



2017-2018 REPORT TO THE COMMUNITY

HELPING NEIGHBORS BUILD COMMUNITIES

TOTAL LISC INVESTMENT IN DULUTH

\$90,643,006

JOBS CREATED

1,591

HOUSING UNITS DEVELOPED OR PRESERVED

1,827

BLOCKS OF LIGHTING & STREETSCAPE IMPROVEMENTS

147.5

CHILDCARE SPACES

186



Dear Friends,



Mamma Mia! Another successful year has passed and 2018 is off to a strong start—punctuated by the NorShor Theatre's grand reopening with the popular ABBA tribute. LISC was a predevelopment investor in the NorShor restoration project. These funds and our investment of federal New Markets Tax Credits helped the Duluth Playhouse, Sherman Associates, and the City of Duluth bring the project to fruition. Seeing Duluth's now thriving Historic Arts & Theater District come to life validates our role as a convener, investor, and catalyst for transformational change.

Now Duluth LISC is bringing these strengths to a new initiative: Quality of Life Neighborhoods. Launched in 2017, this collective impact strategy builds upon 20 years of community-based neighborhood revitalization and focuses attention and resources on Duluth's Hillside and Lincoln Park neighborhoods. The goal is to reduce poverty, expand opportunities, and address life expectancy gaps in these two core neighborhoods by bringing organizations and efforts together in meaningful ways with measurable results. Meanwhile, we continue to engage in broader community development such as the Imagine Duluth 2035 comprehensive planning process and citywide efforts to

accelerate housing development and preservation, spur economic development, strengthen small businesses, and help residents build income and assets.

Please read this 2017-2018 Report. It highlights people, partners, policies, and projects we have worked with in the past year. It recognizes the critically important role of our donors, the value of strong community partnerships, and the generous leadership of our Local Advisory Board. Change requires a collective approach with people pulling together with a shared vision and commitment to adding value. I look forward to another year of convening and supporting partners, bringing new resources to Duluth, and helping neighbors build communities that are resilient, inclusive, and bursting with opportunities.

Sincerely,

Pam Kramer, Executive Director

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.

"LISC is the convener that seeks out and finds partners from private, non-profit, and government sectors that pool their resources to help our communities thrive. LISC has had a huge impact on our community and I am proud to be of service as a local advisory board member."



Deb Otto presents LISC CEO Maurice Jones a gift following his keynote address at LISC's 20th Anniversary Celebration in May 2017.

Deb Otto, President, Alerus, & Chair Duluth LISC Local Advisory Board

Duluth's newly refurbished Gateway Tower Apartments, a One Roof Community Housing, Center City Housing Corp., and Duluth HRA partnership, that LISC helped to support with technical assistance and predevelopment funding. Badly in need of upgrades and repairs, this 150-unit building's 40-plus-year history as an affordable housing option was at risk. In 2017, Gateway was renovated inside and out, including modernized, energy efficient apartments, while residents continued to live in the building.

"Since the renovation, it has become more of a community here. It's like a family now, and it's getting stronger as the months go by."

Pam Blommer, Gateway Tower Apartments resident



Helping neighbors build ...

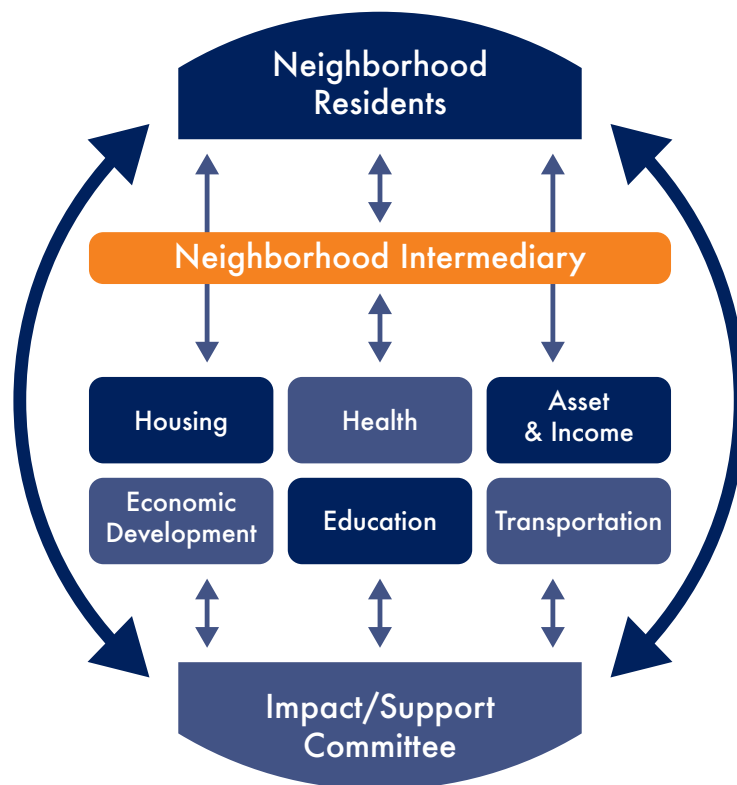
QUALITY OF LIFE NEIGHBORHOODS

Duluth LISC's 2016-2018 Strategic Plan features the Quality of Life Neighborhood Collective (QLNC), a collective impact strategy working with the Hillside and Lincoln Park neighborhoods. It focuses on comprehensive community development and authentic resident and stakeholder engagement in these two neighborhoods, which have both persistent challenges and enormous potential.

We will create neighborhoods of choice and opportunity where all can prosper. Using a comprehensive cross-sector collective impact approach, we will work to reduce poverty, improve the quality of life, and address the 11-year life expectancy disparity that currently exists.

LISC serves as the backbone organization for these efforts. We identify key partners, coordinate working groups, secure funding and other tools needed to develop and support the QLNC vision, activity, work plan, and communication efforts.

Ecolibrium3 in Lincoln Park and Zeitgeist Center for the Arts and Community in the Hillside serve as the neighborhood intermediaries to ensure authentic community engagement by residents and businesses in the process. In addition, six Working Groups were formed to help craft sustainable solutions and actions to achieve neighborhood goals. Along with a cross-sector Impact Support Committee consisting of representatives from the neighborhoods, the Working Groups and LISC will convene to ensure we achieve our goals.



The Quality of Life Neighborhood Collective (QLNC) connects residents with a neighborhood intermediary to address measurable outcomes in six areas. The powerful new process will advance a shared, collective impact strategy to ensure both people and places prosper.

QUALITY OF LIFE NEIGHBORHOODS COLLECTIVE

American Indian Community Housing Organization

ARC Northland

ARDC, Duluth-Superior Metropolitan Interstate Council

Arrowhead Manufacturers & Fabricators Association

Center City Housing Corp

CHUM

City of Duluth

Community Action Duluth

Damiano Center

Duluth Community Schools Collaborative

Duluth Housing and Redevelopment Authority

Duluth Port Authority

Duluth Transit Authority

Ecolibrium3

Entrepreneur Fund

Essentia Health

Generations Health Care Initiatives

Greater Downtown Council

Head of the Lakes United Way

Heirloom Properties

ISD 709

Lake Superior Association of Realtors

Life House

Lutheran Social Service

One Roof Community Housing

Ordean Foundation

St. Louis County

SOAR Career Opportunities

UMD – Center for Cultural Entrepreneurship

UMD Creative Start-ups

Zeitgeist Center for the Arts and Community

SPECIAL THANKS TO OUR FUNDERS for helping to support the start-up and implementation of the QLNC:

Duluth Superior Area Community Foundation
Essentia Health

Lloyd K. Johnson Foundation
HUD Section 4 funds through LISC

In 2017, Duluth LISC provided \$938,426 in grants, loans, and sponsorships.

ACCELERATING INVESTMENT – \$170,500

Duluth LISC is a crucial “first-in” investor, providing millions of dollars in New Markets Tax Credits and other financing in our 21-year history. LISC provided \$170,500 in predevelopment loans this year. Predevelopment funding allows projects to get their start and to leverage additional critical investment. The strong backing from Duluth LISC this year allowed One Roof Community Housing to proceed with planning and predevelopment on two new housing projects, Decker Road and Brewery Creek, for an estimated 120 new housing units. Investments like these bring other local and national support to the table, launch new businesses, and grow employment opportunities.

EXPANDING HOUSING OPPORTUNITIES – \$37,000

Duluth LISC’s housing leadership addresses the fundamental human need for a place to call home. From supportive housing developments to mixed income housing, rehab projects to new workforce housing, LISC’s initiatives touch the essential cornerstones for stronger, healthier neighborhoods. This year, LISC funds from Minnesota Housing supported trainings on energy efficient housing and asset management, increased capacity for new units, and preserved existing housing in a tight market.

BUILDING THE CAPACITY – \$270,000

LISC nurtures the expansion of existing programs and the creation of new initiatives through HUD Section 4 capacity building funding. Five organizations received support to address organizational goals, including Community Action Duluth’s Financial Opportunity Center (FOC) where clients connect with services like SNAP, utility assistance, free tax preparation, and affordable health insurance. The cornerstone of the FOC model is providing wraparound services with a long-term commitment to help each client reach career and life goals.

COMMUNITY ENGAGEMENT – \$26,000

Functioning as the neighborhood intermediary in Lincoln Park, Ecolibrium3 works with local businesses and residents to drive and capitalize on the upward momentum that is infusing the trend-setting Craft Business District. Operating support from LISC provides Ecolibrium3 with the tools to ensure community voices will reach decision-makers and residents have greater access to employment and community resources.

ENTREPRENEURSHIP – \$52,000

New ideas and new jobs create healthy, resilient communities. Support for the Entrepreneur Fund allows new and expanding businesses to revitalize commercial districts with storefront loans and startup guidance in the Downtown, Hillside, Lincoln Park, and West Duluth neighborhoods. By providing technical assistance and funding for small business to grow, LISC supports the early adopters that go on to make meaningful investments to rewrite the narrative of neighborhoods.

Seeds of Success is both a healthy food access and a transitional employment program created and administered by Community Action Duluth with financial support from LISC. In addition to a thriving farmers market in Lincoln Park, the program is now growing vegetables for a winter extension of that market, while planning a new outlet to serve residents of the Hillside neighborhood.

“The neighborhoods where we operate are food deserts in terms of access to healthy foods. Seeds of Success provides these communities with fresh produce at affordable prices. Funding from LISC has enabled us to start new projects and add to programs that we wouldn’t have been able to do otherwise.”

Aimee Foster, Program Manager, Seeds of Success





SEEDING NEW OPPORTUNITIES – \$10,000

McKnight Foundation-funded seed grants help organizations start small and innovate by piloting new ideas to drive change. With LISC support, AICHO is expanding opportunities for Native American artists with an online gallery, and Ecolibrium3 created a new program to provide residents with an ability to convert commercial waste into portable gardens. A seed grant to Zeitgeist for their Bike-Sharing study includes a plan for a healthy and cooperative transportation system.

BUILDING CAREER OPPORTUNITIES – \$291,000

Duluth LISC is forging career pathways with culturally specific job training and academic readiness education. By integrating workforce services, coaching, and income supports, Community Action Duluth helps improve job placement and retention through a LISC-funded Bridges to Career Opportunities program. Partnerships with local businesses provide individuals with connections to essential career goals including GED classes and training for the healthcare and customer service industries.

QUALITY OF LIFE NEIGHBORHOODS – \$50,500

LISC's Quality of Life Neighborhood Collective operates collaboratively with Hillside and Lincoln Park residents, businesses, nonprofit organizations, and other community partners to advance choice and opportunity. As neighborhood intermediaries, Ecolibrium3 and Zeitgeist Center for Arts and Community engage residents in setting key neighborhood-specific outcomes and work to address disparities and increase opportunities for affordable housing, quality schools, financial mobility, and safe environments. (See page 3)

CONSULTING AND SPONSORSHIPS – TOTAL: \$31,926

LISC works as a convener and technical assistance provider as well as a funder. In 2017, LISC consulted on the study of a "Food Hub"—a community gathering space with a commercial kitchen and grocery opportunities—in the food desert neighborhood of Lincoln Park. LISC also sponsors critical events and programs that benefit people and neighborhoods throughout Duluth. From Lincoln Park's Meet on the Street and Open House events, to Central Hillside's HillFest, these partnerships strengthen community connections, address racial and equity disparities, and improve places we live, work, and play.

TOTAL INVESTMENT 1997-2017

Total Local Funds Invested to Date
\$13,733,300

LISC Investments to Date

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

New Markets Tax Credits
\$32,635,873

Other LISC Investments
\$19,068,587

Total LISC Investments to Date
\$90,259,280

*For every \$1
invested in
Duluth LISC,
we leverage
an additional
\$6.50 into our
community*



The annual Lincoln Park Open House draws residents and visitors for a day of fun activities, demonstrations, and discounts from businesses and artisans throughout this diverse neighborhood. The event showcases both long-established storefronts and new entrepreneurs and is driving a positive narrative of opportunity and merging business cultures in Lincoln Park.

"Just like inviting someone into a house to look at it and buy it, we want to invite people into this neighborhood to look at it and buy into it. And we've achieved real success, both in terms of outsider participation and on the economic development side."

Shannon Laing, Director of Partnership Development, Ecolibrium3
(neighborhood support activities funded in part by LISC)

Priority

Focus comprehensive community development in the Hillside and Lincoln Park neighborhoods through leadership of the Quality of Life Neighborhoods Collective.

- Create a cross-sector Collective Impact strategy for the Hillside and Lincoln Park neighborhoods that includes authentic community engagement, strong partnerships with clear roles and measurable outcomes, key partners to take on implementation, and LISC as the backbone to help facilitate this strategy.
- Unite these neighborhoods and target efforts to implement a broader vision for sustainable community-driven revitalization, including housing, asset and income building, career pathways, entrepreneurship, commercial district improvements, access to quality health, education, transportation services, and quality of life enhancements.
- Partner with the public, private, non-profit and neighborhood sectors to add value, leverage resources, provide continuous communication, neighborhood engagement, broad support and transformative outcomes.
- Ensure the voices of those facing barriers are engaged in identifying and addressing solutions and that the structure ensures engaging new partners, updating plans, monitoring progress, and continuous outreach and cross-sector engagement.

Priority

Provide leadership, funding, and resources to ensure access to quality, affordable housing, and to accelerate citywide development of a mix of housing needed to address Greater Duluth's full continuum of housing needs.

- Secure new funds, development partners, and legislation to address Duluth's housing needs.
- Support a pilot program to upgrade single family homes that are tax-forfeited, foreclosed, condemned, or in need of reinvestment to make them available at affordable rates for homeownership.
- Work with the City, neighborhoods, and other non-profit, public, and private sector partners to invest in Duluth's housing stock to meet identified needs.
- Create a mix of housing types and opportunities designed to address Duluth's continuum of housing needs with a strong focus on mixed income housing in the Hillside and Lincoln Park neighborhoods and added affordable and mixed income housing citywide.
- Support implementation of St. Louis County's Plan to End Homelessness to ensure that vulnerable populations can access and maintain quality housing and needed services.

Priority

Support and Strengthen Duluth LISC's capacity.

- Continue to grow and support collaborations and to leverage added funds, programs, and resources.
- Maximize the expertise and grow the diversity on our Local Advisory Board to promote LISC, its work, and impact.
- Continue to support and grow LISC staff capacity needed to expand our impact as a convener, capacity builder, backbone organization, and national resource to address local community development, housing, and economic development needs.
- Continue LISC's communications and fundraising efforts to attract new local, statewide, and national support and increase resources for Duluth's comprehensive community development work.

Across the city, employers in healthcare, manufacturing, and other fields are facing real difficulties finding certified workers. Partnering with local businesses, Bridges to Career Opportunities programs housed at Community Action Duluth use LISC funding to provide unemployed or underemployed Duluthians with industry-aligned coaching, training, and educational support that will result in the skills and certifications necessary to secure good jobs.

"It's really a win-win. We're helping low-wage workers to gain more money, we're helping Duluth employers meet a critical shortage. In the end, the people who are benefiting are all the people who live here and make it their home."

Angie Miller, Executive Director, Community Action Duluth



Economic Activity Housing Income and Asset Building Quality Education Income

Priority

Foster economic opportunity by investing in efforts that stimulate economic development, grow jobs, strengthen neighborhoods, and create opportunities for low-income Duluth residents to build their incomes, assets, quality of life, and futures.

- Provide convening support, technical and financial assistance to key partners to build capacity.
- Devote staff time & resources to the Lincoln Park Craft Business District and lead partners: the Entrepreneur Fund, Ecolibrium3, and Advancing Lincoln Park.
- Strengthen neighborhood commercial districts in partnership with the City, DEDA, anchor institutions, community development partners, and the business community.
- Develop a targeted and integrated food-based business and entrepreneur recruitment and support program for the Lincoln Park and Hillside neighborhoods.
- Support Community Action Duluth's Financial Opportunity Center and Bridges to Career Opportunities programs to help unemployed and underemployed clients increase their incomes, assets, skills, and strengthen their futures.
- Seek resources to maintain support for the Entrepreneur Fund's work with small businesses in Duluth's core commercial districts, including "Be Strategic", working capital, storefront loans, and advanced technical support.
- Serve on national LISC and local economic development efforts including the Duluth Workforce Development Board, Career Pathways Committee, Mayor's Economic Development Coalition, and LISC's Opportunity Zone development process.
- Work to eliminate racism and disparities by supporting efforts led by and/or involving people of color and other underserved populations to build their income, assets, skills, leadership, and quality of life.



A grand old space reborn: the long-dreamed-of community vision of anchoring Duluth's burgeoning Arts District with the venerable NorShor Theatre is now a reality! LISC laid the foundation for financing this \$32 million historic preservation and renewal project with a substantial predevelopment loan for leveraging subsequent funding and a highly competitive \$7 million LISC New Markets Tax Credit allocation, which generated over \$2 million in equity into the project. LISC is very proud to help The Duluth Playhouse have a new venue to continue their expansion of community theater and the arts. This investment will generate economic development opportunities for the arts, as well as business growth for the entire area.

"LISC's partnership with Sherman Associates in providing both predevelopment assistance and over \$2.1 million in New Markets Tax Credits was fundamental. By providing resources to examine the feasibility of the project, this early financing by LISC helped ensure not only that it could work, but also to identify where funds could be obtained to successfully restore the theatre."

Christine Gradl Seitz, Executive and Artistic Director, The Duluth Playhouse



LISC believes local arts and culture spurs economic opportunity, builds social connection, and advances neighborhood revitalization. In 2017, "We Are, All of Us Together, Beginning a Good Life" is part of a Case Study of Culture in Community Development, was commissioned by LISC and written by Rachel Engh and Anne Gadwa Nicodemus of Metris Arts Consulting. It describes the incredible work being done by our partner, the American Indian Community Housing Organization (AICHO). Gimaajii Mino-Bimaadizimin Native American Cultural Center is a powerfully transformative project in Duluth's Hillside neighborhood providing 29 units of housing to formerly homeless families and cultural and educational opportunities to residents and the broader community.

See "We Are, All of Us Together, Beginning a Good Life" Case Study at [LISC.org/resources](https://lisc.org/resources)



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Thank you to Jeff Frey Photography, Michael K. Anderson, and Ivy Vainio for photos used in this report.

THANK YOU TO DULUTH LISC 2017 DONORS

\$100,000 +

LISC Social Innovation Fund
U.S. Dept. of Housing and Urban Development

\$25,000 - \$99,000

Essentia Health
Minnesota Housing Capacity Building 2017

\$10,000 - \$24,999

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