

Growing “Taproots”: Anchor Institutions and Community Development



LISC

LISC Institute Webinar, 11/6/19
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Overview

Motivation

The Phillips Neighborhood

Evidence of Impact

Lessons



Motivation



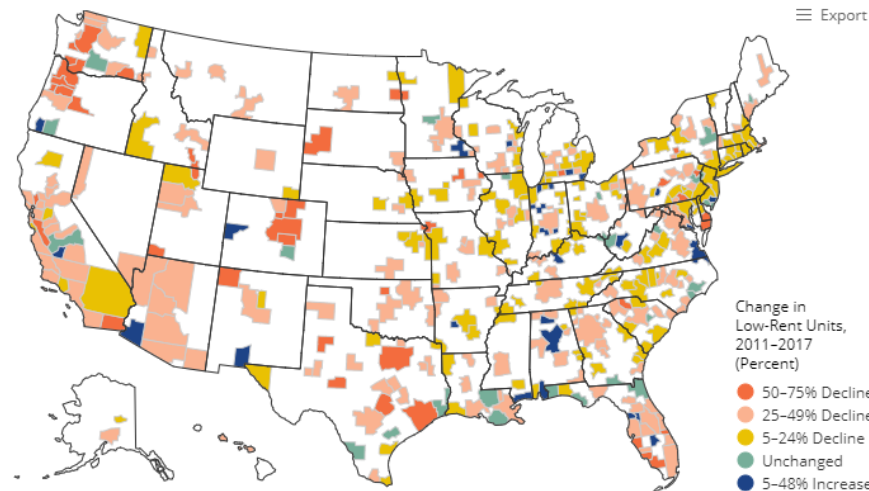
Need, scale, and the role of anchor institutions

Community challenges –
affordability, wealth, income,
safety, economic mobility

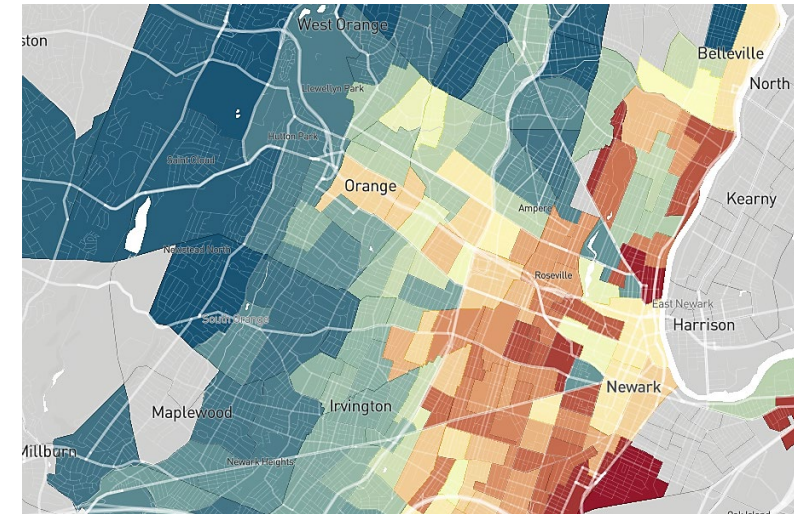
Severe cutbacks in federal
funding for community-based
solutions

Extraordinary economic power of
“anchors,” and growing set of
practices to leverage this power
for community benefit

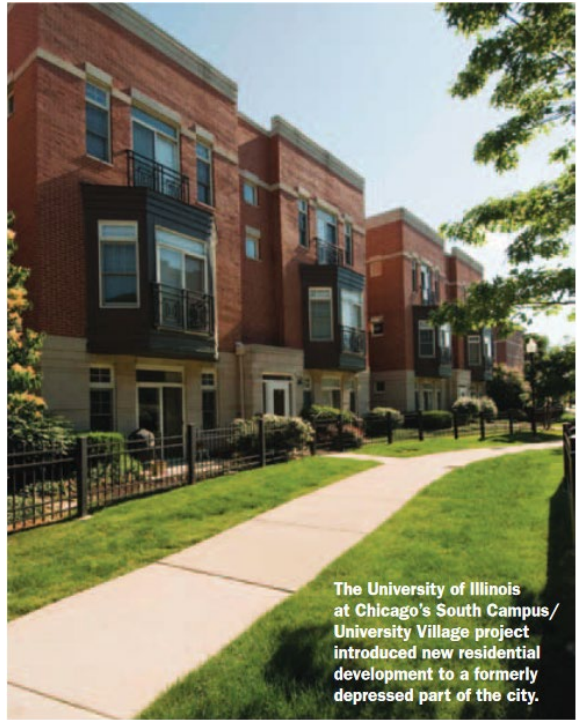
Almost All Metros Had Declines in
Their Lowest-Rent Units From 2011 to 2017



Average black children's household income in adulthood Source:
Opportunity Atlas, retrieved: <https://www.opportunityatlas.org/>



Anchor institutions and equitable development



Our questions



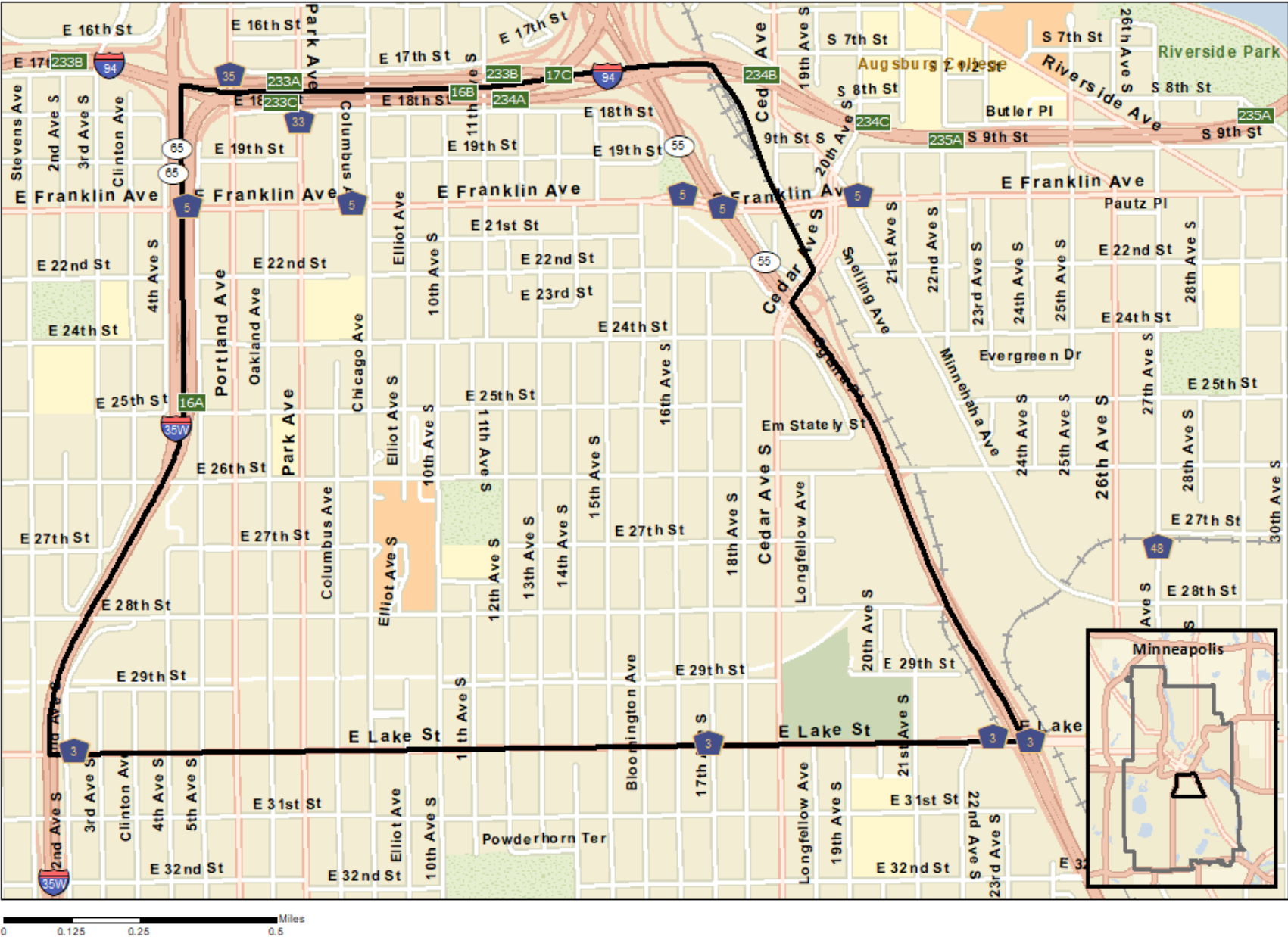
How can community organizations find common interest with anchor partners?

What are the impacts of shared efforts on neighborhood revitalization, and how can they advance equity over the longer term?

The Phillips Neighborhood

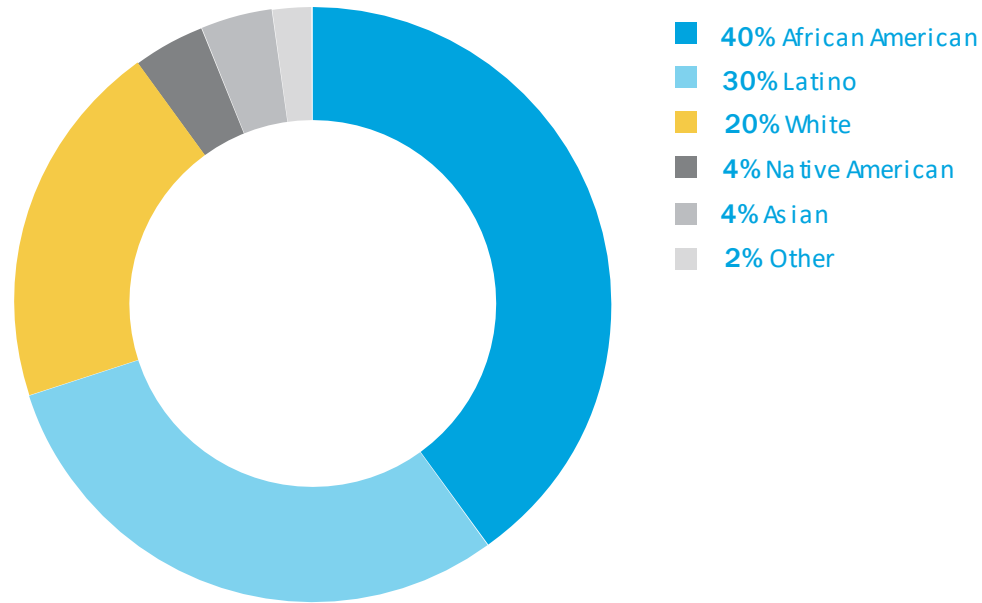


Phillips Neighborhood, South Minneapolis



Current neighborhood demographics and conditions

PHILLIPS NEIGHBORHOOD POPULATION



- Diverse neighborhood, with one of the largest urban Native American communities in the U.S.
- 40% percent of the population in Phillips was born outside the U.S.
- Low-vacancy, predominantly renter area
- Median household income about half the city's as a whole

Community Groups & Anchor Institutions



AMERICAN INDIAN COMMUNITY DEVELOPMENT CORPORATION
- improving opportunity and strengthening American Indian communities -



Honeywell

WELLS FARGO

Challenges in the 1990s

Housing disinvestment
and abandonment

Commercial corridor
decline

Safety a major concern for
residents and for
corporate and healthcare
institutions

Nice City's Nasty Distinction: Murders Soar in Minneapolis

By DIRK JOHNSON

MINNEAPOLIS, June 27 — This was a city that seemed to have all the answers.

Fortune 500 companies thrive in an atmosphere of Scandinavian-style social liberalism. Stillwater lakes give woodsy neighborhoods a fairy tale look. Even the brutal Upper Midwest winters are made manageable, with elaborate glass skyways to protect downtown pedestrians.

It is a way of life, The Minneapolis Star Tribune once noted, that boosters regard as "superior to that in most places on earth."

But lately, this idyllic image has been shattered by violence, with gang turf wars and drive-by shootings on streets where children play games of kick-the-can.

There were a record 97 murders here in 1995, at least 50 percent higher than in each of the past four years and making the city's rate worse than in New York. Killings are running at a brisk pace again this year.

"What is happening to my Minneapolis?" asked Barbara Atlas, 42,

11-year-old boy was killed after being hit by stray bullets from a drive-by shooting earlier this month. A 22-year-old man on the block was shot dead a few days later. "This was a place where people cared about each other, where you left the doors unlocked and let the kids play outside."

Now there are T-shirts that read, "Murderapolis," and gallows humor about warning visitors from New York to be careful.

So polite it can sometimes be maddening, this has never been an in-your-face kind of place. Stoicism is a virtue in Minnesota, home of the fabled old Swedish farmer who loved his wife so much he nearly told her.

Finding similarities between Minneapolis and New York — on murder, of all things — would usually seem quite a stretch.

To be sure, Minneapolis has never been Lake Wobegon, the mythical small town of Garrison Keillor, who broadcasts his homespun radio show, "A Prairie Home Companion,"

The Phillips Partnership

Allina Health 

WELLS FARGO

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Native American Cultural Corridor



Revitalization of Franklin Avenue, to be more representative of the Native communities

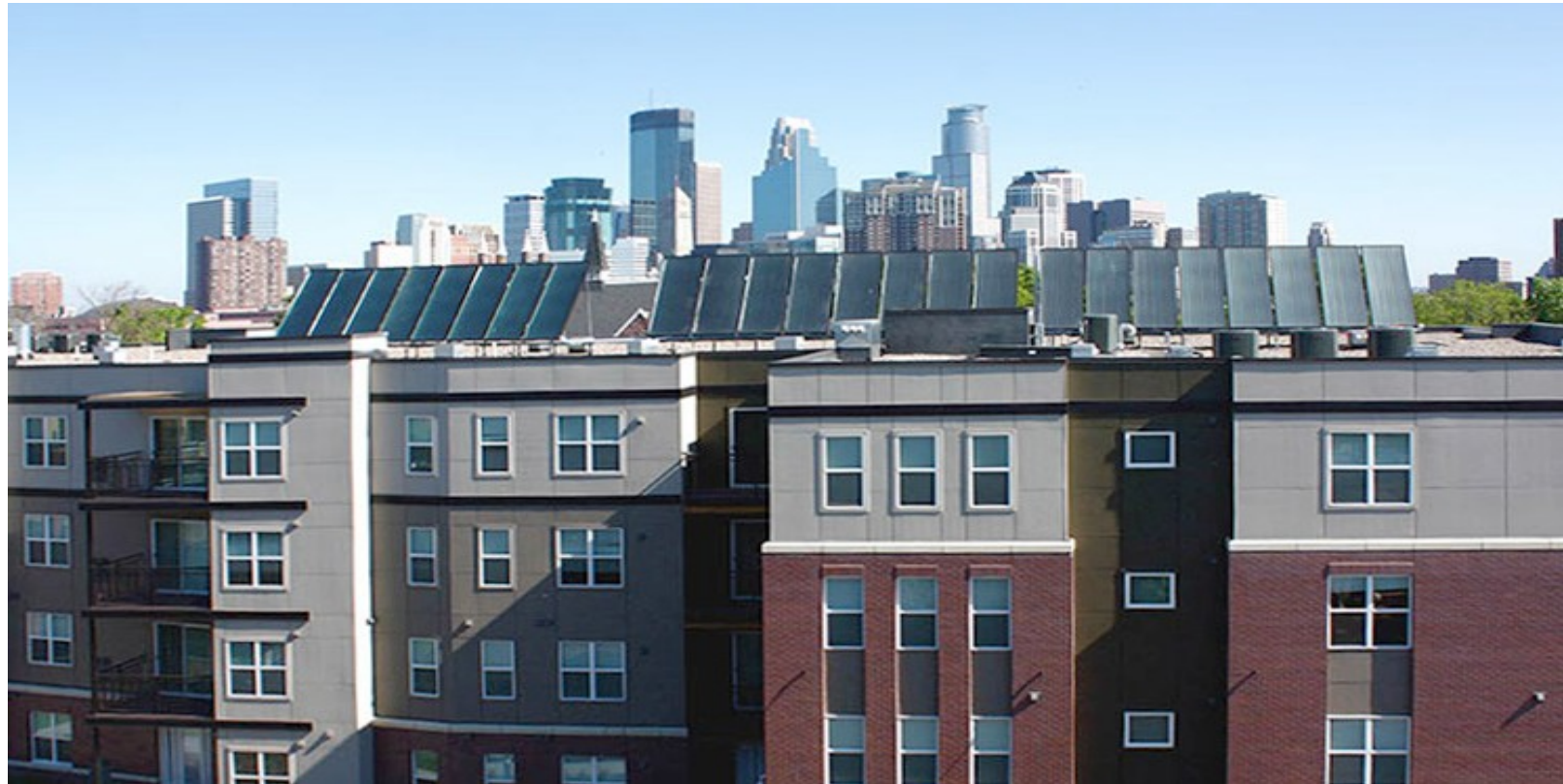
Mixed use, supportive and elder housing, cultural and exhibit spaces

Preservation of Little Earth Housing

Affordable Housing Development and South Quarter Revitalization

240-unit housing
development, reclaiming
four quarters of a largely
vacant intersection

Proceeded in stages,
involving complex
financing and multiple
partners



Mercado Central and Catalyzing Entrepreneurship

Cooperatively owned market
that opened in 1999

Helped spark
entrepreneurship along the
Lake Street Corridor

Aligned with work of many
immigrant entrepreneurs,
particularly from Latino and
East African communities



Midtown Global Market

Hub for community activity, with over 45 local businesses

Part of larger development that reclaimed former Sears warehouse

Allina Health and Hennepin County DMV as anchor tenants

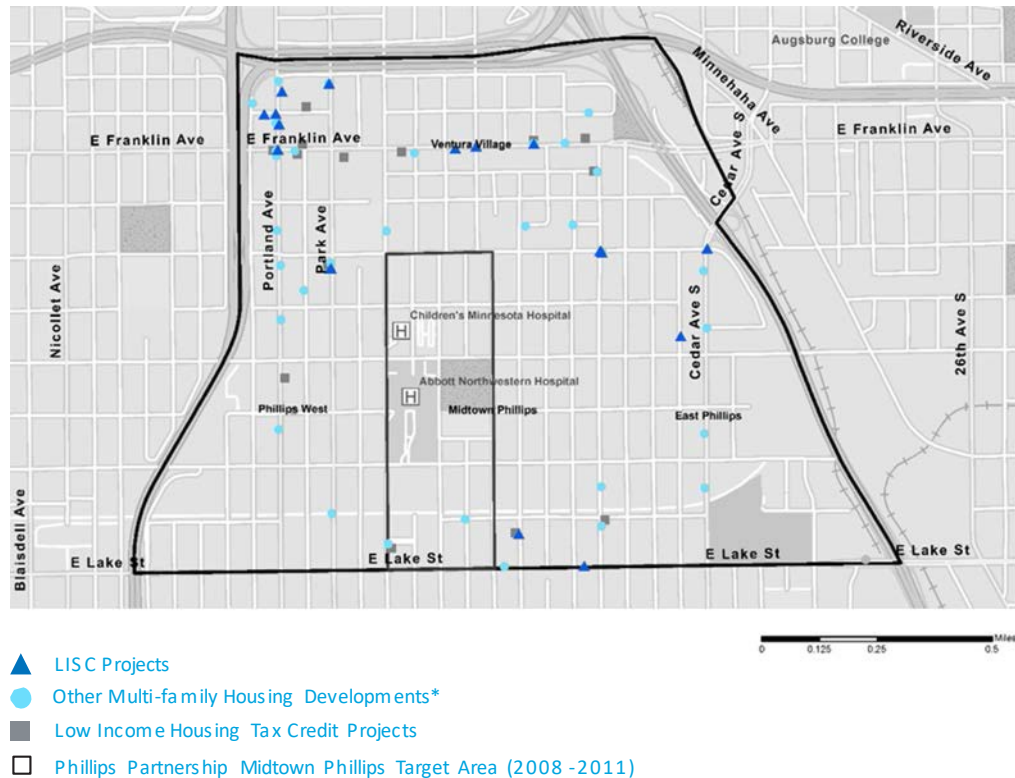


Evidence of impact



LISC's Role and Rigorous Evidence of Neighborhood Impact

FIGURE 1: INVESTMENTS IN THE PHILLIPS NEIGHBORHOOD (2000–2012)



Between 2000 and 2012, LISC and its affiliates invested:

- \$4.6 million in loan and grant capital, supporting 750 housing units (10% of the neighborhood's total), and 193,000 square feet of commercial and community space.
- \$27.8 million for three commercial projects, including the Midtown Global Market.
- \$28 million in Low-Income Housing Tax Credit projects.

Exploring impact in three time periods

Compared home mortgage loan values in Phillips with those in similarly low-income Minneapolis neighborhoods over three time periods:

- a *pre-period* before LISC's first project activity,
- an *intervention* period when LISC was making real estate investments
- a *post-period*

Controlling for:

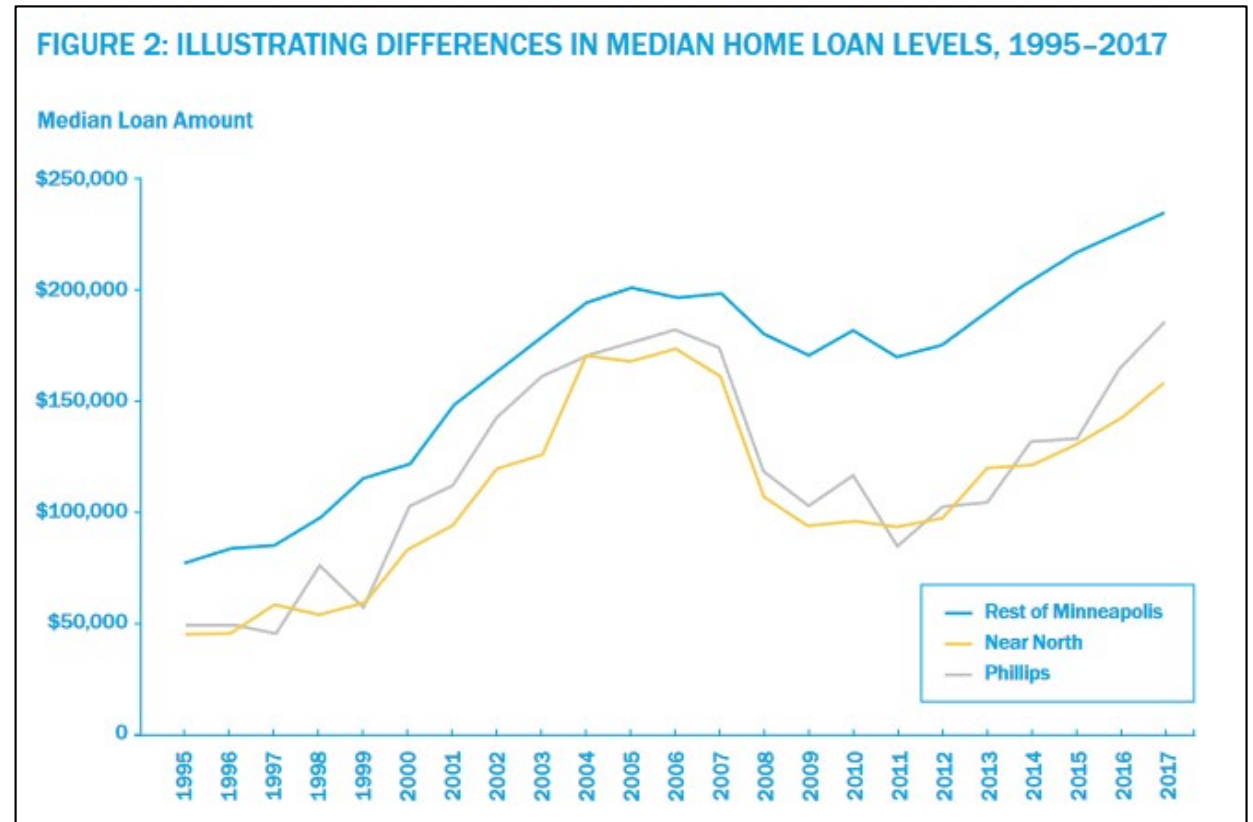
- Home mortgage investor percentage
- Census 2000 poverty rate
- Census 2000 percentage of renter-occupied units
- Census 2000 adult labor participation rate

Model Results

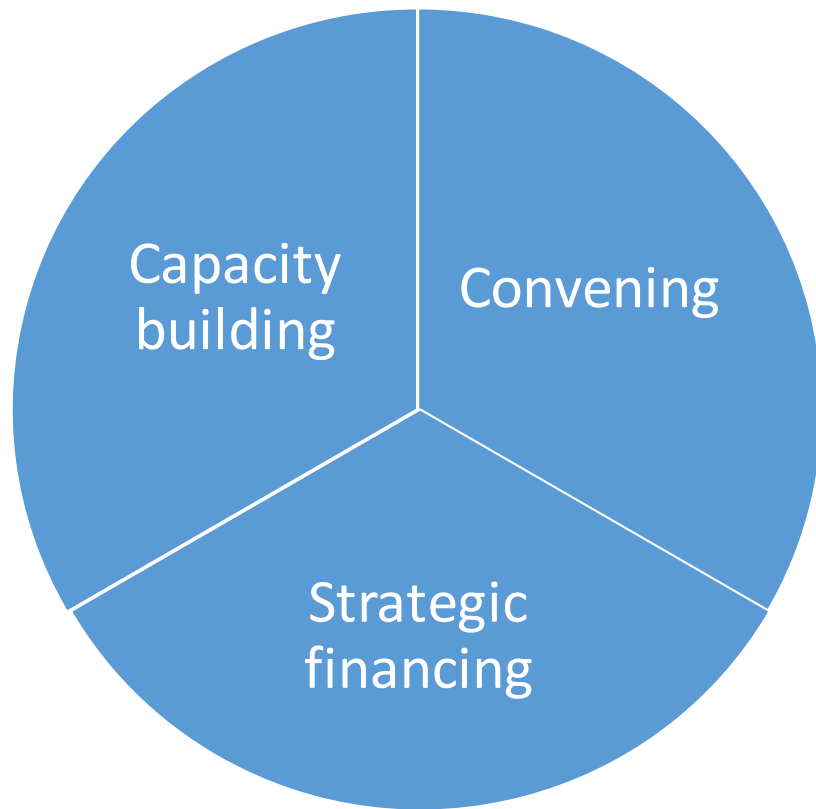
Before (1997-2000), no difference in median mortgage amounts between Phillips and matched neighborhoods.

During investments (2000-2013), median mortgage amounts increased by 46% over controlled comparisons to rest of the city.

After LISC's real estate investment (2014-2017), no statistical difference.



LISC's Role in Phillips



“We have a lot of strong organizations functioning in the neighborhood...I think of them as taproots...ways of holding the ground [when storms come]” — Andriana Abariotes

Lessons



How the Neighborhood Came Together

Immigration as a Source of Revitalization

Community Activism

Having Many, High-Capacity Community Development Organizations

Alignment of Vision Among Neighborhood Organizations

Supportive Public Partners

Partnerships for Equity and Equitable Partnerships

“All the CEOs...embraced Philips as their home. They would show up and talk...it wouldn't always be a fun conversation, but they were always in conversation...because it's hard to build a partnership if there's no relationship.” – former Mayor, Sharon Sayles Belton

“There's no one lever, no one driver...in community development you need a lot of drivers, and it's the collective impact that's bringing neighborhood stability and revitalization” Ruth Olkon, Allina Health

“When you have all these three components [private sector investment, government support, and community development capacity] and they work with each other you start to see tangible results...then the whole thing reinforces itself.” – Paul Williams, PPL

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