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

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

- 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

- Project for Pride in Living
- Hope Community
- City of Lakes Community Land Trust
- Aeon
- Native American Community Development Institute (NACDI)
- American Indian Community Development Corporation (AICDDC)
- 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 woody 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 1993, 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 galloped 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 home spun radio show, “A Prairie Home Companion.”
The Phillips Partnership

Allina Health

Wells Fargo

Honeywell

Hennepin

Minneapolis City of Lakes
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 an anchor tenants
Evidence of impact
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.

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