. Can it be adapted to different neighborhood and city contexts simultaneously? How much variation can be tolerated before it becomes a different approach altogether, foregoing some of the most important

attributes of the approach? For example, the approach calls for a lead agency to take primary responsibility for planning and implementation, but does not specify what type of entity this lead agency should be. Can there be co-lead agencies? Can there be a collaborative with a “coordinating partner” at the helm?

Full answers to these questions await the unfolding of the work of the initiative and the series of reports commissioned from local consultants. In this report, we document the early experience of program replication. What decisions have local LISC sites and their partners made as they've adapted the approach for local use? What variation has there been in approach elements? And what does this suggest about future strategies and challenges? To answer these questions, we rely on the program documents developed as part of local and national implementation: workplans filed by local offices in the 10 initial demonstration sites; reports from national technical assistance consultants; funding reports from LISC management information systems; and direct contact with local program directors.

Following is an overview of neighborhood selection and characteristics, the sections to follow track the three basic elements of the approach, including:

1. Strong community leadership, including designation of lead planning and implementing agencies, adoption of a community engagement process, and creation of a community partnership among leaders and organizations.
2. Comprehensive programs for change guided by quality-of-life plans.
3. Systemic support for community change, marked by robust local intermediation of a civic partnership among corporations, foundations, government, and other leaders with command over financing, technical aid, and local policy.

# II.

## TARGET NEIGHBORHOODS AND THEIR CHALLENGES

**B**ecause social and economic challenges tend to be concentrated in specific neighborhoods, responses to these challenges are often neighborhood-focused, as well. One good way to dampen neighborhood crime is to ramp up crime-fighting capabilities in the neighborhood's police precinct. New housing units affordable to lower-income households also create demand for services in struggling nearby commercial districts. Neighborhood churches and schools often can best recruit residents willing to help solve community problems. Actions of these local institutions, however, require the support of the systems of which they are a part — precincts report to headquarters downtown; housing projects depend on capital allocated by city community development agencies; individual schools belong to citywide school districts.

In many cities, these broader systems are in disarray and disrepair. Few jurisdictions can amass the considerable financial and human resources needed to enact effective systemic reforms. This means that neighborhood revitalization policymakers must pick their spots: small numbers of neighborhoods where the payoffs to concentrated attention are expected to be high.<sup>9</sup>

### NEIGHBORHOOD SELECTION CRITERIA

There is no neat relationship among community needs, capacities and opportunities. LISC's experience has shown that some deeply distressed neighborhoods have a complement of very capable community organizations, while others do not. Therefore, as in Chicago's New Communities Program, three independent criteria have driven neighborhood selection in Sustainable Communities:

1. **Neighborhood need and the tractability of community problems.** High-poverty neighborhoods need help, but they also possess daunting challenges: the more distressed the community, the steeper the demands on community and local systems' ability to respond. Chicago/LISC's staff invited applications from groups working in areas with a long-established need for affordable housing, expanded employment, improved schools and other supports for resident families, drawing in part on past efforts to analyze social and economic trends in these areas.<sup>10</sup>

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<sup>9</sup> This does not mean that initiatives will always be limited to a few neighborhoods. Additional neighborhoods may follow in sequence as initial ones improve, and systemic reforms demonstrated in target neighborhoods can sometimes be extended system-wide.

<sup>10</sup> For example, the Chicago Metropolitan Information Center and LISC's Chicago office had collaborated on development of a community development "challenge index" used to define and track changes in community conditions. Tony Proscio, "Measuring Community Development An Emerging Approach to Quantifying Neighborhood Revitalization" (MCIC).

## 2. Community capacity to attack these problems.

Not all communities have the ability to amass the financial, human, and political resources needed to pull off a comprehensive assault on community problems, which requires a degree of community consensus, connections to systemic resources, ability to deliver programs, and sustain the effort over time. The most important indicator of this capacity is the strength of community-based organizations and the relationships among them. Over many years, Chicago/LISC's staff has amassed considerable knowledge of which communities had this capacity — or showed promise to build it quickly. Based on insights that come from community capacity gained from project investments, support for community programs, and funding for nonprofit organizational development, Chicago/LISC's staff picked neighborhoods with community organizations able to lead comprehensive efforts and secure local political support to do so.

## 3. Presence of unique developmental or programmatic opportunities.

Under ordinary circumstances, community development is difficult to carry out; comprehensive initiatives even more so. This means that the local program staff, as it chooses neighborhoods, must be alert to opportunities to leverage community efforts by linking them to possible market developments, planned public-sector investments, or foundation and other commitments. Chicago/LISC's staff considered opportunities presented by neighborhood adjacency to already-improving areas, location along city transportation corridors, and prospects for continuing MacArthur Foundation investment.

Throughout the 10 demonstration sites, LISC's staff selected neighborhoods by weighing each of these criteria, where appropriate.<sup>11</sup> As in Chicago, local staffs tended to rely on their extensive familiarity with neighborhood needs to designate target neighborhoods, whether through a formal application process, as in Indianapolis and Rhode Island, or more informally as was typically the case. In only one instance was the selection decision driven by statistical analysis of data on neighborhood conditions and trends. Kansas City's

staff relied on statistical analyses to choose target areas that were neither too well-off to merit attention nor too distressed to be responsive to community development investment.

Selection of neighborhoods for Sustainable Communities participation is an initial program decision that may decisively shape later results. This chapter describes the selection process used to choose neighborhoods, some of neighborhoods' social and economic characteristics, and initial signs of their capacity to carry out Sustainable Communities initiatives.

## NEIGHBORHOOD NEED AND TRACTABILITY OF COMMUNITY PROBLEMS

Despite shared poverty, low-income neighborhoods can differ from one another in profound ways. One of community developers' core tasks is to frame program and policy efforts in light of these differences. The national portfolio of target neighborhoods in the ten demonstration sites display a variety of neighborhood types as defined by neighborhood conditions and trends and the strength of the citywide markets of which they are a part. Overall, the profile of these neighborhoods reflects a balance of neighborhood need, on the one hand, and tractability of community problems, on the other.

Befitting the Sustainable Communities objective of improving neighborhood quality for those in need, target neighborhoods in the ten demonstration sites display higher percentages of poverty, single-parent, and renter households than do other neighborhoods within the same jurisdictions. The bottom panel of Table 1 shows neighborhood poverty rates in 1990 and 2000 in 35 target neighborhoods outside Chicago.<sup>12</sup> In 2000, poverty rates averaged 25 percent compared to 20 percent for all low-and-moderate income neighborhoods in these same cities. Single-parent households comprised 25 percent of all households compared to 22 percent; 55 percent of all units were renter-occupied, compared to 50 percent of all units (figures not shown on table).

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<sup>11</sup> It is important to note that selection of target neighborhoods did not mean that support for work in other neighborhoods simply halted. LISC/Chicago, for example, continues to finance projects throughout Chicago's low-income communities.

<sup>12</sup> The table excludes three cities / neighborhoods where specific target neighborhood boundaries have not been assembled.

**TABLE 1:**  
**Poverty and Population Change in Sustainable Communities Neighborhoods**

Target Neighborhood Group	N	1990 Poverty Rate	2000 Poverty Rate	Poverty Population Change
Increased Population and				
Poverty Increase	8	19%	21%	38%
Poverty Decrease	4	32%	27%	-5%
Poverty Stability	3	32%	31%	0%
Population Stability and Poverty Decline				
Poverty Increase	5	26%	33%	12%
Poverty Decline	7	38%	33%	-27%
Target Neighborhood Average	35	28%	27%	0%
Low-Income Neighborhood Average		20%	22%	2%

But equally poor neighborhoods may display very different underlying patterns and trends, which imply different types of challenges and appropriate responses. The top panel of the table groups neighborhoods into six categories according to their changes in overall population numbers and numbers of persons in poverty. The table then displays the poverty rates in 1990 and 2000 and the percent change in numbers of persons who were poor. For example, in eight of 35 neighborhoods, overall population and poverty population both increased, a trend often associated with immigration of foreign-born residents. In four neighborhoods, populations increased but the numbers of persons in poverty declined, a phenomenon typically associated with gentrification.

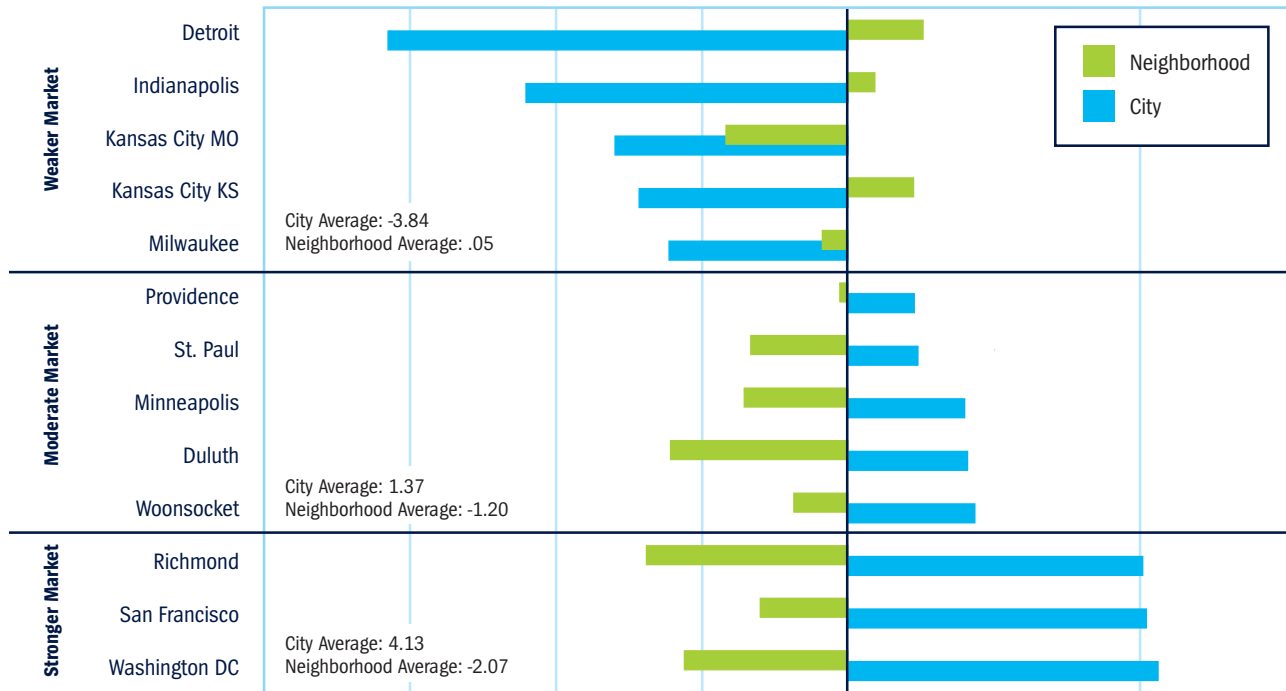
Neighborhood responses to revitalization efforts depend not only on characteristics of the neighborhoods themselves, but also on the citywide context within which neighborhoods function. Poor neighborhoods in generally poor cities would appear to face prospects that are far more daunting than equally poor neighborhoods in cities where markets typically function well. The strength of housing markets is a good indicator of overall city market strength.

Exhibit 3 on page 19 distinguishes among cities and neighborhoods based on a housing market index that summarizes several features of mortgage market transactions.<sup>13</sup> Strong market cities and neighborhoods are those where prices rose, numbers of transactions increased, the share of mortgages to owner-occupants rose relative to investors, and the percentage of high-cost loans was low. Weak markets include cities or neighborhoods where prices and numbers of transactions remained relatively flat, investors increasingly dominated the marketplace, and most transactions in recent years were supported by high-cost loans. Moderate markets are those in between.

In the weakest market cities — Detroit, Indianapolis, the two Kansas Cities, and Milwaukee — target neighborhoods tended to be stronger than other low-income neighborhoods in these same cities; these are areas with a comparatively good chance for revitalization within a weak citywide market unfavorable to revitalization. In stronger market cities — Richmond, San Francisco, and District of Columbia — target neighborhoods tended to be among the weaker low-income areas; areas most resistant to market renewal, but within an overall favorable market context.

<sup>13</sup> The index uses mortgage loan data from the Home Mortgage Disclosure Act for the period 2000–2007. Index values are sum of standardized scores on the items listed. See Appendix 4 for a complete description.

**EXHIBIT 3:  
Low-Income Housing Market Performance Index for Sustainable Communities Cities and Target Neighborhoods**



This may not have been an explicitly sought outcome on the part of LISC’s staff and partners, but it does seem a felicitous outcome at this early stage of Sustainable Communities testing in view of the extreme challenges posed by very poor neighborhoods in weak markets.

Community developers are not faced only with these structural challenges of poverty, underlying dynamics of population and poverty change, and citywide market features, few of which are resolvable in the short run. They also face situational challenges, affecting neighborhoods over the near term. For example, the recent collapse of national housing markets places considerable immediate obstacles in the face of community revitalization efforts. All target neighborhoods have seen mounting numbers of foreclosed properties, nearly doubling from 4.7 percent of all mortgages in June 2007 to 9.1 percent by June 2009. These issues are compounded by worsening unemployment due to the steep recession. Although these problems will linger for some time, they are not expected to be longer-term problems.

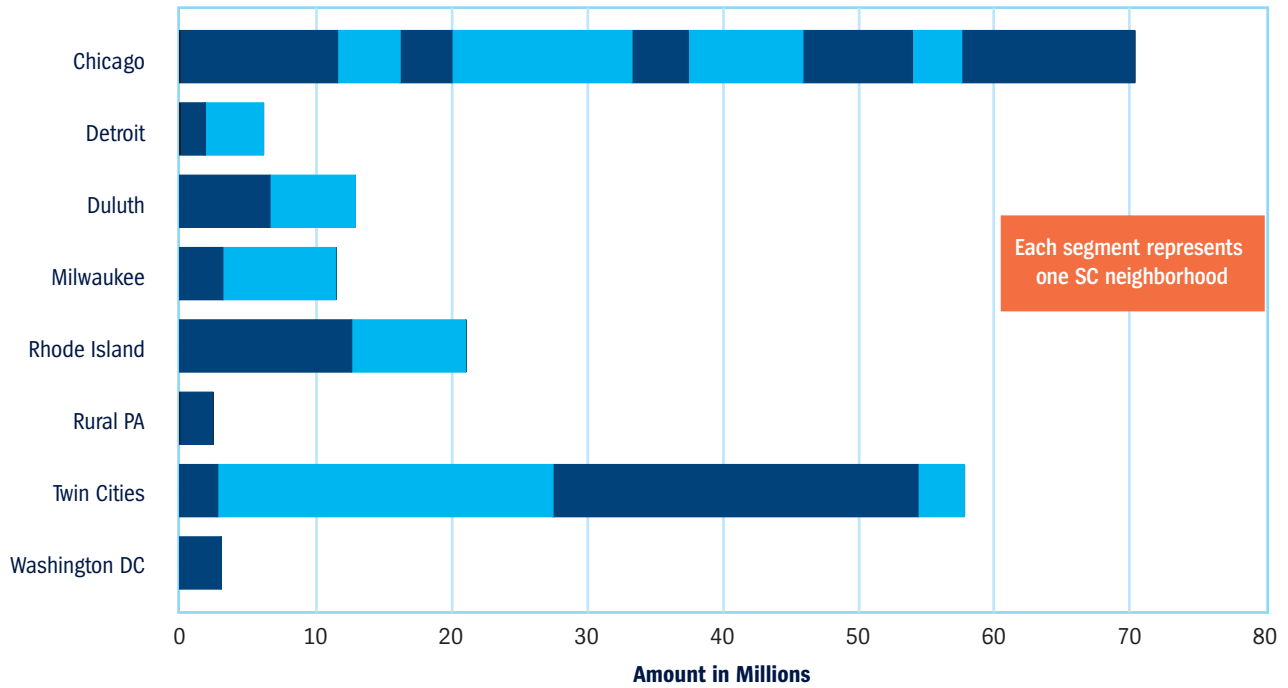
**COMMUNITY CAPACITY IN TARGET NEIGHBORHOODS**

Although different types of target neighborhoods pose distinct community development challenges, they share a dependence on strong community leadership if they are to mount an effective response to them. In LISC’s experience, a complement of capable community organizations is the clearest outward sign that this leadership cadre is in place. In nearly all demonstration sites, LISC’s staff placed great weight in its neighborhood selection on the community organizations’ ability to design and implement effective programs.

The strength of LISC ties to specific communities, as well as the capability of communities themselves, can be indicated by the amounts of LISC project funding flowing to target neighborhoods. Over the years, larger amounts of funding tend to flow to neighborhoods with a track record of effective program delivery: wishing to avoid losses on the loans it makes and otherwise committed to performance-based funding, LISC’s staff tends to work with borrowers with solid balance sheets. And over

**EXHIBIT 4:**

**Amounts of Previous NEF Project Investment in Sustainable Communities Neighborhoods from 1999 to Date of SC Initiation (Tax Credit Equity)**



time, LISC funding strengthens connections between neighborhood organizations and citywide actors, like banks and government agencies — connections that are an important attribute of community capacity.

Past LISC support for neighborhood projects comes in the form of loans and grants made by local offices and Low-Income Housing Tax Credit equity investments made by the National Equity Fund, a LISC national subsidiary. Project-by-project, equity investments are typically large, accounting for as much as half of total affordable housing development project costs. Loans and grants, invested at early stages of housing, commercial and community facilities projects, are smaller, but leverage up to a much higher total dollar volume.

Exhibits 4 and 5 summarize the previous scale of project investment by LISC and its affiliate NEF in Chicago and the demonstration cities, showing the often substantial commitments made in the recent past to projects in target neighborhoods.<sup>14</sup> It is important to note that these are projects sponsored by community-based organizations, whether they are designated lead

agencies or not. (These multiple funding ties in some neighborhoods reinforce LISC’s considerable advantages as managing intermediary.)

From 1999 through the date of SC program initiation in each site, more than \$2 million in loans and grants have been channeled to organizations and project investments in the Sustainable Communities neighborhoods in each of Chicago, Indianapolis, Detroit, Duluth, Milwaukee, Twin Cities, and Washington, D.C. In several cities, the per-neighborhood amounts are large: in Milwaukee and Washington, D.C, these figures pertain to only two neighborhoods. Chicago and Indianapolis figures cover a larger number of neighborhoods, but cover a shorter time period than the others — four and five years, respectively. In three sites — Bay Area, Kansas City, and Detroit — previous investments are comparatively small: Detroit’s investments exceed \$2 million, but the area covered is very large; Bay Area and Kansas City have selected small neighborhoods, and investment figures are small, as well.

These aggregate figures for each site mask considerable neighborhood-by-neighborhood variation within sites. In

<sup>14</sup> These figures do not include non-real estate project investments in organizations, including lead agencies, working in these neighborhoods, a subject discussed in the next section.

**EXHIBIT 5:**

**Amounts of Previous LISC Project Investment in Sustainable Communities Neighborhoods from 1999 to Date of SC Initiation (Loans and Grants)**



Chicago, 13 of the 16 neighborhoods selected for the New Communities Program had seen some investment between 1999 and 2004 — the year of program start-up, although the amounts tended to be small. Elsewhere, of the 54 target neighborhoods in the 10 demonstration sites, 39 had seen previous LISC or NEF investment, averaging \$820,000 per neighborhood in LISC investment and \$8.3 million in NEF investment.<sup>15</sup> These investment averages are roughly similar to those for LISC investments in other neighborhoods in these same sites; on this score, these neighborhoods are typical ones.

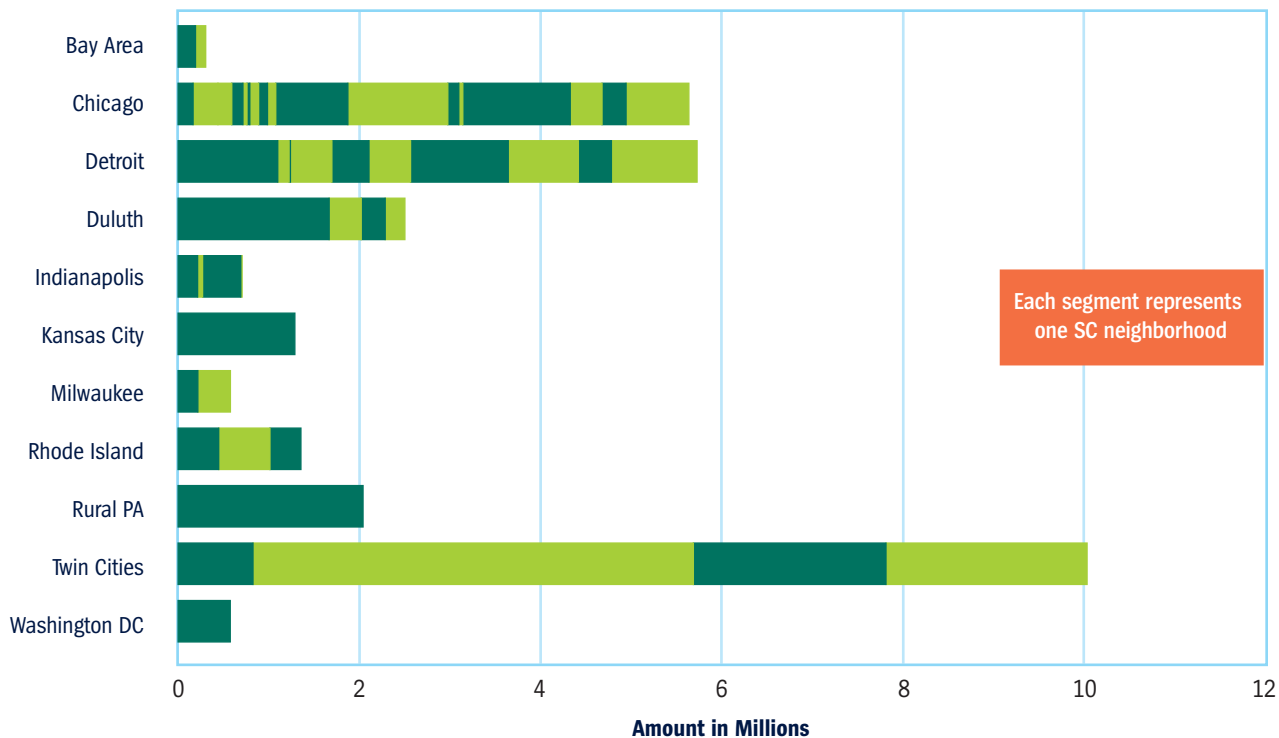
These project investments are typically backed by investments in the capacity of community-based organizations to implement programs effectively, and by funding for the non-development programs, like community organizing, these organizations carry out. Exhibit 6 summarizes these investments for all agencies located in the neighborhoods subsequently designated as Sustainable Communities target areas.

**DEVELOPMENT OPPORTUNITIES**

Some, if not most, of Sustainable Communities sites have selected neighborhoods based on the potential development opportunities offered at the time of selection. Chicago picked some neighborhoods because they were adjacent to improving neighborhoods, or along well-travelled transportation corridors. In other demonstration sites, similar criteria applied, as in the target neighborhood alongside the new light rail line in the Central Corridor of St. Paul. And as in Chicago, designations were sometimes made with one eye on already-declared areas of foundation interest — true of Richmond (in Bay Area), Detroit, Pennsylvania, and Twin Cities — which promise new or continuing flows of resources able to support Sustainable Communities efforts.

<sup>15</sup> The latter figure is sensitive to inclusion of several very large developments; median projects costs came to \$5.6 million.

**EXHIBIT 6:**  
**Amounts of Previous LISC Non-Project Investment to All Organizations Located in Sustainable Communities Neighborhoods 1999 to Date of SC Initiation**



## IMPLICATIONS OF NEIGHBORHOOD SELECTION

Differences across neighborhoods in challenges and response capabilities may prove to be crucial drivers of subsequent program performance, but this is by no means certain. As the South Bronx experience demonstrates, deeply distressed communities can make great strides if the program approach is the right one and it is pursued effectively. As Sustainable Communities proceeds, practitioners and researchers will track and assess how different structural, situational, and policy characteristics of neighborhoods affect results.

Among the most challenged target neighborhoods, demands on potential investment dollars are likely to be high. These demands may be particularly difficult to respond to in cases where surrounding markets are weak and previous LISC investments — and therefore ties to neighborhood organizations expected to lead revitalization — are weak as well. Fortunately, only a handful of neighborhoods in the demonstration sites fit this pattern of deep distress and weak ties to LISC and the broader system. For the most part, highly distressed

neighborhoods in weak markets, which pose extraordinary challenges to community developers, also display previous funding levels that are at least comparable to less-distressed areas.

In the short run, the flood of bank-owned properties and resulting long-term vacancies will hinder market renewal in nearly all target neighborhoods. In many sites, the foreclosure crisis has led to project delays, an eroded retail base, and city agency preoccupation with short-term emergency responses. How these issues play out will be an important subject for further neighborhood change analysis.

Some sites may be forced to re-think neighborhood designations in light of the mounting challenges. Already, some LISC offices have modified original target neighborhood boundaries, primarily because initially defined areas were too large to be meaningful social, economic, and political units. As such, they were not natural organizing units, and too heterogeneous to respond well to a single bundle of related strategies. For example, Detroit’s five Strategic Investment Areas cover

50 percent of the city, but are now being carved up into 21 smaller “drill down” areas. The less extreme cases of Twin Cities and Indianapolis have been accorded similar treatment.

Regardless of neighborhood type, it is likely that those neighborhoods with a strong and active planning framework in place will be most successful in pivoting toward new challenges. This is because only locally generated solutions are likely to be appropriate given wide variation in neighborhood characteristics. The Sustainable Communities approach, therefore, places emphasis on quality-of-life planning and community engagement to mobilize residents’ expert knowledge of how neighborhoods are, in fact, changing, and what assets can be brought to bear to steer them in favorable directions.

# III.

## APPROACHES TO SUPPORTING EFFECTIVE COMMUNITY LEADERSHIP

**C**omprehensive approaches to neighborhood revitalization impose considerable demands on their participants. They tend to be expensive in terms of financial, human, and political capital. They demand sustained concerted action among otherwise specialized and disconnected organizations. They require special efforts to ensure that all parties carry out their assignments effectively. The Sustainable Communities approach holds that only well-organized and led communities can meet these demands — public agencies cannot do this well — and further, that effective community action critically depends on the breadth and strength of relationships among community leaders themselves.

The Sustainable Communities approach to creating, strengthening, and sustaining effective community leadership consists of finding ways to forge, temper, and extend the community relationships that make action possible, then exercising these ties to get concrete results. These relationships come in many forms: exchanges of information; expression of shared community values; mutual commitments to act jointly to further community goals. All are important to surfacing and acting upon opportunities to make neighborhoods better.

This relationship building is a necessary condition for effective action, but it cannot substitute for action. In

some past community initiatives, the priority accorded to inclusion and consensus has derailed efforts to act swiftly and surely. The Sustainable Communities approach aims to strike a balance between relationship-building and execution; it does this by creating a three-part framework for community action:

- Lead agency to organize and manage collective efforts to carry out comprehensive programs, participate in their delivery, and broker relationships with LISC and other system supporters;
- Community engagement, stoked by extensive “relational organizing” that enlists a broad spectrum of community leaders and strengthens ties among them; and
- Community partnerships to carry out and manage joint community change efforts, energized by active community engagement and supported by robust exchanges of information and mutual commitments to act.

Each of these, working in combination, contributes directly to helping meet the demands of comprehensiveness: mobilize resources to scale, coordinate disparate efforts, and ensure that all are accountable for upholding their commitments to the collective effort. The Sustainable Communities approach posits that this framework, if

well-constructed, will generate lasting community support, encourage new resources to flow into communities from public, corporate, and philanthropic sources, and help public and nonprofit agencies coordinate the most important parts of the Sustainable Communities program package.

## LEAD AGENCIES AS EXECUTORS AND COMMUNITY-LEVEL INTERMEDIARIES

Lead agencies are the mainsprings of community action in Sustainable Communities neighborhoods. According to the Sustainable Communities approach, lead agencies are important because the success of neighborhood-based initiatives requires strong program execution, which in turn depends on mobilization of neighborhood and citywide support. As practiced in the Chicago New Communities Program, lead agencies are asked to accept four demanding responsibilities:

1. Organize resident leaders and community agency directors representing a broad spectrum of community life into a partnership able to create and implement a consensus quality-of-life plan for the neighborhood.
2. Carry out quality-of-life plan responsibilities effectively, drawing upon the lead agency's ability to plan, raise money, and manage their organizations and programs, often while building expertise in new areas.
3. Broker flows of external funding and technical support to programs carried out by community partners, drawing upon their ability to act effectively in the

broader arena of citywide public agencies, financial institutions, policy development and advocacy organizations, elected officials, and foundations.

4. Accept principal responsibility for ensuring that community partners are accountable for delivering on their commitments to the collective effort.

There are well-known tensions among these roles, which sites have balanced in different ways. The most notable of these are the tensions between exerting strong leadership in pursuit of concrete results and mobilizing and sustaining community consensus around purposes and methods.

### *Lead agencies versus collaboratives*

The record of past community initiatives exposes a sharp tension between the strong executive leadership needed to get things done and the consensus-building skills needed to elicit and sustain community support. This strain surfaces in the Sustainable Communities program, as well. Designers of past comprehensive initiatives often pursued inclusion and consensus by forming community collaboratives consisting of leaders called upon to recommend a course of action for individual agencies. Their structure and purpose tended to work well to secure broad agreement on action, but proved less adept at marshalling the clout needed to ensure concrete accomplishments.

As worked out in Chicago, the Sustainable Communities approach to collective action declares a clear preference

## EXHIBIT 7:

### Example of Sustainable Communities Lead Agency: Profile of Olneyville Housing Corporation

Olneyville Housing Corporation, or OHC, is the lead agency for the Olneyville neighborhood in Providence, R.I. OHC was founded in 1998; its early projects were small scale homeownership projects. Over the years its capacity to undertake larger projects has grown, and it has developed projects using a variety of financing mechanisms including Low Income Housing Tax Credits, New Markets Tax Credits, and tax increment financing. OHC has a strong partnership with LISC and has developed more than 100 affordable housing units using LISC financing. It now has 11 staff members.

In 2002, OHC began to expand its programming into financial security and economic development work. The organization now offers homebuyer counseling, financial education, tax preparation, and workforce development services, and has partnered in a number of mixed-use developments, funded storefront improvements and worked to attract businesses to Olneyville. OHC also has several public safety and quality-of-life programs, including a community garden, participation in Weed & Seed, a revitalization of the Woonasquaquacket River corridor, and an ongoing partnership with LISC's Community Safety Initiative.

OHC was selected as a lead agency for the Sustainable Communities Initiative because of its capacity as a housing developer and its strong ties to the community. Olneyville is home to a large number of small arts, advocacy, education, church, merchant, and homeowner organizations, and OHC convenes and staffs the Olneyville Collaborative, which links these organizations via monthly meetings and a quarterly newsletter. This capacity and history as a convener positions OHC to act as a strong lead for the Sustainable Communities partnership.

**EXHIBIT 8:  
Sustainable Communities Lead Agency Alternatives**

	Lead Responsibility For Program Implementation	
	Single Agency	Collaborative
<b>Description</b>	Single agency takes lead role in community organizing, managing quality of life planning and implementation, and accepting primary responsibility for results.	Consortium of community agencies manage organizing, planning and implementation and accept joint responsibility for results.
<b>Applicable SC Sites</b>	Chicago, Bay Area (Richmond, Chinatown), Duluth, Indianapolis, Kansas City, Milwaukee (Harambee) Rhode Island, Rural Pennsylvania	Bay Area (Excelsior), Detroit, Twin Cities (St. Paul Central Corridor), Chicago (Englewood, Washington Park), Washington DC (Southwest)
<b>Within Category Variation</b>	Organizations that act as lead for multiple target neighborhoods (Duluth, Chicago, Woonsocket). Some sites began with organizing “co-leads” but moved to single lead (Rural PA-Tamaqua; Duluth).	Consortium “coordinating partner” acts as lead (Twin Cities).

See Appendix 1 for list of sites, neighborhoods, and lead agencies or collaborators.

for a single agency able to carry out the four demanding tasks of engagement, program delivery, brokerage, and accountability. Lead agencies are asked, in effect, to perform an intermediary role at the neighborhood level, brokering ties among community partners, and between the partners and broader systems of systemic support. In the 16 Chicago neighborhoods, 14 are led by lead agencies selected from among the neighborhoods’ community-based organizations; two are led by collaboratives.

The preference for lead agencies comes strongly recommended given the early accomplishments of New Communities experience, but the approach has been modified in some Sustainable Communities sites, and for some of the same reasons early initiatives embraced community collaboratives: an emphasis on consensus, difficult politics surrounding designation of a single lead, or as a substitute for lack of a strong agency able to take on the leading role.

That said, LISC’s staff in most sites opted to follow the Chicago example. Of the 31 neighborhoods outside Chicago where leadership has been declared, lead agencies have been designated in 26 of them. (See Exhibit 8.) In the five remaining neighborhoods, communities took a more collaborative path, as in Detroit,

where formal collaboratives were designated in two of the five Detroit Strategic Investment Areas.<sup>16</sup>

But even where collaboratives were initially adopted as the lead planning and implementing entity, stronger members sometimes emerged to occupy prominent positions. LISC’s staff supported emergence of these leaders by declaring them “coordinating partners” (as in Twin Cities). This trend will likely continue as planning gives way to program implementation. (It is worth noting that in a few instances, LISC staff members themselves acted temporarily as an ersatz lead agency, overseeing community planning, and in some cases, project implementation until community consensus formed around a specific lead.)

<sup>16</sup> These Investment Areas have since been broken into a larger number of smaller sub-areas, but the original collaborative designations appear to remain in force.

## Types of lead agencies selected

Community capacity takes on a wide range of forms. Although LISC has been closely identified throughout its history with support for community development corporations, recent years have seen a broadening in the types of organizations it funds. This is particularly true of groups receiving funding for programs, like workforce development and commercial revitalization, as opposed to real estate development projects.

Reflecting these multiple sources of community capacity, lead agencies can be grouped into three categories based on their purposes and typical forms of organization: community development corporations, neighborhood associations, and a diverse group of community action agencies, social service agencies, and others. Examples of each type of lead organization, including collaboratives, are supplied in Exhibit 9. The totals in the left-most column include both Chicago NCP neighborhoods as well as those in demonstration sites. If Chicago, where community development corporations are strong, is included, community development corporations predominate, totaling 30 of the 46 agencies or collaboratives. Outside Chicago, this balance shifts: only 18 of the 32 agencies are community development corporations.

In some cases, LISC’s staff and partners deliberately chose to work with organizations that were not community development corporations. They selected service providers or neighborhood associations that could best work with a diverse array of community partners, otherwise balance the competing demands of consensus and execution, or claim a pre-eminent role among otherwise weak or highly specialized community organizations.

## Previous LISC support for designated lead agencies

The capacity of lead agencies in the Sustainable Communities program would appear critical to the success of the initiative overall. This capacity is difficult to discern without extensive field investigations, the results of which will be reported in research reports to come. Most direct measures of organizational strength — production levels, asset balances, revenue generation, board composition and other attributes — do not capture important features of capacity, such as quality of work, strength of community relationships, and the intangibles of leadership.

### EXHIBIT 9: Types of Lead Agencies in Demonstration Sites

Type and Total Number	Examples
<b>Community Development Corporations (24)</b>	Chinatown Development Corporation (San Francisco) Neighborhood Housing Services Duluth West Indianapolis Development Corporation Westside Housing Organization (Kansas City) Olneyville Housing Corporation (Providence)
<b>Neighborhood Associations (3)</b>	Douglass-Sumner Neighborhood Association (Kansas City)
<b>Social Service / Other Agencies (11)</b>	Hawthorne Community Center (Indianapolis) Northcott Neighborhood House (Milwaukee) Fayette County Community Action (Uniontown, PA)
<b>Collaboratives (6)</b>	Excelsior Action Group (San Francisco) Southwest Detroit Collaborative

Note: For detail on all agencies and neighborhoods, see Appendix 2. Not included in the chart are five neighborhoods where agency type is yet to be determined.

But as discussed in the preceding section, larger amounts of project and program and capacity-building dollars typically indicate higher overall capacity of the recipient organizations. Although not all high-capacity organizations make good lead agencies (they may not work well with others), the type and scale of LISC funding relationships, point to two aspects of group functioning important to success in the program: Can they deliver concrete accomplishments to their neighborhoods? Are they connected to broader systems of support? The degree of LISC support over time often signals the strength of LISC relationships with groups, which is important to fulfilling its oversight role.

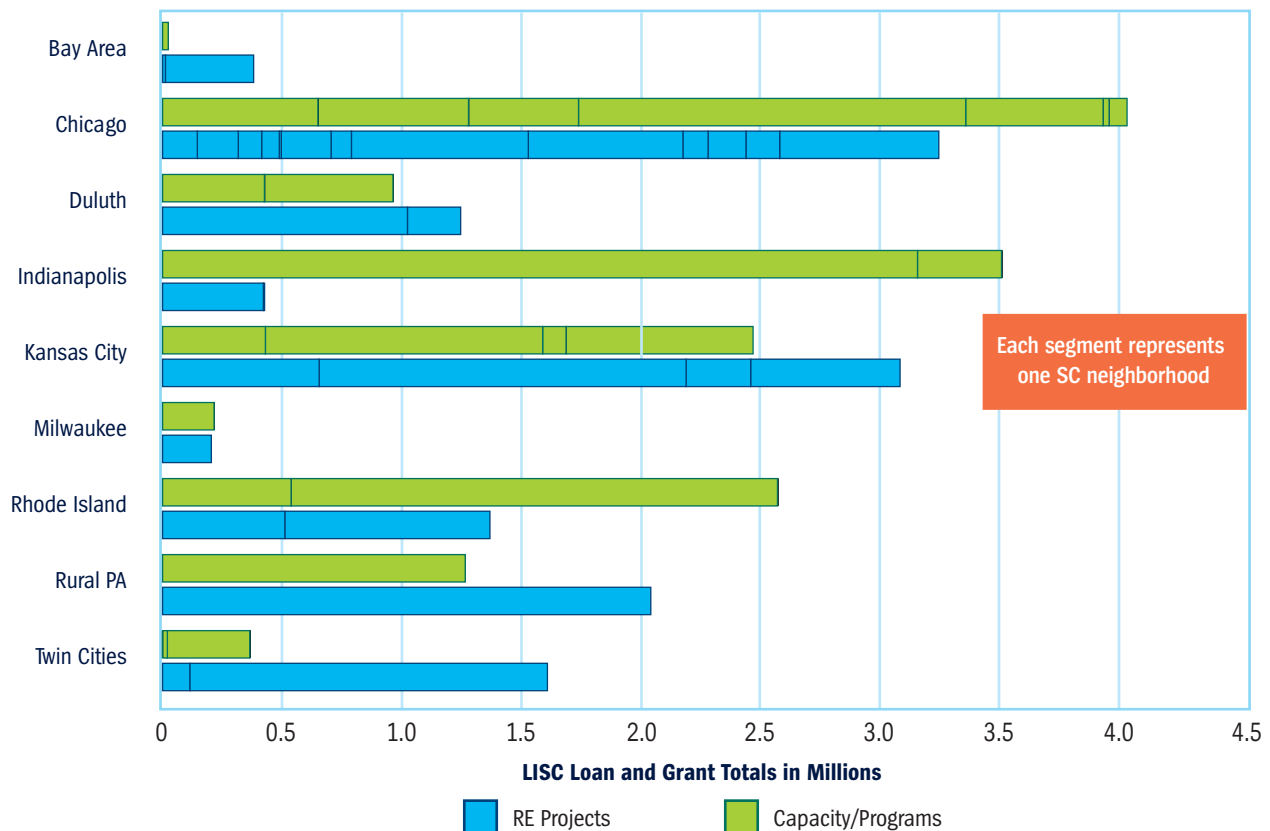
Fortunately, over the past several decades, community development organizations have compiled a track record of increased production and strengthening ties to their systemic backers. Intermediary support has been an important contributor to this trend. This support comes in two basic forms: direct investments in real estate projects, such as affordable housing, commercial buildings, and community facilities, and program and capacity-building finance for the organizations themselves. The latter typically pays for staff salaries and other

operating costs, including those dedicated to the delivery of specific programs, like workforce development, community safety, and community organizing.

In Chicago, most of the organizations selected as lead agencies have extensive financial ties to LISC: 13 of the 14 lead agencies in the New Communities Program had some form of previous funding relationship with LISC, the only exception being a consortium newly formed to carry out the program. Dollar amounts tended to be relatively large: all 13 agencies received capacity-building funding, averaging \$250,000 per organization over the period between 1999 and 2003, immediately prior to program inception; seven had received LISC project funding, as well, averaging \$576,000. (See totals in Exhibit 10.)

As in Chicago, lead agencies in demonstration sites had substantial funding ties. Of the 26 lead agencies (out of 31 neighborhoods where agencies or collaboratives have been declared), 16 received project or capacity-building funding during the period from 1999 to the year immediately prior to local program start-up. Capacity-building investments averaged \$662,000 over the period; project investments (among those receiving projects)

**EXHIBIT 10:**  
**Total LISC Support for Lead Agencies Prior to SC Program Initiation**



averaged \$822,000. In some cases, these amounts were large: nine organizations received total project loans or grants and capacity-building assistance amounting to more than \$1,000,000, the largest being Neighborhood Housing Services of Duluth (\$4.3 million), Southeast Neighborhood Development in Indianapolis (\$3.6 million), Neighborworks of Blackstone Valley in Rhode Island (\$2.9 million) and Community Housing of Wynadotte County in Kansas City, Kan. (\$2.7 million). (Because some of these organizations work in multiple neighborhoods in their cities, not all of these investments were devoted to projects or programs in SC target neighborhoods.) Reflecting past patterns of LISC investment nationwide, those groups not receiving some form of investment were predominately community centers, neighborhood associations, or some other non-CDC form of organization.

These funding ties are sustained throughout program initiation. Exhibit 11 shows the amounts invested in projects and programs and capacity-building after program start-up in each site. Sites with programs beginning in earnest before 2008 tended to display the largest funding levels, either in absolute terms or relative to the size of each local program, including Chicago (where the program

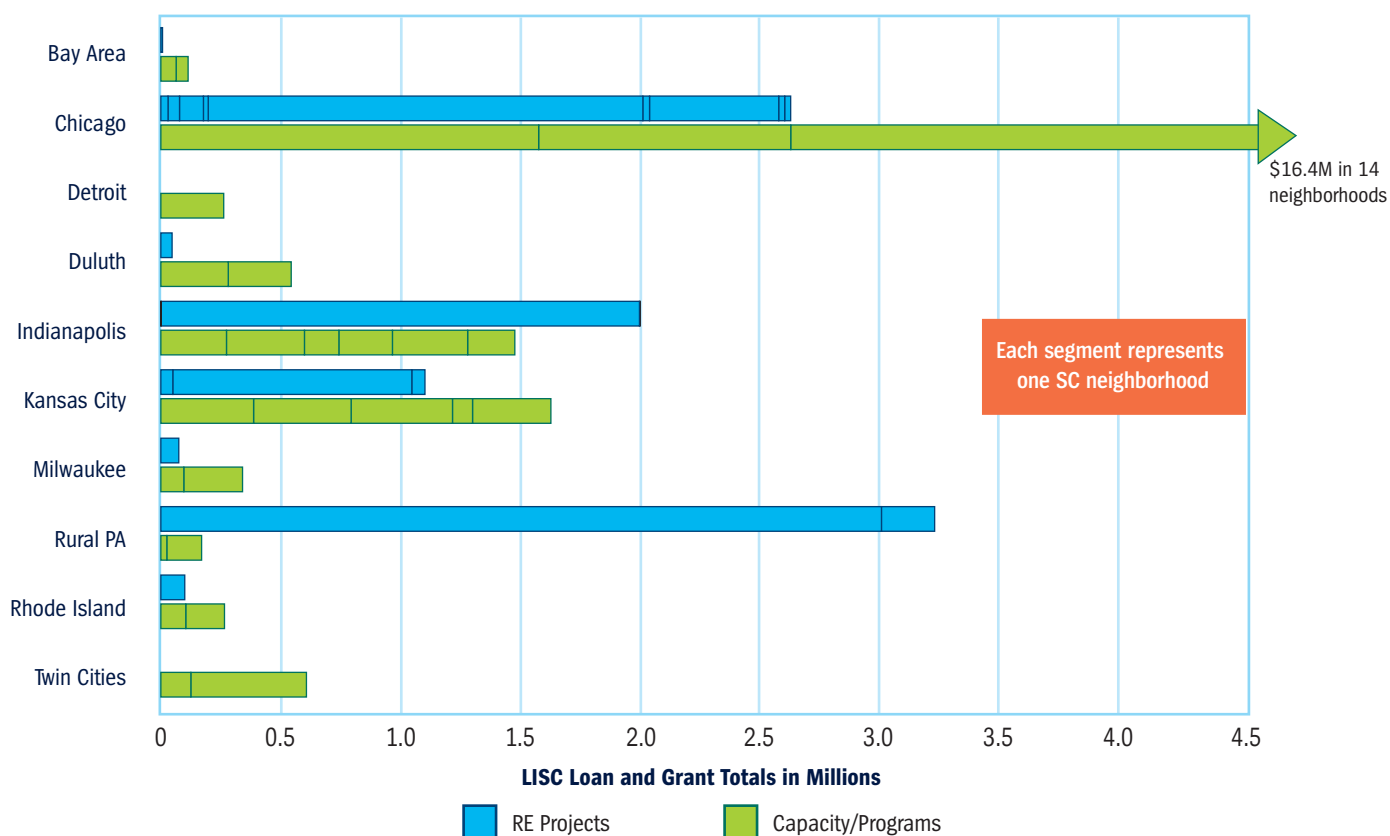
started in 2004), Indianapolis (2007), Kansas City (2006) and Duluth (2007).

## COMMUNITY ENGAGEMENT AND COMMUNITY PARTNERSHIP FORMATION

In some comprehensive community initiatives of the past, such as the South Bronx Comprehensive Community Revitalization Program, much depended on the strength of community leadership commitment to the initiative and the vitality of the community partnerships formed to carry out the work. Lead agencies alone are seldom equipped to carry out the broad range of programs that comprehensiveness requires.

Therefore, the Sustainable Communities approach calls for an intensive process of relationship-building, including one-on-one organizing over an extended period to enlist community leaders' participation in community visioning, quality-of-life planning, and subsequent implementation. Organizing is carried out with two overlapping sets of leaders: those representing community constituencies formed by race and ethnicity, length of time in the neighborhood, household tenure, income, and other

**EXHIBIT 11:**  
**Total LISC Support for Lead Agencies After SC Program Initiation**



characteristics, and those who direct community-based organizations or other neighborhood institutions, such as schools and police precincts. This engagement at the inception of the planning process, and continuing throughout implementation, is expected to lay the relational foundation for further action. Many of those active in the organizing phase create the nucleus for a durable community partnership, which consists of formal and informal agreements among community agencies and neighborhood leaders to implement a diverse portfolio of programs and services.

Community engagement and community partnerships are a strategy for resolving the chronic problems of comprehensive programs — inadequate scale, fragmented programs and delivery systems, and lack of accountability. The ways they do this are summarized in Exhibit 12 below. As they mature throughout project and program execution, partnerships are expected to create the extensive networks of financial, informational, and political relationships needed to carry out programs effectively.

## COMMUNITY ENGAGEMENT

In many community planning efforts, especially those led by public agencies, community engagement is limited to broad invitations to participate in charettes, or public meetings, led by professional planners. In the New Communities Program approach, community engagement pursues a more essential purpose: to create the relationships that make effective community action possible.

The task of community engagement is pursued through “relational organizing,” in which a small cadre of organizers carry out extensive one-on-one interviews with community leaders to elicit information about community strengths and weaknesses, encourage articulation of deeply held values, and lay the foundation for subsequent agreement on overall strategies for change. A vital part of the organizing process is to identify community leaders who are not part of the already-established leadership cohort. This intensive interview process also helps groom participants to play a meaningful role in plan compilation, resulting in a quality-of-life plan that takes on a broad range of community issues and is fully responsive to resident interests. But it should be emphasized that community organizing is not carried out merely to create a good plan; rather, community planning is, among other things, a vehicle for good organizing. Initial engagement efforts are expected to lead to subsequent community participation in program implementation.

The Greater Indy Neighborhoods Initiative adhered faithfully to this approach. (The sequence of activities is summarized in Exhibit 13.) Over a year-long period, LISC-paid organizers conducted more than 100 interviews to elicit resident views on community conditions and opportunities. A neighborhood advisory council provided the institutional framework needed to organize and sustain participation. Residents helped create specific action plans, intended to produce early, concrete successes, thus rewarding participation. Multiple

**EXHIBIT 12:**  
**Community Engagement and Community Partnership Responses to Problems of Comprehensiveness**

Problems of Comprehensiveness	Contributions to Solutions From	
	Community Engagement	Community Partnership
<b>Mobilizing Needed Scale of Resources</b>	Participants contribute ideas and detailed knowledge of program opportunities and internal sources of support. They supply volunteers and contribute political support.	Agency staff and boards contribute program delivery expertise, funding raised from external supporters, and political support from community constituencies.
<b>Coordinating Fragmented Policies and Programs</b>	Activists and program clients identify quality-of-life issues needing resolution, gaps in program services, untapped resources, and conflicts in program rules and services.	Willingness and ability to coordinate programs at the neighborhood level, carry out joint projects, and align program policies.
<b>Holding Contributors Accountable for Results</b>	Activists monitor performance of public and nonprofit agencies in carrying out quality-of-life plan commitments and assess changes in neighborhood conditions.	Peers monitor performance by partners in joint programs, identify ways to resolve implementation problems, and assess changes in neighborhood conditions and program effectiveness

**EXHIBIT 13:**  
**Community Engagement Process Used in Quality-of-Life Planning Near East Side Neighborhood of Indianapolis**  
**Greater Indy Neighborhoods Initiative (GINI)**

January 2007 – January 2008

A taskforce led by the convening agency, the Boner Community Center, meets monthly between January 2007 and December 2007 to develop the plan.

In January 2007, the neighborhood hires a community builder to serve as coordinator for the GINI process.

The taskforce identifies underrepresented groups that should be involved in neighborhood planning, and works to identify interviewees. The community builder leads a team of interviewers to conduct one-on-one interviews with approximately 80 residents to obtain their views on neighborhood assets and opportunities.

In addition to individual interviews, neighbors are engaged and encouraged to attend planning sessions via other forums including study circles, block clubs, neighborhood associations and a large door-knocking campaign.

In June, a Visioning Event is held to develop ideas for the future of the neighborhood, leading to subsequent work to identify specific action steps. A follow up design session is held in November.

A draft of the quality-of-life plan is circulated and reviewed by community members and GINI partners.

The final version of the quality-of-life plan is published in January 2008.

Source: Adapted from the GINI Plan for Southeast Indianapolis

participation opportunities throughout the process enabled residents to select activities and issue areas of most importance to them. The resulting quality-of-life plan was a high-quality document that became the basis for sustaining a community partnership throughout implementation.

This general approach was followed in six of the 10 demonstration sites (although not everywhere in all target neighborhoods). Sites following the relational organizing approach include Bay Area, Duluth, Indianapolis, Kansas City, Rhode Island, and Twin Cities. (See Exhibit 14.) The remaining four sites have explored a variety of alternatives, including traditional planning charettes, outreach limited to established organization leaders, or not done at all. Even sites that did relational organizing pursued variations on this approach, including:

- Community organizing used to update already-developed community plans and generate specific action plans from them. (Some local LISC staffs were loath to ask communities and agencies to undergo yet another planning process, especially where these have already produced high-quality plans or where previous efforts have exhausted the willingness of community leaders to participate further.)

- “Remedial” organizing, in which the absence of a good community engagement process early on resulted in stalled or partial efforts as they unfolded. These remedial efforts are carried out to strengthen ties among neighborhood leaders, and often result in expansion of the community partnerships formed at the early stages of implementation.
- Use of specialized community organizing agencies in instances where lead agencies lack the breadth and depth of community ties that make one-on-one organizing attractive or feasible, or where organizers have a clear advantage in carrying out this role effectively. (See Exhibit 14.)

These variants appear to be in the spirit of the NCP approach, and in several instances, reflect a rethinking of earlier decisions to omit or downplay community engagement. As with the emergence of *de facto* lead agencies from within the collaborative framework, this later adoption of community engagement as a primary strategy constitutes further evidence of convergence toward the New Communities approach, in recognition of its advantages.

**EXHIBIT 14:  
Responsibility for Carrying Out Community Organizing**

Lead Responsibility for Community Organizing		
	Lead Agency / Collaborative	Specialized Agency
<b>Description</b>	Community organizing process is managed by lead agency or collaborative, also responsible for planning and implementation.	Agency (including LISC) or consultant is specially tasked to lead the community engagement process.
<b>Applicable SC Sites</b>	Bay Area, Detroit, Indianapolis, Rhode Island, Rural PA (Uniontown), Milwaukee (Harambee), Kansas City	Twin Cities, Duluth, Milwaukee (Washington Park)
<b>Within Category Variation</b>		LISC's staff took on large part of community-organizing role in low-capacity communities (WP in Milwaukee)

**COMMUNITY PARTNERSHIPS**

A community partnership consists of the formal and informal agreements among community agencies and neighborhood leaders to carry out action in common. Much depends on partnerships' effectiveness — whether they can introduce new programs or better deliver existing ones — and their durability. An effective community engagement process should help create solid partnerships by recruiting its members, achieving consensus around neighborhood goals and strategies for pursuing them, and developing concrete action plans. The relational organizing approach to community engagement aims to create the relationships among community partners that make these actions possible.

Through formal structures, like steering committees, as well as the day-to-day interaction needed to accomplish assigned tasks, partnerships lay the groundwork for enduring pursuit of a comprehensive agenda. Where collaborative forms are adopted, the collaborative itself becomes the arena where partnership activities are negotiated. Later reports will document the composition, activities, and performance of partnerships in Sustainable Communities target neighborhoods. Documentary materials available for this phase of the research typically do not specify these in detail. An example of partnership members in Downtown Kansas City, Kan., is presented in Exhibit 15.

It is important to note that collaboration of the kind required for community partnerships does not require heroically selfless behaviors. Instead, more complete information about the interests and capacities of others and their willingness to join in the collective effort surfaces opportunities to promote neighborhood well-being and obtain corresponding support from external resource providers. Nor does collaboration require high levels of commitment by all parties all of the time; there are varying levels of partnership.<sup>17</sup> To use an analogy from the development world, some organizations act as general partners that bear the most responsibility; others are limited partners that share corresponding risks and responsibilities.

Ideally, strong partnerships enable community agencies to draw down additional resources from their systemic supporters — city governments, foundations, civic bodies, and influential private citizens and elected officials — or from sources otherwise unavailable to them. (Research on past initiatives has shown that comprehensive initiatives were most successful where leverage of external resources was strongest.)<sup>18</sup> As the NCP matured in Chicago, LISC extended its support from investments in the lead agency to include other members of the community partnership. And as discussed in a preceding section, an appreciable share of LISC investment in Sustainable Communities target neighborhoods prior to program initiation went to agencies

<sup>17</sup> This will be illustrated by Duluth's partnership framework presented later in this report. remain in force.

<sup>18</sup> Chaskin, Robert, Selma Dansokho, and Amanda Toler, *Moving Beyond the Neighborhood and Family Initiative: The Final Phase and Lessons Learned*. Chapin Hall Center for Children at the University of Chicago, December, 2000.

**EXHIBIT 15:  
Members of the Community Partnership in Downtown Kansas City, KS**

Organization	Sector Affiliation	Organization Strength
<b>Housing</b>		
City Vision Ministries	Nonprofit	Community Development
<b>Economy and Workforce</b>		
Nonprofit Technologies	For-profit	Market Research
Unified Government Planning and Zoning	Public	Planning
Imago Dei	Nonprofit	Faith community and art community
City Vision Ministries	Nonprofit	Community Development
Brotherhood Bank	For-profit	Marketing
<b>Community Quality and Safety</b>		
Kansas City Kansas Police	Public	Public Safety
Unified Government of Wyandotte County	Public	Financing
Kansas City Kansas Arts Network	Nonprofit	Arts
<b>Social and Health Services</b>		
YWCA	Nonprofit	Youth Services
El Centro	Nonprofit	Hispanic Services
<b>Education and Culture</b>		
Kaw Valley Arts and Humanities	Nonprofit	Arts programming
7th Street Casino	For-profit	Entertainment
YWCA	Nonprofit	Youth Services
City Vision Ministries	Nonprofit	Community Development
S2 Studios	For-profit	Photography

that were not subsequently designated as leads. This allows LISC to take advantage of opportunities presented by multiple partners, not just those of the lead agency.

**IMPLICATIONS FOR FUTURE RESEARCH**

As the initiative unfolds, researchers will be keenly interested in the possible consequences of variation in lead agency and collaborative forms, types of lead agencies, and degrees of prior LISC support. Can collaboratives overcome the weaknesses that have plagued collaborative forms of implementation in the comprehensive initiatives of the past? Do different types of lead agencies display different abilities to work well in partnership with organizations very different from themselves? Does the lead agency, community engagement, and community partnership approach work well in all types of neighborhoods?

Also of interest are characteristics of the agencies themselves: their size, project and program portfolio, and attributes of capacity. It is already clear that some lead agencies are fragile. In several cases, risks of failure among fledgling organizations have been hedged by involving stronger organizations as backstops. In other instances, strong organizations with the ability to work in multiple neighborhoods have drawn the lead agency assignment in each, compensating for the lack of implementing agencies in those places. How well do these approaches work to hedge risk, and what tradeoffs are involved?

Finally, community engagement efforts have varied in their intensity and degree of commitment to the relational organizing approach. How does this variation affect the quality and the durability of the community partnerships formed subsequently? And the partnerships themselves

take on a variety of forms, differing in their composition, assigned roles, institutional forms, and strength of affiliated members. Their scope, strength, durability and management of community engagement vary as well. Future research will take account of these variations as it assesses the concrete outcomes achieved by local Sustainable Communities programs.

# IV.

## QUALITY OF LIFE PLANNING AND COMPREHENSIVE PROGRAMS

**T**he Sustainable Communities approach outlines an ambitious program of comprehensive change, carried out across five domains of community life: housing and other real estate, family income and wealth, vibrant economic activity, access to quality education, livable, safe and healthy environments. Some of these domains have been commonly included in past community planning efforts, principally housing and economic activity; others, like education, are included rarely. As envisioned in the Sustainable Communities approach, neighborhood quality-of-life plans erect a scaffold for build-out of policies and programs that span all five domains in ways not commonly encountered in current planning practice.

The quality-of-life plan can be viewed as the first accomplishment of the public framework for action constituted by the lead agency, community engagement, and community partnership triad. Activities and relationships among lead agency staff, community leaders, and partnership members are expected to activate and sustain the strategies and programs contained in the plans, unlike many compiled under public sector aegis. If done well, quality-of-life planning should help generate new resources from within the community and externally, coordinate these with one another, and ensure accountability.

### THE NCP QUALITY-OF-LIFE PLANNING

In the NCP approach, quality of life plans articulate a vision for the neighborhood, specify strategies and concrete programs for pursuing it, and outline a work program to get these done. The Chicago LISC office has formalized guidelines for preparing these plans, resulting in a package of high-quality plans covering all NCP communities.<sup>19</sup> The Humboldt Park plan is a typical example of the result:

- The plan process was broadly inclusive: the Bickerdike Redevelopment Corporation, as lead agency, developed the plan in concert with 46 other organizations that spanned the range of community sectors, including elected leadership and public agencies, such as the police and city planners, and nonprofits, such as neighborhood and business associations, health centers, social service organizations, and youth development organizations.
- Seven Action Teams dedicated to housing, employment skills, economic development, education, crime and safety, health, and open space developed strategies and programs based, in part, on previously completed plans. Action teams drew upon experts from outside the Task Force and in some instances included representatives from multiple sectors; e.g., the Health

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<sup>19</sup> See the New Communities Program's Planning Handbook. (Chicago: Local Initiatives Support Corporation, 2003).

**EXHIBIT 16:  
Example Quality-of-Life Plan Vision Statement**

**A Prosperous and Inclusive Community**

Our neighborhood will be a prosperous, inclusive community in which children are well educated and cared for, adults can find good jobs or start their own businesses, and all enjoy safe streets, dependable public transportation, affordable health care, attractive open space, and excellent city services.

From *Humboldt Park: Staking Our Claim*, Bickerdike Redevelopment Corporation and LISC/Chicago New Communities Program, Quality of Life Plan, May 2005

Task Force was chaired by an expert in vocational education, creating a link between health promotion and employment and training strategies.

- The plan articulates a community vision — in effect a mission statement — followed by seven major strategies for accomplishing this, embracing 55 individual programs. Strategies cover school improvement, public health, family support, community control over physical resources, youth development, physical, economic and social infrastructure, and job training and business development.
- The plan also listed five small Early Action projects carried out in tandem with plan development, seeded by LISC funding and including a bicycle maintenance program, an employment and business survey, a youth community organizing project, and a mural painted by youth artists. These projects aim to demonstrate visible results early in the process, creating

momentum toward implementation of the plan’s core strategies.

- For each Strategy and Program, the Work Program lays out a schedule, priorities and partner organizations assigned responsibility for carrying out the work. No fewer than 78 agencies and organizations are assigned responsibilities under the Work Program.

By themselves, quality-of-life plans have limited value; they become meaningful only if given life through the actions of lead agencies, engaged communities, and active community partnerships. Under those circumstances, the quality-of-life plan helps overcome the chronic problems of comprehensiveness. (See Exhibit 17.)

The Chicago NCP offers examples of how these chronic issues are dealt with in practice. Perhaps the clearest is Atlantic Philanthropies’ injection of substantial new support for school-based community programming.

**EXHIBIT 17:  
Quality of Life Plan Response to Challenges of Comprehensiveness**

Challenges to Comprehensiveness	Contributions of Quality-of-Life Planning
Mobilizing Needed Scale of Resources	The planning process identifies and elicits ideas and contributions from community leaders and partners, as well as external supporters. A well-drafted plan marks a well-organized community, which in turn lowers external funders’ risk of failure and increases their willingness to invest.
Coordinating Fragmented Policies and Programs	Plans announce a public alignment of purposes and strategies among multiple parties, including among rivals. They identify opportunities to cooperate to devise new programs or improve the quality of existing ones.
Holding Contributors Accountable for Results	Plans identify promised contributions from specific public and private organizations, allowing community to monitor performance. Workable commitments of resources to tasks over multi-year period help manage community expectations.

**EXHIBIT 18:  
Sustainable Communities Planning Alternatives**

Community Planning Approach		
	NCP Style Quality of Life Plans (27)	Adaptation of Previous Plans (11)
<b>Description</b>	Plan incorporates long-range vision, strategic direction, coverage of multiple domains of neighborhood quality, and action items.	Create action plans based on pre-existing community plans.
<b>Applicable SC Sites</b>	Bay Area, Detroit, Duluth, Indianapolis, Kansas City, Milwaukee (Harambee), Rhode Island	Bay Area (Richmond), Milwaukee (Washington Park), Rural Pennsylvania, Twin Cities; Washington, DC
<b>Within Category Variation</b>	Less intensive community organizing process (Kansas City, parts of Detroit). Plan anticipates / pre-dates formal SC announcement (Detroit, Duluth)	Less intensive community organizing (Milwaukee Washington Park)

LISC and MacArthur Foundation urged Atlantic to invest according to quality-of-life plans updated by a reopened planning process. By doing so, the new initiative could build upon the strong relationships formed among community partners as they developed the initial quality-of-life plan. In a number of other instances, LISC seed grants in support of quality-of-life plan projects enabled lead agencies and their partners to attract substantial amounts of follow-on funding.<sup>20</sup>

**VARIATIONS ON QUALITY-OF-LIFE PLANNING IN REPLICATION**

As with other elements of the NCP approach, local LISC offices have chosen to adapt the quality-of-life planning process to fit the characteristics and history of specific communities. For example, as LISC’ staff in Washington D.C., Pennsylvania, and Twin Cities began to plan Sustainable Communities programs in earnest, they discovered that earlier planning efforts had exhausted people’s willingness to contribute further because of the amounts of time already given, or worse, because previous contributions have gone unrewarded. They therefore chose to forego planning altogether (Washington) or adapt already existing plans. In these instances, lead agencies, community leaders, and agency partners proceeded directly to compilations of action plans consisting of high-priority items slated for swift implementation. (Exhibit 18 notes these variations on the core NCP approach.)

Based on evidence to date, sites and neighborhoods have generally followed the NCP lead in developing plans touching on multiple Sustainable Communities domains, including housing and real estate, economic growth, income and wealth, health and safety, and healthy communities. In so doing, they span the traditional areas of community development practice, such as housing rehabilitation or commercial district improvement, as well areas that are relatively new, such as education or public health. In this way, they achieve broader coverage than do community plans typically developed under public agency sponsorship.

Research staff examined 20 quality-of-life plans to identify the range of Sustainable Communities areas covered and record other features of these documents. For each demonstration site with active quality-of-life plans as of June 2009, Exhibit 20 presents the number of plans that include activities within each Sustainable Communities domain.

Note that the five plans in Indianapolis and the two in Milwaukee cover all five categories. Unsurprisingly, plans overall appear strongest in housing and economic development domains, less so in education and health. However, this does not universally hold: some of the community plans present strong health, education, and income and asset building program plans. Only three plans out of the 20 cover fewer than three of the five areas.

<sup>20</sup> The MDRC evaluation of the initial results of the New Communities Program reports leveraged funding across a number of project domains, like social services and education, in addition to dollars typically leveraged in affordable housing and commercial real estate projects.

**EXHIBIT 19:  
Priority Issues in the Quality of Life Plan  
Southeast Neighborhood, Indianapolis**

**Community Building:** Build pride in place and a sense of community in neighborhoods, encouraging cross-collaboration and unification in the Southeast.

**Beautification and Infrastructure:** Create an attractive community through public space improvements and infrastructural development.

**Housing:** Ensure houses and other properties are affordable, visually appealing, structurally sound, and safe.

**Safety and Crime:** Provide a safe and inviting environment for neighborhood residents and visitors.

**Youth Programming:** Increase youth participation in current programs and implement new ones where needs exist.

**Commercial Viability:** Resident needs are met through the commercial viability of the Southeast.

**Workforce Development:** Help neighborhood residents prepare for, find and keep jobs.

Note that the absence of a particular program area in a quality-of-life plan does not preclude its inclusion in program implementation later on. For example, some of the Duluth neighborhood plans omit family asset-building altogether, but the LISC office in Duluth supports delivery of asset-building programs in all neighborhoods, including those where it is not referenced in the plan.

On initial review, differences in coverage appear unrelated to differences in neighborhood circumstances. For example, in Indianapolis, each of the six quality of life plans includes each of the five Sustainable Communities domains, even though several of the target neighborhoods appear to be materially better off than others. In other words, each of the five areas remains relevant

despite differences in conditions, although the specific activities included within each area are different across neighborhoods.

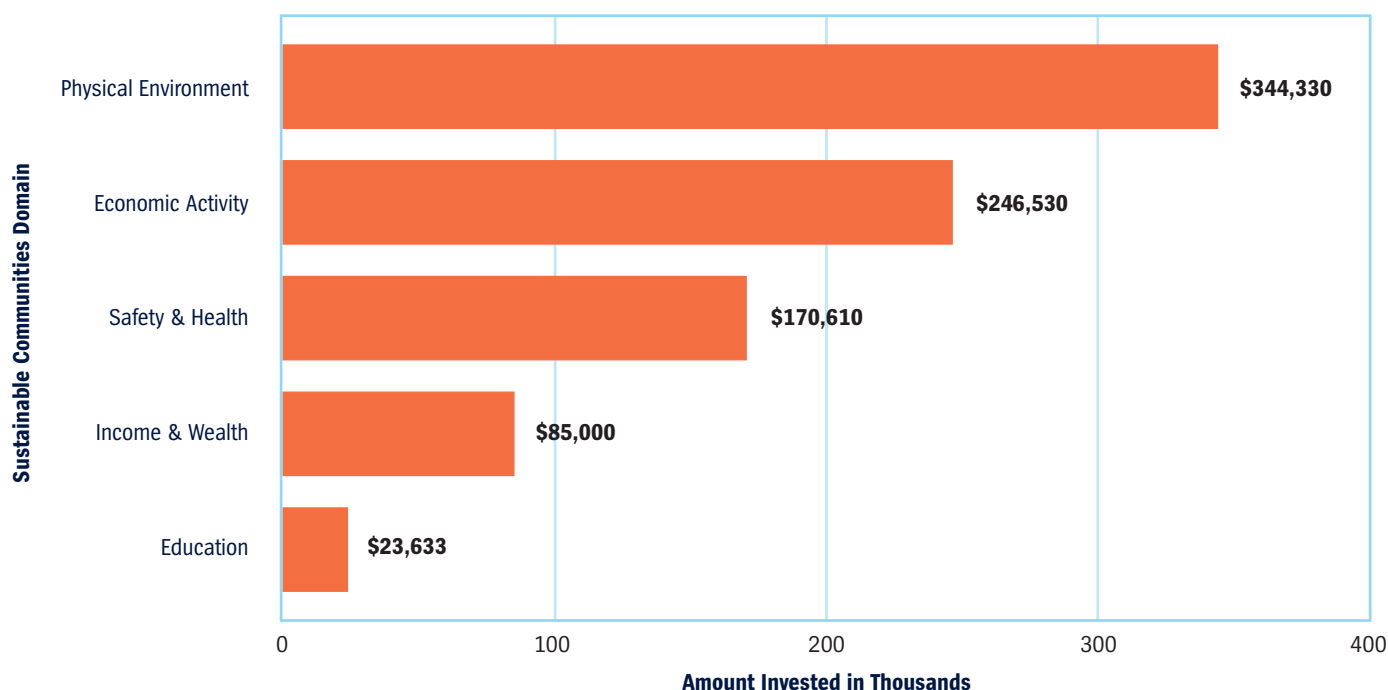
**PLAN CONTRIBUTIONS TO RESOLVING PROBLEMS OF SCALE, COORDINATION, AND ACCOUNTABILITY**

Plans are nearly meaningless if lead agencies and their partners lack resources for carrying them out, are unable to forge meaningful connections among programs and institutions, or cannot ensure accountability for results. Fortunately, the quality-of-life plans and process helps accomplish these tasks.

**EXHIBIT 20:  
Number of Quality-of-Life Plans Covering Specific Domains  
By Sustainable Communities Site**

Site / Number of Plans	Real Estate	Healthy Environments	Economic Activity	Education	Income and Wealth
Detroit (2)	2	2	2	2	1
Duluth (5)	5	5	5	2	2
Indianapolis (5)	5	5	5	5	5
Kansas City (6)	6	5	3	3	1
Milwaukee (2)	2	2	2	2	2
<b>Total (20)</b>	<b>20</b>	<b>20</b>	<b>15</b>	<b>14</b>	<b>11</b>

**EXHIBIT 21:  
LISC Investment Totals in Southeast Indianapolis (2007–2009)**



**Resources for plan implementation**

As managing intermediary, LISC is obliged to help organize financing and other aid, at scale, from the broader civic partnership. But as in Chicago, LISC invests directly in quality-of-life plan projects, and moreover, in projects that go well beyond real estate. As an illustration, Exhibit 21 totals the amounts of 37 LISC funding actions in the Southeast Neighborhood in Indianapolis from the beginning of 2007 through March of 2009. All of these actions support specific workplan items contained in the quality-of-life plan. Most funds — about \$581,000 — went to the lead agency, Southeast Neighborhood Development Corporation (SEND); the remaining \$85,000 went to Southeast Communities Services for family income and wealth-building activities.

The record of these early investments in Southeast illustrates several aspects of the Sustainable Communities approach in Indianapolis that are likely to be similar in other sites.<sup>21</sup>

First, LISC’s investments cover the range of Sustainable Communities’ domains covered in the Southeast quality-

of-life plan. The investments reported in the Exhibit support activities in physical environment (early-stage funding for affordable housing), economic activities (planning and project investments in the commercial corridor), safety and health (remediation of contaminated sites, youth athletic programs), income and wealth (supported work and other employment programs) and education (creative writing classes and after-school programs in cooperation with a local elementary school).

Second, LISC makes different types of investments, each necessary to the Sustainable Communities approach. First are investments in the organizational staffing and overhead to carry out the initiative, including support for SEND community builder (organizer) positions. Second is program support, like the \$45,000 grant to Southeast Community Services to support development of a Center for Working Families, which bundles employment training, income assistance, and financial literacy programs. Third are investments in real estate projects, such as a pre-development grant for retail building renovations in the historic Fountain Square commercial district.

<sup>21</sup> Of course, LISC is not the only investor in SEND and other organizations in the Southeast Neighborhood. Indeed, success in the program would seem to require extensive leverage from other sources. Information on the scale of other investments are unavailable to this analysis, but will be reported in future research on Sustainable Communities.

Third, project and program investments are small, averaging \$18,000 and paying for most costs of Early Action projects, planning costs associated with start-up of programs specifically referenced in the plan, and seeding larger projects that will be paid for primarily by others. This small grant focus allows the LISC staff to quickly and flexibly support a broad range of activities, ensuring early movement on a range of workplan items that might otherwise languish for lack of funds.

Fourth, although all the projects are included in the quality-of-life plan, some of the investments made by LISC include long-standing program commitments that pre-date plan compilation, such as the neighborhood's commercial corridor program. Others fund projects generated through the plan process itself, such as the youth arts program. As noted earlier, LISC typically has pre-existing funding relationships with lead agencies and with other neighborhood organizations; the supported projects usually find their way into the plan.

The breadth of the quality-of-life plan, its backing by a strong community partnership, and the small grants strategy pursued by Indianapolis LISC should yield new funding for neighborhood initiatives, as funders respond to grant-making opportunities and prospects of leverage. As in Chicago, the plan provides an opportunity for funders to stack their programs onto several layers of existing and proposed initiatives, and align their purposes with those specified in the plan. To continue the SEND example, 2008 funding for a Center for Working Families in Southeast represents an expansion of the program already launched in Indianapolis in 2007. The quality-of-life process and strong community partnership make Southeast a good bet in terms of successful program operation.

### ***Plan value in program coordination***

Quality-of-life plans also encourage, to a point, connections among program areas that are not always linked. These connections can take on a variety of forms, all of which are represented in quality-of-life plans prepared across the demonstration sites. These connecting strategies include:

1. Shared facilities, organizational support or staff to encourage more effective use of built infrastructure.

In Indianapolis, the Westside Education Task Force will provide community resource books to local school leaders to introduce them and their staffs to "the diversity and wealth of community resources and engagement activities." Neighborhoods in Kansas City and Duluth call for launching community programs based in local schools. Milwaukee's Washington Park neighborhood school runs environmental programs housed at a boathouse facility in a local park.

2. Multiparty agreements and other efforts to introduce new services, expand access to services, or improve services to a common pool of clients.

In Milwaukee, the Harambee neighborhood plan seeks to support expansion of an emerging medical services cluster created by a long-standing primary clinic and a next-door dental clinic. The Washington Park neighborhood plan calls for creation of a multi-service center to house family support services, making referrals and access by clients easier to achieve.

3. Explicit targeting of common geographies to create synergies among program efforts.

The Downtown Kansas City, Kan. plan outlines multiple and linked strategies for downtown revitalization, including marketing, public art, and festivals, ramping up the business and retail along the commercial corridor, improved public safety, and increasing a variety of housing options, including middle-income housing. Many other quality-of-life plans seek at least implicit linkages among investments that are clustered in compact revitalization areas. Milwaukee's Washington Park plan calls for a concentrated housing redevelopment program intended, in part, to create a safe and stable environment around a planned new elementary school.

### ***Plan value to accountability***

Finally, the quality-of-life plans appear to establish at least a basic framework for accountability. Most assign responsibilities to strategies and programs to those expected to carry them out. Less prevalent, but likely to increase as LISC evaluation activities take hold, are explicit statements of community objectives that incorporate measureable outcomes. Many plans do this, but not always for all the activities included in them. Kansas City's quality of life plans typically do include such statements, as illustrated by Exhibit 22.

**EXHIBIT 22:**  
**Examples of Community Outcomes Indicators from Kansas City Quality of Life Plans**

<b>Vacant Properties</b>	Vacant properties, structures and lots decrease by 50 percent Number of vacant lot referrals to the City Codes Department will decrease Number of youth currently in workforce program will increase 50 percent
<b>Housing</b>	Single-family homeownership will increase by 5 percent in the target area Housing inventory will show 15 percent improvement in units rated “good” Home improvements will occur on 10 percent of owner-occupied parcels Increase property values in area by 7 percent
<b>Community Safety And Quality</b>	Reported crimes increase 10 percent in year 1 but decrease in year 2 by 5 percent Cumulative 11 percent reduction in robbery, assault, burglary, and auto theft Maintain a Keep Kansas City Beautiful Litter Index score of 1.7 or less Increase usage at local park
<b>Business and Commerce</b>	Increase new business permits by 2-3 percent Increase number of artists living downtown

**IMPLICATIONS FOR FUTURE RESEARCH**

As with other aspects of the Sustainable Communities approach, several of the demonstration sites have departed from the core elements of the quality-of-life plan process or omitted it all together. Departure from the approach may carry risks. For example, several sites drafted an action plan overlay on already existing community plans, partially refreshed by new community organizing. But these neighborhoods may find that the plan lacks the detailed connection to community interests that a new plan, deeply rooted in an intensive community process, is likely to possess. Such plans may lack durability, but this remains an open question.

One of the most important research questions of the Sustainable Communities replication effort is whether the quality-of-life plan approach actually delivers on the promise of helping generate resources to scale, coordinate disparate programs, and ensure accountability. Do adaptations to the approach undermine in any way the value plan accomplishment of these ends?

Going forward, researchers will be keenly interested in plans’ value in leveraging new flows of external aid, especially in areas that are not traditionally included in neighborhood-level plans, like education or workforce development. Action in these non-traditional domains requires lead agency staff, some partners, and intermediary staff to develop at least some working knowledge of new content areas. Researchers also will be

alert for any examples of explicit or implicit cooperation or coordination across organizations, projects, and programs: these connections and the possible synergies they make possible are a core argument of comprehensiveness, but one that is little researched in practice. Finally, any plan can take on a pro-forma quality, especially if it is not sustained through ongoing community action. The practical value of the plan as device for continuing accountability will be monitored as well.

# V.

## INTERMEDIATION AND SYSTEMIC SUPPORT

**N**early everything that happens in neighborhoods depends in some way on the actions of leaders and institutions from outside. Housing developers need financing from banks; police officers follow policies and procedures set at headquarters; elementary school principals work with budgets approved and funded by the district. However willing neighborhood actors are to participate in neighborhood revitalization, they can do so only if supported by the larger institutions with which they are affiliated.

Therefore, efforts to improve neighborhoods comprehensively require correspondingly broad external backing. This is why the Sustainable Communities approach emphasizes formation of a civic partnership of philanthropies, government, and private sector leaders to mobilize and sustain this support. It also assigns a crucial role to local LISC offices as the managing intermediaries, responsible for direct aid to lead agencies and their partners' projects and programs, but perhaps more importantly, responsible for helping organize the civic partnership needed to sustain their efforts.

### ROBUST INTERMEDIATION

As in many other areas of public policy, and whether pursued comprehensively or not, community developers

must overcome the chronic shortages of financial and human capital needed to carry out their work effectively. These shortages are aggravated by — are in part caused by — the mutual isolation of important contributors of support: bankers, government agencies, philanthropies, civic leaders, and others. In the absence of cooperative efforts to assemble otherwise scattered resources — few investors have an incentive to go it alone — each contributor withholds support, awaiting action from others.

The solution to the fragmentation problem is intermediation — the assembly and alignment of financial, technical, and policy resources, drawn from a variety of institutional sources, deployed in support of neighborhood revitalization. Since 1979, LISC has acted as a community development intermediary in most major urban markets in the United States and in many rural areas. In that capacity, it has:

- Assembled pools of capital for investment in community development projects, concentrating on finance for early, high-risk, phases of projects, as well as tax-credit equity, thereby enabling them to attract long-term bank finance. In recent years, this support has increasingly consisted of funding for delivery of community safety and other non-real-estate programs.<sup>22</sup>

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<sup>22</sup> Earlier research has shown rapid expansion of intermediary support for non-housing real estate projects over the decade of the 1990s. In the 23 cities participating in the National Community Development Initiative, intermediary support for such projects grew from around \$1 million in 1991 to \$16 million in 2000, a process that has continued throughout this decade.

- Created and assembled funding support for programs to ramp up community developers' financial strength and human capital, thereby enabling them to carry out revitalization programs, and indirectly, bolstering the credit-worthiness of their projects.
- Exercised leadership within community development systems by developing and testing new approaches to neighborhood revitalization, helping marshal support for these approaches, and monitoring the effectiveness of public and private efforts.

Many past community development programs and most attempts to be comprehensive in their pursuit lacked a strong intermediary able to augment, connect, and monitor multiple streams of support and their use. Arguably, the single-most important element in the Sustainable Communities approach is LISC's role as managing intermediary. Its experience in these areas uniquely positions it to take on the challenges comprehensive approaches pose: assembly of resources to scale, brokering relationships among multiple contributors to neighborhood efforts, and monitoring the performance of these initiatives.

### ***Raising capital for Sustainable Communities***

In most sites, LISC support for the organizations, projects, and programs in target neighborhoods is the initial financial driver of the Sustainable Communities effort. As the initiatives unfold, these investments will leverage other investments in the same projects or programs, and induce further investments in activities that do not receive LISC support, ideally bringing the effort to scale.

Previous LISC investments in real-estate projects, community programs, and capacity-building for community-based organizations have positioned it as a major actor within community development systems. Exhibit 23 presents the LISC investment totals for Chicago and each of 10 Sustainable Communities demonstration sites. These totals include all SC investments, whether to lead agencies or to other organizations working in target neighborhoods.

As important as the volume of funding is the form this financing has taken. Unlike government agencies and large foundations, LISC assistance can be flexible — meeting the specific needs of organizations and projects — and quick, responding to community development

opportunities as they arise. As it transitioned to managing intermediary, LISC Chicago continued its previous investments in programs and projects, but used MacArthur New Communities funding to pay for small action projects that support the planning process, and seed grants to start-up projects identified in the quality-of-life plans themselves. These are flexible grants made by LISC's program staff, not subject to advance approval by officers of the foundation.

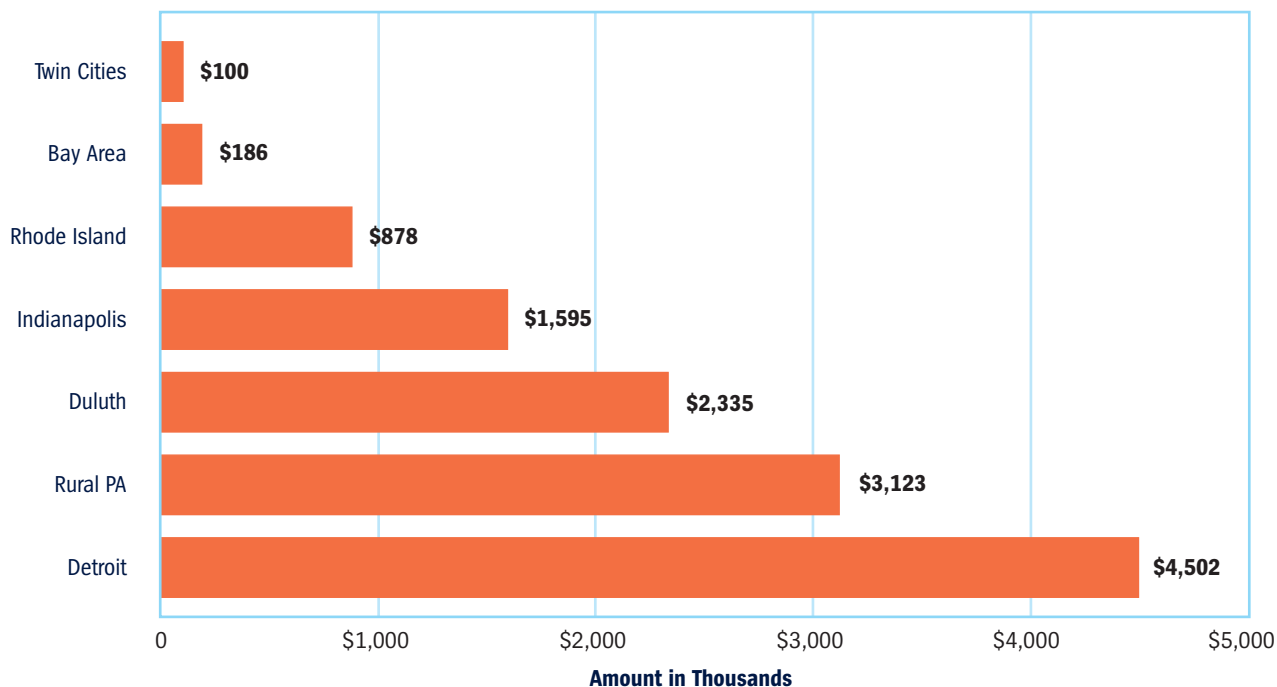
In most sites, LISC is in the early stages of its Sustainable Communities program. The two exhibits to follow depict the scale and purposes of LISC's own investments in target neighborhoods since the inception of the program in each site. (Only sites with the most complete data are shown.) These investments range from \$100,000 in Twin Cities to \$4.5 million in Detroit, generally reflecting the relative vintage of each initiative.

At this early stage, the bulk of these funds are spent through lead agencies for activities they carry out directly. As the program matures, it is expected that increasing amounts will flow to community partners, as they have in Chicago.

The purposes for which funds are spent also track the relative maturity of sites. Exhibit 24 distinguishes among three types of funds: funding for organizational capacity-building, principally including operating support grants to pay for staff positions, most notably community organizers; program investments, such as workforce development or community policing; and real estate projects, such as affordable housing or community facilities. Funding for organizational capacity predominates in the early years, as lead agencies and their partners gear up for implementation. This capacity-building funding continues over time, but is supplemented by investments in real estate projects and programs that support quality-of-life plan activities. For example, all of the funds committed as of June 2009 in Twin Cities, which was still in the organizing phase, were devoted to paying for staff organizers in lead agencies. In Detroit, which is in the fourth year of its initiative, investments in real estate projects and other community programs predominate; capacity support now amounts to less than 20 percent of the cumulative total.

These figures pertain to LISC investments only. It has long been a LISC priority to seek opportunities for leverage. Chicago obtained a 1:3 leveraging ratio over the first four

**EXHIBIT 23:  
Total LISC Sustainable Communities Investments in Selected Sites  
March 2009**



years of its operation, despite concentrations of typically unleveraged organizational support grants in the early years of the program.<sup>23</sup> A large portion of this leverage comes from real estate investments, which typically draw funding from government and financial institutions. But another increasingly important form of leverage comes from project and program investments made by others. As discussed earlier, creation of a public framework for community action through quality-of-life planning, lead agencies, and the community partnership, attracts this added support.

***Creating civic partnerships to support revitalization***

In 1997, representatives from nonprofit, government, foundation, and corporate sectors, convened the Chicago Futures Commission to consider the state of the community development field and propose new strategies for carrying out neighborhood revitalization.

This very public process led LISC Chicago to create the Community Building Initiative, which broadened its support for community development beyond the bricks-and-mortar focus of the past. In 2002, the MacArthur Foundation committed substantial funding for an expansion of the Community Building approach, drawing directly on the Comprehensive Community Revitalization Program pursued earlier in New York’s South Bronx.

This strong foundation involvement is a signal feature of the Chicago New Communities Program. Through LISC Chicago, MacArthur Chicago has invested \$31 million of the \$47 million raised from 2003 — 2009 to support NCP. Much of the remainder has been supplied by other local and national foundations, including Atlantic Philanthropies — for comprehensive intermediate-school and extended-day services for middle-school children and their parents — and Annie E. Casey Foundation for Centers for Working Families (the model for LISC’s Family Opportunity Centers), which bundle job readiness and

<sup>23</sup> In the first four years, LISC invested \$10.5 million in grants and \$13.4 million in loans across 16 neighborhoods, leveraging \$69 million in non-LISC investments. See Tom Dewar and Michael Bennett, Review of the New Communities Program: Towards Effective Implementation of Neighborhood Plans. October 2006.

financial literacy services. The City of Chicago also has been a strong supporter of NCP. The mayor hired 12 project managers to advocate within city and among city agencies on behalf of neighborhood quality-of-life plan projects, and provided important budgetary commitments through the operating agencies.

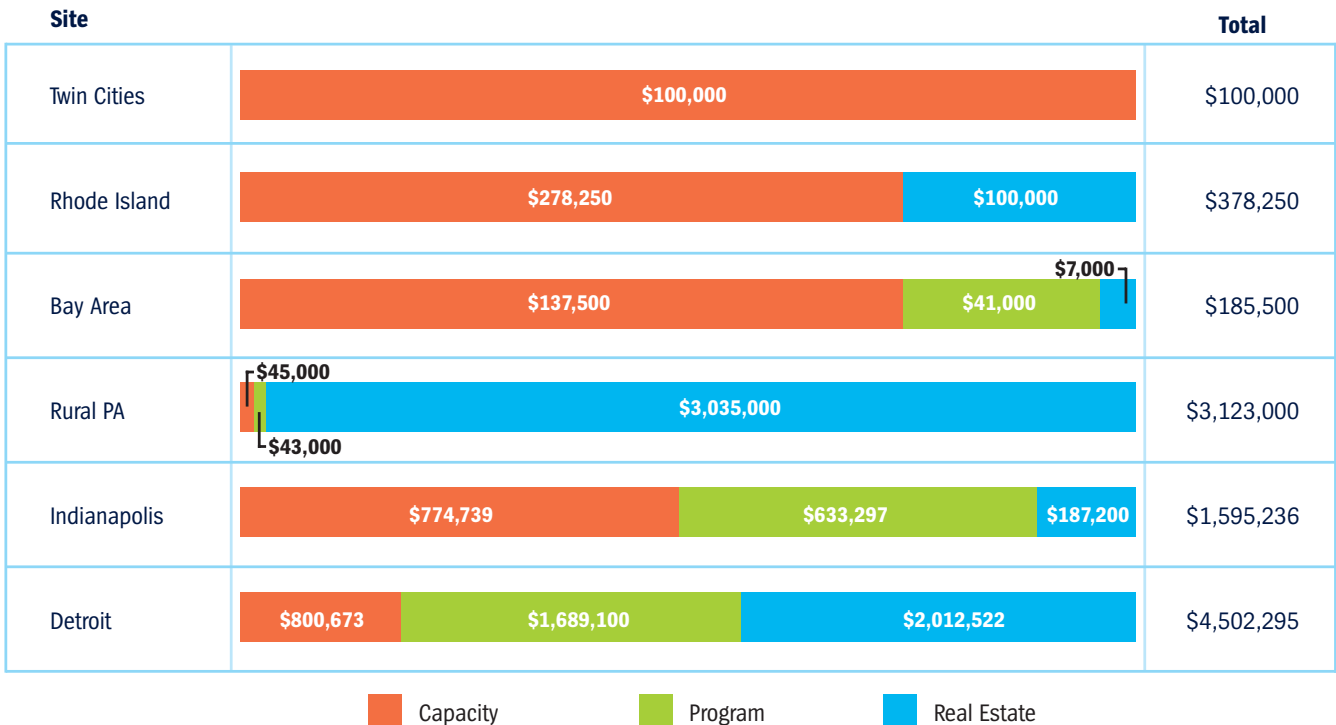
Under NCP, foundations, the city administration, elected officials, nonprofit agencies and others constitute, in effect, a civic partnership in support of this new approach. The task of the partnership — which may be defined as a sustained cooperative relationship among community leaders acting in support of community revitalization — is to secure three kinds of aid for neighborhoods to meet the challenges of scale, coordination, and accountability:

- Additional funding and staff to enable lead agencies and community partners to carry out programs on a broader scale. For example, a workforce development agency that agrees to add financial literacy to its program offerings must hire the needed staff; a recreation center renovation must find its way onto the city’s capital budget.

- Reforms of policies and procedures that enable community agencies to cooperate with other actors more effectively. Public access to local school facilities may require suspension of a district-wide rule reserving facilities for students. Development of a mixed use project may require the financing agency to relax subsidy rules pertaining to commercial space.
- Willingness to assign LISC, as managing intermediary, and lead agencies and community partners the primary responsibility for ensuring that programs are well-managed and consistent with the community’s quality-of-life plan and other community partnership agreements.

These agreements need not be systemic; that is, they typically do not involve wholesale reform of operating procedures or new investments across all neighborhoods. Indeed, one reason for choosing target neighborhoods in the first place is because system-wide reform is so difficult to achieve. And the partnership, at least in Chicago, is not a formal one; there is no written document or other partnership agreement that commits the parties to continued support.

**EXHIBIT 24:**  
**Purposes of LISC Sustainable Communities Investment in Selected Sites**



Although, civic partnership arrangements in sites outside Chicago are less easily documented at this early stage than are other aspects of Sustainable Communities implementation, such as target neighborhood or lead agency selection, many of the same features of the Chicago partnership appear prominent in other Sustainable Communities sites.

To launch their early initiatives, Indianapolis, Duluth, and Rhode Island convened community development “summits” of community development leaders and their systemic supporters to summarize the results of early organizing and outline their new approach. Foundation involvement is prominent, though philanthropies are not yet fully engaged everywhere. Initiatives in Milwaukee and Indianapolis depend on strong financial support from single foundation funders. In Kansas City, Detroit, and Washington DC, funders include long-time participants in funding collaboratives organized to support neighborhood revitalization. Duluth has been very successful in assembling a support from multiple small local and large regional foundations. Elsewhere — in Rhode Island, Bay Area, Rural Pennsylvania, and Twin Cities — local LISC offices are in the early stages of building foundation support. This is a difficult process in places where foundations are few, as in Rhode Island and Rural Pennsylvania, or are not strong supporters of community development, as in Bay Area.

More ambiguous is the record of government financial and political support. Indeed, local governments have proven unable to consistently deliver effective support to community-based developers in some past initiatives.<sup>24</sup> In Duluth, Bay Area, Indianapolis, and Kansas City, Kansas, local governments have backed LISC efforts to concentrate resources in specific neighborhoods and initiate more comprehensive approaches, although in Indianapolis, future support is unclear with a change in elected leadership. In Detroit and Washington DC, local governments are supportive in concept, but have yet to overcome chronic program administration problems in the past. In the remaining places, support is either weak (Milwaukee, Kansas City, Missouri, and Rural Pennsylvania) or uncertain at this early juncture (Rhode Island and Twin Cities).

Duluth is a good example of how the variety of civic actors can be assembled to support new approaches

to neighborhood change. Exhibit 25 depicts the local collaborative members of At Home in Duluth, which is the local name for the Sustainable Communities initiative. Core Partners — those with primary operational responsibilities — include the city, the housing and redevelopment authority, the land trust, LISC, the community action agency, and the lead agencies — Spirit Valley (SVCNDA) and NHS Duluth. Coordinating Partners are those who have declared support for the initiative and have agreed to coordinate efforts with each other and the Core Partners. The outer ring consists of Relationship Partners — those whose involvement is less active than Coordinating Partners, but who nonetheless offer important support in special topic areas.

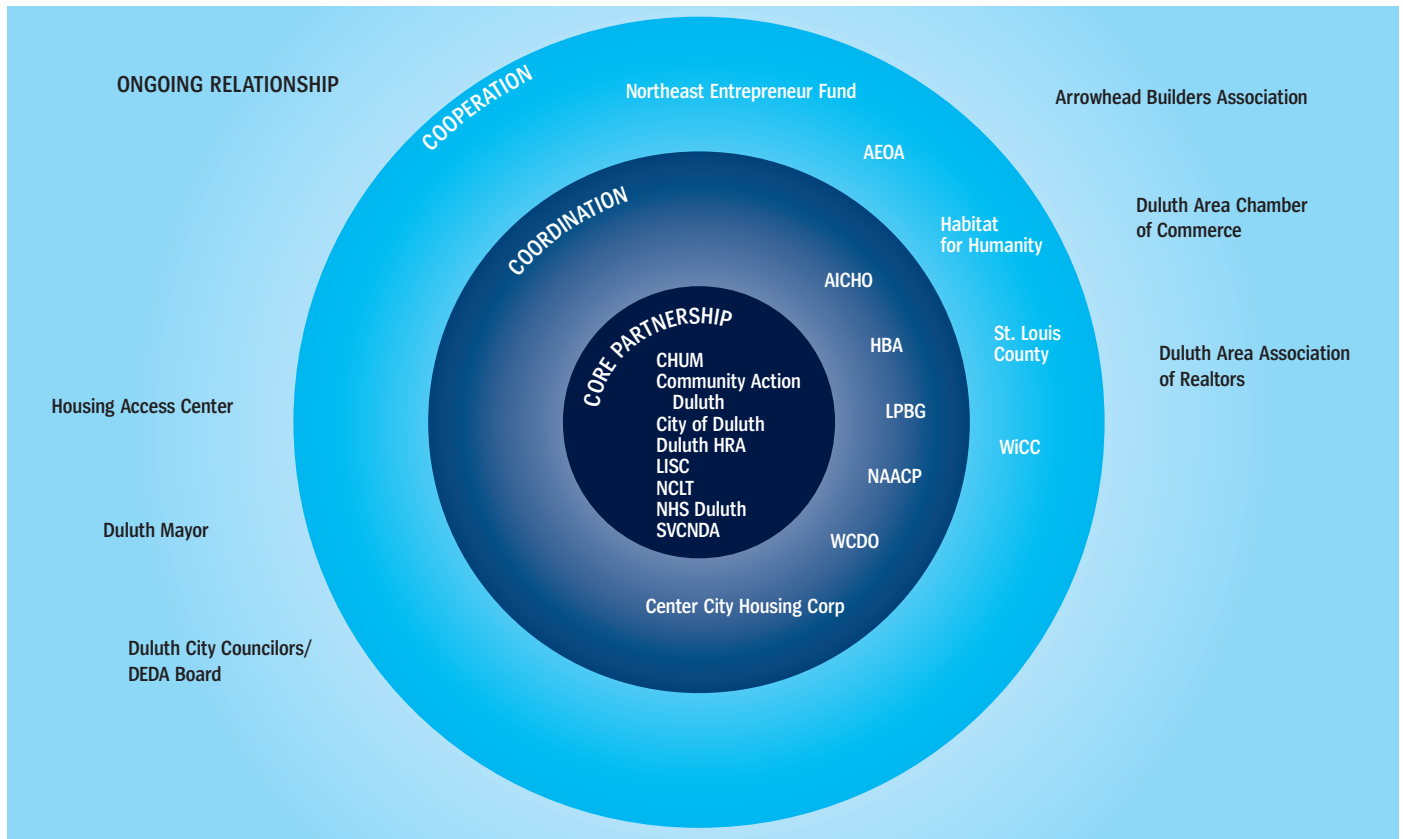
These assignments are less fixed in practice than they appear to be on the chart, reflecting the informal character of the partnership. In some instances, this partnering approach builds directly on existing methods for organizing civic support for community development. For example, several LISC offices have added to their Local Advisory Committees, drawing in members from institutions like public health agencies or schools, which have community development interests that may not have been recognized or exploited in the past.

Much of the value LISC offices bring to Sustainable Communities lies in their long experience in organizing civic support for community development. In most Sustainable Communities sites, LISC occupies a pivotal position as broker of civic partner relationships. Some of this brokering involves peer learning among participants in NCP. This role often flows out of its ongoing responsibilities as community investor, manager of collaborative-provided organizational support, and policy leader in local community development. LISC’s Local Advisory Committees typically include representatives from banks, foundations, community organizations, educational institutions, and others with a stake in neighborhood health. In this role, the LISC leadership becomes expert in sustaining partnership arrangements, often challenging as funder financial strength and priorities change. In the NCP approach, great stress is placed on effective communication of community purposes and accomplishments, to the point where freelance journalists are commissioned to tell neighborhood stories, and ensuring that accomplishments are known and credit is shared.

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<sup>24</sup> See Walker and Weinheimer, *Community Development in the 1990s* (Washington DC: Urban Institute, 1998)

**EXHIBIT 25:  
“At Home in Duluth” Collaborative Membership Ring**



As the Sustainable Communities program unfolds, this expertise will be even more critical to keeping a diverse and growing set of funders engaged. In four sites, this role is complicated by the presence of overlapping initiatives that did not originate with LISC, including Detroit, Milwaukee, and St. Paul. These overlapping initiatives create a degree of competition, and certainly ambiguity, among funders and recipients.

***Intermediation and Accountability***

Finally, because substantial amounts of organizational support and project and program funding pass through LISC, it plays a critical role in ensuring the accountability required to sustain a continuing flow of program support. In the ordinary course of business, LISC manages grant competitions, delivers appropriate technical support, monitors the performance of grantees, and sanctions non-performance where necessary. In several instances, staff have defunded organizations and switched lead agencies where performance problems are not fixable. This has occurred in Chicago (two neighborhoods), Milwaukee, and Kansas City.

Fortunately, LISC’s track record has positioned it to carry out its accountability function effectively. Staff members can draw upon their long-term relationships with grantees, which are expected to continue; few organizations want to risk future flows of funding by compromising on performance quality. Moreover, because of long-standing financial ties, LISC’s staff can be expected to have a better understanding of recipient strengths and weaknesses than would less involved funders, allowing LISC to anticipate problems and intervene where necessary.

It should not go without saying that the multiple roles of community investor, partnership convener, and accountability manager place considerable burdens on local LISC offices, requiring them in most sites to change the way they do business. Most offices have completed an ongoing process of staff hiring, reassignment, or both, typically involving creation of coordinator positions that oversee “relationship managers” assigned to specific target neighborhoods. The initiative also places new demands on LISC national programs and management as they target financial and technical assistance resources.

## IMPLICATIONS FOR FUTURE RESEARCH

The crucial role of LISC intermediation in helping raise capital, building out partnerships, and exercising oversight bears close scrutiny as the initiative unfolds in the demonstration sites. LISC investments alone will be insufficient to bring efforts to scale, which places considerable importance on communities' efforts to generate further resources and LISC efforts to mobilize capital from within the civic partnership. Further, these sources of leverage are likely to be quite different from those tapped in the past, to include new program efforts in workforce, education, and other areas. And although LISC's previous work has prepared it to extend support to organizations beyond its traditional partners, this diversification will place additional demands on the LISC program staff and lead agencies. Finally, innovation in local government programs and policies are critical to Sustainable Communities success, especially in view of some cities' past problems with effective delivery of community development programs. That said, this report concludes that past LISC investments and early progress in replication of the Chicago New Communities approach constitute a promising platform for success as the Sustainable Communities initiative unfolds.

**APPENDIX 1:**

**Sites, Neighborhoods and Lead Agencies/Collaboratives in Sustainable Communities Demonstration Sites and Chicago New Communities Program**

SC Site	Neighborhood	Agency
Bay Area (San Francisco, Richmond)	Chinatown (SF)	Chinatown Development Corporation
	Nystrom (Richmond)	Richmond Children’s Foundation
	Excelsior (SF)	Excelsior Action Group
Detroit	Central Woodward	Central Woodward Collaborative
	East/Near East	Not yet determined
	Northwest	Not yet determined
	Southwest	Southwest Detroit Development Collaborative
	Northeast	Not yet determined
Duluth	Central Hillside	Neighborhood Housing Services
	East Hillside	
	Lincoln Park	
	Morgan Park	Spirit Valley Citizens Neighborhood Development Association
	West Duluth	
Indianapolis	Binford /Northeast	Binford Area Redevelopment and Growth
	Crooked Creek/Northwest	Crooked Creek Community Development Corporation
	Near Eastside	John H. Boner Community Center
	Near Westside	Hawthorne Community Center
	Southeast	Southeast Neighborhood Development
	West Indianapolis / Southwest	West Indianapolis Development Corporation
Kansas City (Kansas City, KA, Kansas City, MO)	St. Peter Waterway (KA)	Community Housing of Wynadotte County
	Downtown KCK (KA)	Downtown Shareholders
	Blue Hills (MO)	Blue Hills Community Services
	Douglass-Sumner (KA)	Douglass-Sumner Neighborhood Association
	Ivanhoe Northwest (MO)	Front Porch Alliance
	Scarritt Renaissance (MO)	Westside Housing Organization
Milwaukee	Washington Park	United Methodist Children’s Services
	Harambee	Northcott Neighborhood House
Rhode Island (Providence, Woonsockett)	Olneyville (Providence)	Olneyville Housing Corporation
	Fairmont Constitution Hill & Main St. Riverfront, (Woonsockett)	Neighborworks Blackstone River Valley
Twin Cities (Minneapolis, St. Paul, Hopkins)	North Minneapolis	Not yet determined
	St. Paul Central Corridor	Aurora St. Anthony Neighborhood Development Corporation
	St. Paul Eastside	East Side Neighborhood Development Company
	South Minneapolis	Not yet determined
	Hopkins	Not yet determined
Washington DC	Congress Heights	No lead agency
	Southwest	Community Benefits Coordinating Council
Rural Pennsylvania	Uniontown	Fayette County Community Action
	Tamaqua	Alliance for Building Communities, Tamaqua Area Community Partnership
Chicago	Auburn Gresham	Greater Auburn-Gresham Development Corporation
	Chicago Lawn	Greater Southwest Development Corporation
	Douglas, Grand Boulevard, North Kenwood-Oakland	Quad Communities Development Corporation
	East Garfield	Garfield Park Conservatory Alliance
	Englewood	Team Englewood
	West Haven (Near West Side)	Near West Side Community Development Corp.
	Humboldt Park	Bickerdike Redevelopment Corporation
	Logan Square	Logan Square Neighborhood Association
	Pilsen (Lower West Side)	The Resurrection Project
	North Lawndale	Lawndale Christian Development Corporation
	South Chicago	Claretian Associates
	Little Village (South Lawndale)	Enlace Chicago
	Washington Park	Washington Park Consortium
	Woodlawn	Woodlawn Preservation and Investment Corporation

Sites and Neighborhoods as of Summer 2009. Total of 54 neighborhoods includes 38 neighborhoods in 10 demonstration cities and 16 Chicago Community Areas. In seven neighborhoods, the lead or collaborative is not yet determined (6 ) or none will be designated (1).

**APPENDIX 2:**

**Types of Lead Agencies Selected in Sustainable Communities Demonstration Sites and Chicago New Communities Program**

Type	Organization Name
<p><b>Community Development Corporations (23)</b></p>	<p>Bay Area: Chinatown Development Corporation</p> <p>Duluth: Neighborhood Housing Services; Spirit Valley Citizens Neighborhood Development Association</p> <p>Indianapolis: West Indianapolis Development Corporation, Southeast Neighborhood Development, Crooked Creek Community Development Corporation</p> <p>Kansas City: Community Housing of Wynadotte County; Blue Hills Community Services; Westside Housing Organization</p> <p>Rhode Island: Neighborworks Blackstone River Valley; Olneyville Housing Corporation</p> <p>Twin Cities: Aurora-St. Anthony Neighborhood Development Corporation, East Side Neighborhood Development Company</p> <p>Chicago: Greater Auburn-Gresham Development Corporation, Greater Southwest Development Corporation, Quad Communities Development Corporation, Near West Side Community Development Corp, Bickerdike Redevelopment Corporation, The Resurrection Project, Lawndale Christian Development Corporation, Claretian Associates, Enlace Chicago, Woodlawn Preservation and Investment Corporation</p>
<p><b>Neighborhood Associations (3)</b></p>	<p>Indianapolis: Binford Area Redevelopment And Growth</p> <p>Kansas City: Douglass-Sumner Neighborhood Association</p> <p>Chicago: Logan Square Neighborhood Association</p>
<p><b>Social Service / Other Agencies (11)</b></p>	<p>Indianapolis: Hawthorne Community Center, John H. Boner Community Center</p> <p>Milwaukee: Northcott Neighborhood House, United Methodist Children’s Services</p> <p>Rural PA: Fayette County Community Action, Tamaqua Area Community Partnership</p> <p>Bay Area: Richmond Children’s Foundation</p> <p>Kansas City: Downtown Shareholders, Front Porch Alliance</p> <p>Chicago: Garfield Park Conservatory Alliance</p> <p>Washington DC: Community Benefits Coordinating Council</p>
<p><b>Collaboratives (5)</b></p>	<p>Bay Area: Excelsior Action Group</p> <p>Detroit: Southwest Detroit Development Collaborative; Central Woodward Collaborative</p> <p>Chicago: Team Englewood, Washington Park Consortium</p>

Includes 42 lead agencies or collaboratives for 47 neighborhoods with a designated lead agency or collaborative as of Summer, 2009. This is explained by agency coverage of multiple neighborhoods: in Duluth, two agencies cover five neighborhoods; in Chicago, one group covers three neighborhoods.

**APPENDIX 3:**  
**Areas of Quality of Life Plan Coverage by Site and Target Neighborhood**

Neighborhood	Real Estate	Healthy Environments	Economic Activity	Education	Income and Wealth
<b>Bay Area</b>					
Chinatown	Not yet initiated				
Richmond					
Excelsior					
<b>Detroit</b>					
Central Woodward	X	X	X	X	X
Northeast					
East / Near East					
Northwest					
Southwest	X	X	X	X	
<b>Duluth</b>					
Central Hillside	X	X	X		
East Hillside	X	X	X	X	X
Lincoln Park	X	X	X		
Morgan Park	X	X	X	X	
West Duluth	X	X	X	X	X
<b>Indianapolis</b>					
Binford	X	X	X	X	X
Crooked Creek	X	X	X	X	X
Near Eastside	X	X	X	X	X
Near Westside	X	X	X	X	X
Southeast	X	X	X	X	X
West Indianapolis	X	X	X	X	X
<b>Kansas City</b>					
St. Peter Waterway	X	X		X	
Downtown KCK	X	X			
Blue Hills	X	X			
Douglass-Sumner	X	X	X	X	
Ivanhoe-Northwest	X		X		
Scarritt Renaissance	X	X	X	X	X
<b>Milwaukee</b>					
Washington Park	X	X	X	X	X
Harambee	X	X	X	X	X
<b>Rhode Island</b>					
Olneyville	Not yet finalized				
Woonsocket					
<b>Rural PA</b>					
Uniontown	Not applicable: relies on previous plans				
Tamaqua					
<b>Twin Cities</b>					
St. Paul Central Corridor	Not applicable: relies on previous plans				
North Minneapolis					
South Minneapolis					
East St. Paul					
Hopkins, MN					
<b>Washington DC</b>					
Congress Heights	Not applicable: relies on previous plans				
Southwest					

**APPENDIX 4:**  
**Index of Low-Income Housing Market Strength**

The LISC Sustainable Communities program strives to revitalize low-income neighborhoods by pursuing multiple types of programs simultaneously, including initiatives in housing, education, commercial revitalization, asset-building and jobs development and others. But because housing markets are central to neighborhood health, they have been a traditional focus of community development work and remain at the core of the Sustainable Communities effort.

To support development of effective community programs and their assessment, LISC's research staff constructed an indicator of the strength of housing markets in low-income census tracts using readily-available data from the Home Mortgage Disclosure Act (HMDA). This indicator is a composite index of seven housing market measures:

- Number of home purchase mortgage transactions per 1000 single family housing units, 1999–2000 (two-year average);
- Percentage of occupied housing units that were owner-occupied in 1999;
- Percent change in total numbers of owner-occupant home purchase mortgage transactions between 1999–2000 (two-year average) and 2006–2007 (two-year average);
- Percent change in total numbers of investor home purchase mortgage transactions between 1999–2000 (two year average) and 2006–2007 (two year average) — reverse sign;
- Percent of all home purchase mortgages that were high-cost, 2006–2007 (two-year average) — reverse sign;
- Median value of home purchase mortgages relative to median value of home purchase mortgages in all low-income neighborhoods, 1999–2000 (two-year average); and
- The percent change in the median value of home purchase mortgages between 1999–2000 (two-year average) and 2006–2007 (two-year average).

For each measure, analysts computed a standardized score (z-score) for each low-and-moderate income census tract based on the distribution of values across all low-and moderate income census tracts in US metropolitan areas. The housing market strength index is the sum of the seven z-scores.



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