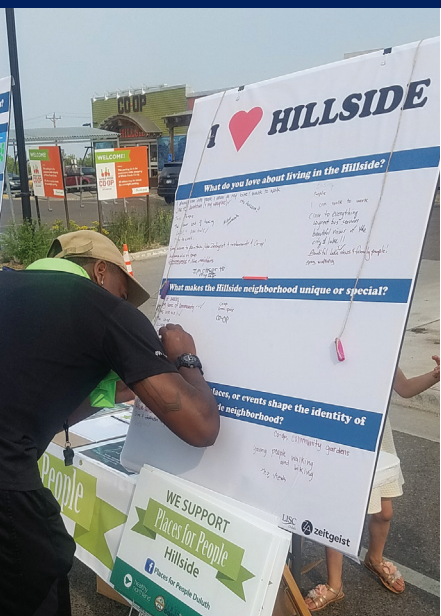




FORGING OPPORTUNITIES *for* ALL

2018-2019 REPORT TO THE COMMUNITY



LISC
Duluth



Dear Friends,

What I especially love about our work at Duluth LISC are the ways in which we bring the strengths of people together to forge opportunities for all of Duluth's residents.

We use the word "forge" very intentionally. Forging brings together raw materials in order to create something

strong and durable. It's associated primarily with iron and steel—industries that built Duluth. These days, Duluth emphasizes craft. It's a smaller-scale way of putting things together, but it carries on our city's traditions of making, creating, and strengthening.

At Duluth LISC we bring together partnerships, talents, and tools to forge—or craft, if you like—thriving communities. One of the best examples is our Quality of Life Neighborhoods Collective (QLNC). Launched in 2017, the QLNC has brought more than 30 partners together to help boost the health and vitality of the Hillside and Lincoln Park neighborhoods. Together, these partners are working to reduce poverty, expand opportunity, and extend life expectancy in these two core neighborhoods.

We're also promoting the use of a new federal tax incentive program called Opportunity Zones—designed to spur private-sector investments in designated low-income neighborhoods. Please contact us for more details, and you also can visit LISC's website for current information.

Now we'd like to spotlight the people, partners, policies, and projects we have worked with in the past year. Our 2018-2019 Report also provides us the opportunity to applaud the generosity of our donors, the vitality of our community partnerships, and the leadership of our Local Advisory Board.

Thank you—all of you. Here's to another year of convening and supporting partners, bringing together added resources for Duluth, and helping neighbors forge stronger and more inclusive communities.

With Gratitude,

Pam Kramer
Executive Director

"The importance of LISC is that it supports the great work that nonprofits in the community are doing. In addition, it has brought Duluth a wealth of additional investment and expertise."

**Frank Jewell, St. Louis County Commissioner, 1st District,
and Chair of the Duluth LISC Local Advisory Board**

A STRONG FOUNDATION FOR HOME OWNERSHIP

One Roof Community Housing's mission is "to make home a better place." For more than three decades, One Roof has provided homeownership assistance, counseling, Community Land Trust homes, and expanded rental housing opportunities. It assists local residents, most of whom have trouble getting bank loans, get the funds they need to remodel a bathroom or put on a new roof. One Roof capital allows older residents to stay in their homes by fixing health and safety problems. Residents also reach out to One Roof when an emergency arises—say, when a furnace malfunctions in the middle of winter.

One Roof's lending work has grown considerably. In 2018, it created 111 affordable loans totaling \$1,756,983 for various home renovation projects. "LISC has supported our growth as an organization and as a lending partner," One Roof executive director Jeff Corey says. Thanks to Duluth LISC's financing and technical support, "we have enough capacity on our team to ensure that we can get the right resource for the right family, and that we can do it in a timely way."



Corey adds that One Roof is "on a trajectory of growth with the lending program where revenues are being self-sufficient. We're not there yet. But LISC is one of the funders that makes operating funding available to pay for the staffing that we need while we're building our portfolio."



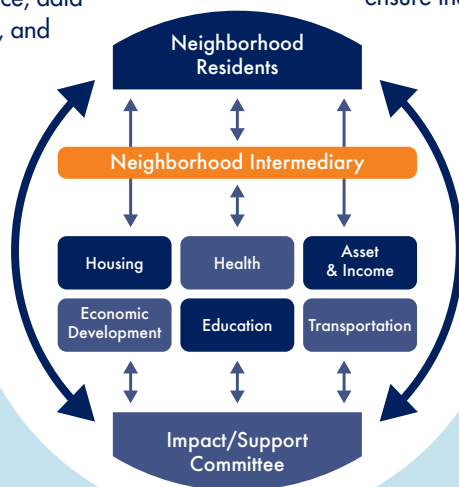
Helping Neighbors Build Quality of Life Neighborhoods

Progress continues with the Quality of Life Neighborhood Collective (QLNC), in collaboration with neighborhood intermediaries Ecolibrium3 and Zeitgeist Center for Arts and Community, and assistance from consultant Gray Hall. Currently, representatives from 33 partner organizations are involved in this effort to increase the quality of life of residents in the focus neighborhoods.

The QLNC model includes two Neighborhood Intermediaries and six sector Working Groups (Asset and Income Building, Education, Economic Development, Health, Housing, and Transportation), with a cross-sector Impact Support Committee. Membership in the group comes from multiple sectors including housing, city government, workforce development programs, educational services, and community health services. As the backbone organization, LISC recruited new partners, provided communication between groups and members, provided technical assistance, data collection and measurement, mobilized resources, and guided strategy for the QLNC.

Zeitgeist took on a significant leadership role as the Hillside Neighborhood Intermediary, building on their Places for People Campaign and expanding their canvassing work and mission to include a neighborhood level focus. In Lincoln Park, Ecolibrium3 continued their role as an Intermediary, growing to include stronger focus on resident engagement and implementation of neighborhood plans. Both agencies engaged residents and provided feedback to the QLNC through community events, canvassing, QLNC member representatives and 1:1 meetings. Zeitgeist completed a survey of over 300 homes in the Hillside, and combined the Neighborhood Intermediaries knocked on over 972 doors.

The QLNC approach has increased resident engagement and partnership with organizations, businesses, and government entities to advance a shared, collective impact strategy to ensure that both people and places prosper.



AN INSIDE LOOK INTO THE HILLSIDE

If you want to know what folks in the Hillside are thinking, you want to get in touch with Duluth arts and community development nonprofit Zeitgeist. With prior experience engaging the Hillside around transportation and food access, it is now serving as the Intermediary to Duluth LISC's Quality of Life Neighborhoods Collective (QLNC).

Several years ago, Zeitgeist began performing community engagement and organizing in the Hillside neighborhoods on community health-related issues. "The QLNC gave us the ability to talk to more neighbors and also to talk to them about additional topic areas," Zeitgeist active living coordinator Shawna Mullen says.

Neighborhood Intermediaries are essential to the Quality of Life Neighborhood's model to engage residents and develop transformative changes. Duluth LISC has contracted with Zeitgeist to conduct these neighborhood conversations.

During summer and fall 2018, Zeitgeist staff attended Hillside community events and canvassed roughly 250 residents. This past winter, they also collected input from neighborhood businesses. Zeitgeist delivered this neighborhood data to the QLNC working groups to develop strategies for addressing issues.

"Our job as Intermediary is to bring those neighborhood voices, concerns, questions, hopes, and dreams to these working groups," Zeitgeist community organizer Chanti Calabria says. The "data" that Zeitgeist has gathered is now informing and guiding Hillside's QLNC working groups as they forge strategies to improve the quality of life in one of Duluth's oldest, most challenged, and most distinctive neighborhoods.

In 2018, Duluth LISC directly provided \$780,310 in funding through capacity building grants, loans, and sponsorships to community partners.

HOUSING: \$209,010

To address Duluth's housing needs, LISC built the capacity of One Roof Community Housing, supporting its programs across the housing spectrum from rehab to first-time home-buyer counseling. With this support, 120 units received rehab work. LISC also provided \$20,000 in predevelopment funding for Center City's Garfield Square apartments, with 50 new units of supportive housing being built, as well as supported AICHO and Ecolibrium3's housing work.

ECONOMIC DEVELOPMENT: \$101,000

LISC provided three trainings on the new federal Opportunity Zone program and contracted with Northspan to create an online portal to match community needs with projects and investors. Working with several partners, LISC launched a Creative StartUps program, providing a cohort of 24 entrepreneurs from underrepresented communities with business-skill trainings on social enterprises. Funding provided to the Entrepreneur Fund supported their Advancing Lincoln Park facilitation and investment in small business expansion in Lincoln Park, as well as helped Ecolibrium3 host consultant Michelle Reeves to bring housing and mixed-use development into the next phase of the Craft District.

ASSET AND INCOME BUILDING: \$311,380

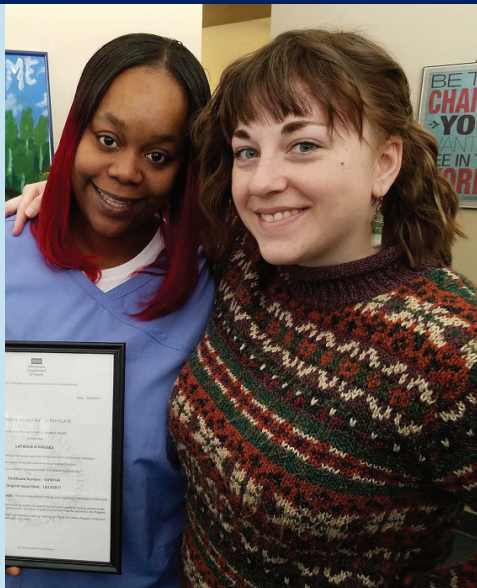
Over 70 people were served by Community Action Duluth's Bridges to Career Opportunities program, which expanded from the health care sector to include manufacturing (see article below). LISC also helped complete a Community Wellness Grant and technical assistance to increase food access in food desert areas, and predevelopment support to AICHO's new Niiwin Indigenous Foods project. Across our work, Over 70 jobs were gained and/or sustained last year.

BUILDING CAPACITY AND COMMUNITY ENGAGEMENT: \$143,920

LISC strengthened organizations and neighborhoods by funding staff, providing innovative training, and building partnerships. Outreach activities by the Quality of Life Neighborhood Collective Intermediaries, Zeitgeist and Ecolibrium3, reached 972 doors in the community. Events that LISC co-sponsored included Hillfest, the NAACP Freedom Fund Dinner, and Our Lincoln Park.

SEEDING NEW IDEAS: \$15,000

LISC seed grants funded by the McKnight Foundation gave fresh ideas an opportunity to grow. In 2018, one of these grants supported AICHO to expand their Gimajii garden program. Another provided funding for Ecolibrium3's House3 project to support AmeriCorps volunteers. Two grants increased the breadth of Community Action Duluth's work, expanding access to transportation with the BikeHub program, and training new Tax Site volunteers who are drawn from the communities they serve.



BRIDGES TO BETTER LIVES

Community Action Duluth has long provided multiple bundled services to help people access employment, build their skills, and move out of poverty. For the past three years, it has operated Bridging Career Opportunities (BCO), a LISC-funded initiative, which trains Duluth residents to become certified nursing assistants and has had much success. In 2019, with LISC funding and support, Community Action has expanded the program to partner with the Arrowhead Manufacturers and Fabricators Association (AMFA) to help clients qualify for employment in the manufacturing industry. BCO itself builds bridges to participants by offering flexible schedules, child care, and meals. Says Community Action Duluth Program Director Karen St. George: "The cooperation with LISC, the services we offer, and the partnerships with community entities are what's needed to lift people out of poverty and into stable wage-earning jobs with a future."

TOTAL INVESTMENT 1997-2018

Total Local Funds Invested to Date
\$14,222,995

LISC INVESTMENTS TO DATE

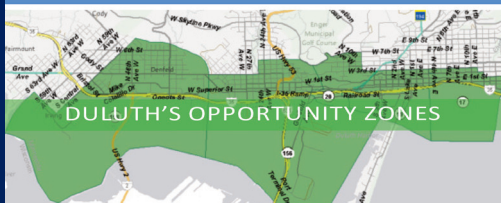
LISC Affiliate-National Equity Fund
\$38,554,820

New Markets Tax Credit
\$32,635,873

Other LISC Investments
\$19,518,587

Total LISC Investments to Date
\$104,932,275

Opportunity Zones: Invest in Duluth



In 2018, Duluth LISC hosted three workshops on Opportunity Zones, a new federal tax-incentive program to encourage private investment in designated low income census tracts. Over 150 community leaders from private, nonprofit and government sectors attended to learn about the several types of financial and management support for projects Duluth LISC is providing for Duluth's five designated Opportunity Zones. In addition, Duluth LISC worked in partnership with The Northspan Group to create an online portal listing prospective projects in Duluth and Northeast Minnesota's Opportunity Zones. The Duluth Opportunity Zones Portal includes nine projects whose owners or developers have given Duluth LISC permission to share their information in the effort to attract potential Opportunity Zone investors. The portal was developed through financial support from Sol Pacific and LISC.



Candace LaCrosse (center) is one of the many entrepreneurs who have been adding fresh economic energy to the Lincoln Park Craft District, which Duluth LISC's support helped create. LaCrosse's company, Hemlock Leatherworks, hand-crafts bags, wallets, clutches, and shoes.

CRAFTING THE FUTURE IN LINCOLN PARK

One of the most amazing economic development stories in town is the Lincoln Park Craft District. Since the district became "official" in 2016, 32 new restaurants, taprooms, boutiques, and various arts and crafts businesses, and other enterprises have opened or expanded—and 253 new jobs have been created.

A decade ago, the neighborhood was struggling to recover from the area's industrial decline. But a group of Lincoln Park businesses saw its potential. With support from the Entrepreneur Fund, neighborhood development nonprofit Ecolibrium3, and Duluth LISC, this group worked on marketing and events to create excitement. Incentive funds from the City of Duluth encouraged private sector investment.

Duluth LISC asked economic development consultant Joel Bookman to work with neighborhood stakeholders to establish goals and strategies for the district. Working with Ecolibrium3, Duluth LISC conducted several events to spark momentum in the neighborhood, such as a holiday-season pop-up shop program in 2016. This helped position Lincoln Park in Duluthians' minds as a retail destination. The program also gave entrepreneurs the chance to explore the possibility of opening a full-time business there.

Meanwhile, Duluth LISC helped fund Ecolibrium3's marketing of the craft district. Duluth LISC also has tapped Ecolibrium3 as a Neighborhood Intermediary, which is allowing the nonprofit to address Lincoln Park's ongoing housing, economic, and health disparities.

Ecolibrium3, the Entrepreneur Fund, and Duluth LISC—along with the Lincoln Park Business Group, residents, businesses, city government, and other nonprofits—continue to work together to make sure that the Lincoln Park Craft District maintains its remarkable momentum.

MAKING THE RIGHT MOVES

When the Duluth Housing and Redevelopment Authority acquired the blighted, poorly managed Seaway Hotel in 2014, it turned to Center City Housing Corp. for management support to help transform it into the Esmond, a residence where people would feel at home. The Duluth-based nonprofit specializes in "housing for people with the least means and most needs, and the biggest challenges in terms of getting and keeping their housing," Center City Executive Director Rick Klun says.

This fall, Esmond residents will move into their new home: Garfield Square. This newly constructed, 50-unit apartment building located in Lincoln Park will provide its residents with permanent, affordable supportive housing and an improved quality of life. Duluth LISC helped rally needed financial and community support, and provided a predevelopment recoverable loan for the Garfield site.





STRATEGIES *we pursue*

- **Strengthen existing alliances while building new collaborations to increase our impact on the progress of people and places.**
- **Develop leadership and the capacity of partners to advance our work together.**
- **Equip talent in underinvested communities with the skills and credentials to compete successfully for quality income and wealth opportunities.**
- **Invest in businesses, housing and other community infrastructure to catalyze economic, health, safety and educational mobility of individuals and communities.**
- **Drive local, regional, and national policy and system changes that foster broadly shared prosperity and wellbeing.**



GROWING A STORE— AND AN ECONOMIC FUTURE

"It's an exciting time for indigenous foods," says LeAnn Littlewolf, economic development director for the American Indian Community Housing Organization (AICHO). A new grocery store AICHO is developing in Central Hillside will build upon that burgeoning interest. When it opens in 2020, Niiwin Indigenous Foods Market will sell not only staples but also a selection of beans, squash, wild rice, and traditional seasonings and teas. The multi-use site will also include at least 4 units of housing. Duluth LISC assisted by providing a predevelopment loan and connecting AICHO with other businesses resources and financing partners, while also offering ongoing financial and technical support.

Encouraging healthier, culturally based diets is one of AICHO's goals in launching Niiwin. Another goal: inspiring Native entrepreneurs to start or expand businesses that grow and produce indigenous food items. Says Littlewolf: "We're looking at social enterprises as a way to do economic development within our community."

LISC's Mission:

With residents and partners, LISC forges resilient and inclusive communities of opportunity across America – great places to live, work, visit, do business and raise families.

PROGRAM goals

AFFORDABLE HOUSING

Increase the supply of affordable housing in Greater Duluth.

FAMILY INCOME AND WEALTH BUILDING

Implement strategies to grow family income & build wealth.

ECONOMIC DEVELOPMENT

Expand economic opportunities for low & moderate income residents & their communities.

COMPREHENSIVE COMMUNITY DEVELOPMENT

Maintain our comprehensive community development approach & collective impact model in Lincoln Park & the Hillside.

OPERATIONAL goals

LENDING & EQUITY

Increase lending & equity in affordable housing, commercial development, & community facilities in Greater Duluth.

POLICY

Advocate for national, state, & local community development policies, programs & resources that support the mission of Duluth LISC.

ORGANIZATIONAL CAPACITY

Build the organizational capacity of Duluth LISC to sustain its operations & increase its future impact.

CREATING NEW ENTREPRENEURS

Last summer, Duluth LISC and partners launched a small-business incubator initiative to develop an entrepreneurial ecosystem for underserved communities. The curriculum, developed by **Creative StartUps**, included business skill development. The goal: help the participants—18 enterprises and 24 entrepreneurs in the creative sector—move beyond the idea stage and into revenue generation and ultimately, secure **access to the capital they need to succeed**.

Duluth LISC and the University of Minnesota–Duluth collaborated to fund the program, as well as recruited, engaged and trained leaders of diverse organizations, including: AICHO, the Family Freedom Center, and Father's Rise Together, as partners in increasing leadership by, and participation of entrepreneurs who are people of color or Native American. Examples of start-up businesses participating included: a mobile art education studio and a producer of Native American jewelry. Stay tuned for updates.





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\$25,000 - \$99,000

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Left to right: Maurice A. Jones, LISC CEO with Pam Kramer, Duluth LISC Executive Director, and Duluth Mayor Emily Larson enjoying the new streetscape on Superior Street in downtown Duluth

THANK YOU
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