Community Development in a Legacy City

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Contents

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Preface

When I retired from Neighborhood Progress Inc. after 21 years as CEO, my wife and I moved to our family home on the Rogue River in Oregon. Small town/rural life was a nice change, but we decided after a few years that we are City people and moved, back to Cleveland. I was offered a position as a senior fellow at the Levin College to write a paper about my community development experience in Cleveland. I moved on from that position, but I continued working on the paper because I felt I had something to offer. Various drafts were shared with colleagues who offered helpful suggestions about details and big picture perspectives. This book is the result of that dialogue.

This is a participant observer view with all the strengths and weaknesses, not an academic study. There are various articles and studies which reference the period described and I have included a bibliography of the literature in the appendix, but I have chosen to focus on my experience and observations as a better way to tell the story. That said this is also an historic account filtered through memory, changing leadership, and evolving civic priorities. With this caveat, the goal is to provide a balanced account of how community development in Cleveland was done in the period described and the challenges and achievements that were shaped by the larger political and economic landscape of a legacy city.

Neighborhood Progress Inc., a nationally recognized Foundation intermediary, is the lens through which the various elements of Cleveland's public private partnership, neighborhood renewal and the community development infrastructure is viewed. Hopefully, I have kept the story interesting and relevant, with the appropriate level of detail for both those in the field doing the heavy lifting and urbanists who care about the city's future.

Acknowledgements

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Introduction

This retrospective describes and assesses Cleveland's approach as a legacy city to neighborhood revitalization from the early 1980s to the mortgage foreclosure crisis of 2008 and its immediate aftermath. The preconditions, partners, leadership, staffing, financing, program design and outcomes will be viewed through the lens of a public-private partnership strategy to develop affordable housing and inclusive neighborhood place-making. Central to this effort was creating a system to support grassroots community development organizations and their revitalization efforts.

I have chosen to use the term "legacy" rather than the pejorative "rust-belt" since the focus of this account is on assets rather than liabilities, though Cleveland had its share from the Cuyahoga River burning, riots, the city's municipal default, out-migration of jobs, population loss and the unfavorable national publicity that followed.

Chapter Summaries

Chapter 1

Is a reminder of the fact that Cleveland was once a major player on the national scene and that history has left a legacy that needs to be reclaimed.

Chapter 2

Describes the factors that led to the emergence of a community development system in Cleveland. A new generation of civic leaders responding in part to neighborhood discontent and grass roots organizing recognized that given the scale of the problem and the absence of federal resources, new ways to collaborate among various civic sectors, including foundations, corporations, the City and its neighborhoods, was the way forward. Nationally the Ford Foundation had begun to shift its community development focus to support local foundations and their work with city government and the private sector providing a model and resources for Cleveland's new approach.

Chapters 3 and 4

Describes the formation of a neighborhood funding collaborative, the Cleveland Neighborhood Partnership Program (CNPP) and its successor, Neighborhood Progress, Inc. (NPI) in the context of federal policies and the larger community development system that emerged in Cleveland. The community development system evolved over a 25-year period spanning a range of changing federal policies and administrations, 4 mayors, new foundation CEOs, and multiple corporate leadership shifts.

The coalition partners, their contributions and modus operandi are described as well as the key elements of the system including planning, place making, housing strategies, project development. finance, and support for community development corporations. Those who helped shape the system at the Board level and worked in the "engine room" across institutional boundaries to deliver product are recognized. The Cleveland lab and its innovative approach earned a deserved reputation as a "best practice" city nationally.

Chapter 5

A key element in Cleveland's strategy for rebuilding neighborhood fabric was its approach to place making that focused on larger catalytic projects intended to jump start market forces and support more granular neighborhood building efforts.

Chapter 5 describes a range of these projects – how and why they came about; how they were put together; what worked and didn't; their impact; and the challenges of connecting neighborhood projects to the economic engines of the region.

Chapter 6

Is a cautionary tale, for despite Cleveland's successful efforts the sub-prime financial collapse of 2008 did much to unravel the work of the previous 20 years. That Cleveland was able to weather the storm was due in part to the effort and resilience of grass roots organizations like Slavic Village Development Corporation aided by local political leadership, and an aggressive response by NPI. These efforts and the remaining challenges of an unregulated financial market are discussed.

Chapter 7

Describes how well Cleveland's governing coalition in a changing landscape did in its shared goal of neighborhood revitalization. The co-operating interests and their contributions along with the key elements of the strategy that made Cleveland a "best practice" city are assessed.

Over the period a mix of foundation grants and loans, bank mortgage lending, private investment, federal grants, local tax abatement and tax credit investments resulted in over $750 million in neighborhood project financing producing 6,443 housing units, 2.5 million sf of commercial and industrial space, supporting 100 local businesses resulting in over 3,200 new and retained jobs. Equally important was the creation of an effective network of community development corporations, their staff, leadership, and supporting organizations that continues to improve the quality of life for neighborhood residents.

Despite these achievements Cleveland was not able to reverse the effects of 50 years of disinvestment by a global economy that did not do us any favors. The question raised is whether poor cities like Cleveland (and Cleveland is among the poorest), no matter how well organized, can fully re-invent themselves absent a major shift in federal and regional policy with resources to match. Different aspects of this conundrum are discussed.

Chapter 8

Outlines my suggestions for how Cleveland neighborhoods can move forward and reasons for optimism despite the challenges. At this stage, the focus shifts from an insider account to a concerned citizen who has opinions based on engagement back in the day.

Newly elected Mayor Bibb has announced his Rescue and Transformation Plan with 10 big picture priorities for spending Cleveland's $512 Million allocation of the American Rescue and Recovery Act. In the meantime, there are a range of positive developments and potential building blocks that will begin to take shape—some of which I suggest in my concluding comments—and a plethora of local foundation and non-profit initiatives on the drawing board. How well these ambitious agendas—public and private—are integrated to work together synergistically remains to be seen in view of Cleveland's past performance in advancing an equitable development agenda.

Main Body

Chapter 1 The Cleveland Legacy: Rust Belt Blues

Author’s Art Work: The Flats

Legacy Cities

Cleveland's neighborhoods and the various attempts to improve conditions and prospects for those who lived there have been shaped in part by geography and by larger economic and social forces–our legacy. Cleveland was not a planned city. It was a boom town that rose on the shore of a Great Lake proximate to raw materials and the needs of industry that fueled the national economy when the United States was a place that made things, and Cleveland was a hub. Cleveland was the sixth-largest city in the United States in the 1920's; today (2020) it's the 56th, a quintessential "rust belt" city. Its decline from a global industrial powerhouse to a minor league city with major league assets has been painful. The wealth left, the liabilities remained, along with a history of innovation, resilience, and struggle.

So, what is that legacy, and what are the assets and costs of de-industrialization? How did Cleveland respond to its challenges, and how does this inform our options? For our purposes, how does it relate to the subject of this account?

There are three periods in which community development in Cleveland was nationally recognized. These are part of our legacy. First was the Tom Johnson Progressive Era of the early 20th century when Cleveland was viewed as the best-governed city in the country; the second began in 1967 when Carl Stokes, the first black mayor of a major city, adopted the Federal Government's programs of the Great Society to address the needs of minority/poor residents. Finally, the third and focus of this narrative is the period beginning with Mayor George Voinovich's administration, and the rise of public-private partnerships and foundation-supported community development efforts.

Prologue: An Industrial Powerhouse, an Immigrant City, World War II, The Exodus

Cleveland's rise as an industrial powerhouse began with John D. Rockefeller's oil refineries along the Cuyahoga River (the Flats). Standard Oil controlled 90 percent of the world's oil production at the beginning of the 20th century, and Rockefeller was the world's richest man. He is buried in Cleveland's Lakeview Cemetery, but his fortune resides elsewhere.

Standard Oil generated over 300 oil-based products and various, related manufacturing, chemical plants, and businesses in the Flats, such as Sherwin-Williams and others. Manufacturing flourished along the Cuyahoga River; their smokestacks are captured in the photos of Margaret Bourke White.

Access to Lake Erie later supported the emerging steel mills, supplied by iron ore from the Mesabi Range and serviced by eight railroad lines linking Cleveland to coal fields in Ohio and Pennsylvania and to national markets. The Flats was home at one time to three major steel companies: US Steel, Republic (founded by Cyrus Eaton), and LTV.

Cleveland was second only to Detroit in US automobile production, based on proximity to the steel mills and Detroit, along with a large industrial workforce and a multimodal transportation hub. The auto plants were supplied by a range of local companies that produced component parts that over time became major corporations such as Warner & Swasey, Eaton, and TRW, specializing in technology spin-offs for advanced manufacturing and aero-space industries. Related banking and a host of support services contributed to a flourishing downtown office and retail district linked to an exceptional public transit system. A railway hub for eleven different lines allowed companies like Otis Lithography, a media power house at the time, to service a national market.

To work the mills, industry needed immigrants from Europe: Irish, Germans, Slavs, Poles, Italians, Ukrainians in large numbers shaping the community fabric to meet the needs of industry. In addition, during the Great Migration African Americans from Alabama and the South rode the Baltimore and Ohio to Cleveland. The new arrivals settled in ethnic neighborhoods in small, single-family houses. They often lived close to polluting factories in the Flats, forming tight communities around their churches, ethnic associations, union halls and 26 local breweries.

Developers Oris Paxton Van Sweringen and his brother, Mantis James Van Sweringen, anchored downtown with development of Tower City and its Terminal Tower, the second-tallest building in the world upon completion in 1930. The corporate elite lived in mansions along Euclid Avenue, but as the city grew, the more affluent migrated east to estates and planned communities in the Western Reserve while maintaining a high-culture venue at Wade Park, where the world-renowned Cleveland Museum of Art and Cleveland Symphony continue to flourish. The wealthy also fostered a visual arts scene supported by local patrons and connected to the galleries of New York City and Paris. In 1914, birth of the Cleveland Foundation, the first community foundation in the country, by Cleveland Trust president Frederick Goff, was particularly important, signaling a commitment of the elites to the region's wellbeing. While industry and immigration played a major role in Cleveland's legacy, local government, particularly in the early part of the 20th century, was pivotal in establishing a framework for continuing development.

There is a statue of former Mayor Tom Johnson in Public Square. Early in the 20th Century, through four terms of a progressive administration, Johnson did much to shape the Cleveland landscape despite opposition from the corporate and political establishment. Lincoln Steffens called Johnson "the best mayor of the best-governed city in the United States." A wealthy industrialist, Johnson championed municipal ownership of the streetcars and public utilities such as Cleveland Public Power, and developed a network of public parks, including the Emerald Necklace designed by the Olmstead brothers. Johnson also gave the city the Group Plan for municipal buildings along the lakefront, as well as the West Side Market. Under his leadership, Cleveland enacted one of the first comprehensive building codes and laid the basis for municipal home rule. He believed government should benefit common people and not service the interests of private business. This philosophy has ebbed and flowed in the evolution of Cleveland's political DNA, but the idea lives on.

In the 1920s Cleveland was booming, the population grew rapidly, and industry flourished–then came the Great Depression. The country and Cleveland experienced widespread poverty and unemployment which the federal government sought to remedy through the New Deal, the Works Progress Administration, and other programs that continue to this day. It was also a period of major labor unrest contributing to growth of industrial unions under the umbrella of the Congress of Industrial Organizations (CIO) and the United Auto Worker. The UAW staged a successful sit-down strike at the White Motor Company in Cleveland followed by union drives in the steel mills.

World War II ended the Depression and war production led to a major surge in manufacturing, with a corresponding increase in plants and workforce. One of the early neighborhood redevelopment projects on which

I worked involved reuse of the old Pullman Company and Gould Torpedo plant in the Glenville neighborhood. It had stood vacant for 25 years, like many other outmoded factory buildings in the city.

During the war, TRW employed 16,000 workers in hulking plants along Euclid Avenue in Collinwood, the steel mills in the Flats were working 24/7, and other industries dotted the landscape. When the war ended, there was excess capacity, both in plants and people, as the country retooled for the new era.

The Post-World War II Rust Belt Blues

Cleveland's population peaked at 914,808 in 1950 when, caught in the undertow of a global economic restructuring, it began a 60-year decline and lost over half of its population. Where Cleveland's location used to be an advantage, it was a liability in the new era, as industry needs changed due in part to federal policy, in part due to the cost advantages of building new in a nonunion, pollution-free environment. The purpose of the Federal Aid Highway Act of 1956, authorized by President Dwight Eisenhower, was to build a national highway system enabling the military to deploy in the event of a Russian invasion. It instead became a means of shifting production—and population—from fixed-rail localities to a car-and truck-centered economy. This was increasingly located in the Sunbelt, which now had air-conditioning, a non-union workforce, greenfields, and massive government subsidies. Federal defense spending, particularly on aerospace projects, was driven by congressional allocations and political considerations. Some Cleveland corporations, notably TRW, adjusted to the new environment. Before it merged with Northrop Grumman in 2002, TRW designed the ICBM missile and the Space Station, and in the process became the country's eighth-largest military contractor.

Many older industrial plants that remained were multi-story, polluting dinosaurs, not suited for the just-in-time factory layout and efficient production demanded by manufacturers. New auto plants and their workforces went to the suburbs. In the late 1950s, Urban Renewal became the vehicle for Cleveland to create clean development sites in the city that could compete with greenfield locations. It failed on multiple levels.

Urban Renewal and the Housing Acts of 1949 and 1954

The stated goal of the Housing Act of 1954 was to "eliminate slums and blighted areas and provide a decent home for every American family." This was to be achieved through slum clearance (urban renewal-federally financed), construction of public housing in the central city, and help for the private sector to develop middle-class housing in the suburbs by creating a mortgage insurance program for home ownership (FHA). In Cleveland this encouraged a suburban housing boom as new homes sprouted up in communities like Parma and Beachwood. Linked to these goals was an urban redevelopment agenda aiming to improve infrastructure and promote new downtown development. (See Hoffman, *The Origins and Legacy of the Housing Act of 1949*).

For local government and Cleveland's corporate elite, urban renewal became the magic bullet for protecting downtown business interests—clearing and preparing industrial land for a new generation of companies and housing the poor in new public housing estates (Carver Park, Outhwaite, et al.). Cleveland created many urban renewal zones, covering 6,000 acres, or 10 percent of the city—the most of any municipality in the country. But the consensus now is that urban renewal in Cleveland was a disaster.

Two of the most egregious examples were the Erieview plan and—more related to our narrative—the Central Plan. At the edge of the business district in downtown Cleveland, Erieview displaced over 500 businesses and involved the demolition of 224 buildings (no structures were rehabbed), and light industry was eliminated. The goal was to create a destination for a post-industrial economy anchored by Erieview Tower, an I.M. Pei-designed, international-style office building. The result, *New York Times* architecture critic Ada Louise Huxtable wrote in November 1973: "The Erieview project stands as a kind of monument to everything that was wrong with urban renewal thinking in America in the 1960's. There is a large, abortive plan by the architect I. M. Pei, long on desolate, over-scaled spaces, destructive of cohesive urbanism and defiantly antihuman." As was the case in other failed urban renewal efforts, such as in Central, planning was top-down, with no local input and predictably bad outcomes.

Urban renewal in Central aimed to eliminate what was viewed as a slum, build new public housing, and assemble land for industry to be serviced by a network of new freeways. Central in the '50s was a deteriorating, multiracial community, home to current Mayor Frank Jackson and the Stokes brothers, Carl and Louis. Central was struggling community but still viable. That was not enough for city officials.

The area designated a blighted slum, allowed the city to use eminent domain to force the sale of property at prices set by government appraisal. Demolition and cleanup were neither cheap nor competitive with the suburbs, so properties remained vacant. New public housing, including The Villages of Carver Park and Outhwaite Homes, was built, but that took time, during which the displaced were cast adrift to find whatever housing they could. In this instance, which meant primarily the Hough neighborhood.

The Hough Uprising, the Stokes Administration, and the Great Society

At the time, Hough was predominately a white, middle-class community of larger single-family homes, with retail businesses along Hough Avenue, and a mix of local churches and synagogues. Out-migration had begun, and redlining, along with deteriorating city services, resulted in the subdividing of larger homes into smaller rental units, lack of code enforcement, declining retail services and racist police practices. At its peak in 1965, the population of Hough was 80,000, four times the density of comparable white working-class neighborhoods (today, it is 13,000).

In July 1966, in response to a sign at a local bar that read "No Water for Niggers," a confrontation escalated into what became known as the Hough Riots. The following year, Carl Stokes was elected the first African American mayor of a major U.S. city.

Stokes was the first mayor after Tom Johnson to attempt to address neighborhood conditions and make the challenges of race and poverty in Cleveland a priority. He did so in the context of then-President Lyndon B. Johnson's Great Society and the related programs of the War on Poverty and Model Cities. Stokes—charismatic, articulate and smart—became a national leader in reclaiming distressed cities and providing opportunities for those with few. In Cleveland, he translated the War on Poverty into a number of local initiatives including formation of Cleveland NOW! a projected $1.5-billion public/private fund to address planning, poverty and neighborhood reinvestment. One expression of these efforts was creation of the Hough Area Development

Corporation (HADC), among the first Title I CDCs nationally, under the leadership of Deforest Brown. Others included the Bedford Stuyvesant Restoration Corporation in New York City, supported by then-Senator Robert Kennedy and led by Franklin Thomas, who would become head of the Ford Foundation. HADC received $1.6 million for development of the Martin Luther King Jr. Plaza on Wade Park Avenue, campaigned for minority ownership of McDonald franchises, and for construction of subsidized low-income neighborhood housing in Hough. HADC completed the plaza but was not able to reverse neighborhood decline or sustain operation for various reasons. Housing for the poor was primarily Section 221 D 4 HUD subsidized apartments in high rise buildings with no connection to neighborhood fabric.

In addition to Great Society programming, Stokes opened union jobs at City Hall to African Americans and was a champion for environmental legislation to address dirty water and air pollution. Unregulated industrial practices had turned the Cuyahoga River into an open sewer and made air quality in Cleveland among the nation's worst. These conditions and Cleveland's response contributed to passage of the Clean Air and Water Act of 1965. Despite these achievements, Stokes was not able to overcome the aftermath of the Glenville uprising in July 1968 and the end of the Great Society programs. He chose not to run for re-election and left for New York City to be a TV newscaster in 1971. He was not offered a partnership in any of the major law firms or a corporate board position. It would be 20 years before the Stokes legacy would be reclaimed.

The 1970's — a Really Bad Period

The 1970s were not a good decade for Cleveland's neighborhoods. The outmigration of people and business in Cleveland accelerated from a population of 750,000 at the beginning of the decade to 573,000 in 1980, even though Cleveland was still larger than Seattle. Most of those leaving were white, working- and middle-class families from the east side, and the Black middle class. Neighborhoods like Hough hollowed out. During this decade Cleveland became a majority black city with lower household income. Whites left due to civil unrest following the Glenville riot and court-ordered busing after the Cleveland School District was found by the federal court to have engaged in over 200 separate violations intended to keep the schools racially segregated. Thanks to a community coalition (WELCOME), there was no civil unrest, but white people just moved to the suburbs for better public service. The lure of new suburban construction subsidized by FHA bank financing, and redlined minority neighborhoods worsened the situation.

Costs of the Vietnam War took money from Great Society programs, and the Nixon Administration turned federal aid into block grants that went to local governments expected to design their own programs. In some ways, this was an improvement over the top-down urban renewal approach, but in Cleveland, it meant distributing funds among thirty-plus City Council wards, all lacking redevelopment capacity (sidewalk replacement on vacant streets was very popular). Council members had their own assistants to address constituent concerns such as barking dogs, arson, safety, and garbage pickup—without an overall plan or set of priorities, let alone a citywide redevelopment authority.

Neighborhood fabric was further torn apart by County Engineer Albert Porter— Cleveland's very own Robert Moses—who carried out an extensive highway program around and through many neighborhoods, disrupting and displacing residents and businesses. In the meantime, Mayor Ralph Perk, an ethnic Republican, focused on downtown development, using tax abatement and extensive use of federal urban development action grants (UDAGs) to support a range of projects.

However, there was also a neighborhood pulse in the Cleveland Planning Department under Norm Krumholz. In 1975, that department published the Policy Planning Report, one of the foundational documents for the equity planning movement in the country, and the city created a land bank for vacant property that would be instrumental in neighborhood housing efforts. Nationally, passage of the Home Mortgage Disclosure Act and the Community Reinvestment Act of 1977 (Community organizer Gail Cincotta from Chicago and Art Naperstek, later Dean of CWRU's school of social work) required banks to meet home mortgage needs of communities if they intended to close branches or expand services in other areas. This was followed by President Jimmy Carter's National Commission on Neighborhoods, which identified a laundry list of community development programs and strategies but lacked the resources to implement. The major achievement was passage of the Community Reinvestment Act (CRA) which had long term neighborhood benefits for Cleveland by requiring banks to extend credit to distressed communities.

During this period, Cleveland also became a fixture of late-night comedy routines for Mayor Perk setting his hair on fire with an acetylene torch, and its fashion innovation in developing the "Full Cleveland" look. Cleveland was designated the bombing capital of the country when mafia turf battles resulted in over 30 car bombings. Meanwhile, the national economy was reeling because of the recession brought about by the Federal Reserve's efforts to control inflation caused by government deficits incurred by the Great Society programs and the Vietnam War. In Cleveland, the stagflation that followed meant 17-percent mortgage interest rates, and high unemployment. This was the background for Cleveland's urban populist mayor, Dennis Kucinich.

A lot has been written about Kucinich and Cleveland's bond default (See Swanstrom et al.) so I will not summarize the daily accounts of the political battle with Cleveland Trust and its CEO Brock Weir, CEI, and the banks that refused to roll over the $14 million, short-term bond unless Kucinich agreed to the sale of MUNY Light. (Pretty shocking when compared to NYC and Detroit municipal bail outs which involved far more extensive problems and far greater support from government and corporations to restore financial health). As far as our narrative goes, the Kucinich administration did little for neighborhoods in his two years in office. Had Kucinich not lost to George Voinovich in his 1979 re-election bid, this might have been a different story.

Chapter 2 The Emerging Community Development System

A community development "system" in Cleveland, as opposed to a series of programs and projects, came together in the early '80s due to a number of factors: the collapse of federal support for cities, emergence of a public-private partnership during the Voinovich years, growing unrest and activism in Cleveland's neighborhoods, banking and corporations seeing that neighborhood needs had to be addressed to achieve business objectives and social peace, and finally, local foundations realizing that new forms of collaboration were necessary to address funding needs and capacity requirements in the emerging neighborhood agenda.

Nationally, the Reagan Administration of 1981 to 1989 cut cities adrift, adopting an anti-urban, neocon approach that viewed government-run programs as the problem, not the solution. Tax rates for the wealthy were slashed (the Laffler curve scam that lower tax rates would increase tax revenue), and defense spending accelerated. From 1981 to 1992, inflation-adjusted federal aid to cities was cut by 60 percent; appropriations for Housing and Urban Development- subsidized programs fell more than 80 percent, mostly taking the form of Section 8 rental subsidies (rental vouchers for low-income folks paid to private landlords). Federal aid to cities relied heavily on block grant allocations and stimulating private-sector investment.

This retreat on the federal level coincided with the election of George Voinovich, an ethnic Republican career politician who, after two terms as Cleveland mayor (1980-89), became governor of Ohio and a US senator. He defeated populist Dennis Kucinich by pledging an end to civic strife with a pro-business partnership that would benefit residents. Key to his agenda was a heavy dose of civic boosterism ("The Comeback City; Cleveland's a Plum"), subsidies for downtown projects, and working more closely with foundations and nonprofit organizations to advance civic priorities.

Voinovich was heavily supported by the Greater Cleveland Growth Association (essentially the long-term regional Chamber of Commerce) that focused on directing public subsidy and services toward downtown redevelopment.

In Cleveland, tax abatement, $100 million in federal Urban Development Action Grants (UDAG) loans for downtown projects, and a renewed emphasis on a public-private partnership was key to Cleveland emerging as "The Comeback City." One result of this partnership was an agreement between Cleveland Trust and a consortium of local banks to roll over bond repayment that had triggered the city's default in 1978 and to loan an additional $20 Million to help restructure its financial position. Another initiative called for recruiting local business to modernize the city's operations and administrative systems to improve the city's bond rating and accountability.

Key to this effort was an audit, followed by an Operations Improvement Task Force chaired by Cleveland business executives, which resulted in the city adopting Total Quality Management operations guidelines. As impressive as this reorganization looked on paper, the reality was that budget and operations ran through George Forbes, an old-school politician who managed appropriations to reward his friends, punish his enemies and preserve the council ward system with himself as council president.

Although the acclaimed partnership lacked a formal agreement with terms and performance measures, it nonetheless led to formation of a plethora of volunteer, nonprofit civic organizations, supported by local foundations and corporate donations. These were expected to advance a shared city agenda by providing resources, early planning and private-sector expertise.

The Cleveland Roundtable (now the Greater Cleveland Partnership) was formed in the early 1980’s to deal with race relations and minority enterprise. At the same time, Cleveland Tomorrow, organization of the top 50 corporations and their CEOs, and since absorbed into the Greater Cleveland Partnership, were two illustrative examples. At the neighborhood level, banks joined boards of newly formed community development corporations, and CEOs participated in foundation-sponsored organizations like Neighborhood Progress, Inc.

One result of this new partnership approach was the Lexington Village Apartments housing development in the Hough neighborhood. The Hough Uprising led to a rapid exodus of people and business and left behind a devastated landscape of vacant lots and buildings, with little in the way of social capital or new investment. For 20 years nothing positive had happened. The elementary school at Lexington Avenue and East 76th Street, the area of the 1966 riots, was demolished, leaving a three-acre vacant lot. Sister Henrietta Goris and Bob Wolf, leaders of the Famicos Foundation, a faith-based community organization, approached Steve Minter of the Cleveland Foundation and Councilwoman Fannie Lewis about developing low-income housing on the site. They acknowledged the scale of the project and said it required an experienced developer who could manage both development challenges and property management. No local builder with the needed capacity was interested. They recruited McCormack Baron Salazar of St Louis to develop what in 1987 came to be a 277-unit housing estate in 17 buildings that became a catalyst for future market-rate housing development.

Lexington Village

According to Joe Roman, president and CEO of the Greater Cleveland Partnership, “The 1980s was a critical time. A lot of people think the big housing move in Cleveland started downtown. I don’t. In many ways, housing in the neighborhoods was really ahead of the Warehouse District and downtown generally.” It began in Hough.

Lexington Village required a combination of public subsidy—UDAG grants, tax abatement, cleanup funds, infrastructure money—as well as bank financing, foundation grants, and program-related investment loans. Minter took the lead in securing the $13 million needed to build the first phase of the project, with support from 27 public and private partners. Based on this experience, he realized the time and effort needed to successfully manage a project of this scale. If replicated in numerous neighborhoods, there would have to be a system that could handle this level of development citywide.

Neighborhoods on the Move

Neighborhood conditions were rapidly declining in the late ’70s: vacant houses proliferated, arson was up, public services were down, and the banks were redlining and closing their branches. Supported by the Catholic Diocese of Cleveland, the Catholic Campaign for Human Development, and National People’s Action (NPA), a nonprofit co-founded by disciples of community organizer Saul Alinsky in Chicago, a coalition of neighborhood advocacy groups emerged. These included Citizens to Bring Back Broadway, the Buckeye-Woodland Community Congress, St. Clair Community Coalition, Near West Neighbors in Action and others. The groups built on a network of block clubs and neighborhood centers like Merrick House in Tremont or local parish churches like Our Lady of Mt. Carmel in Detroit Shoreway. The staff were VISTA volunteers, New Left veterans, and local activists like Chris Warren, who went on to become Community Development Director for the city of Cleveland. A range of other grassroots folks later came to occupy leadership positions in the city over time.

The Alinsky model focused on winnable demands and disruption to get the powers that be to the table. In Cleveland in 1981, 600 neighborhood activists picketed the elite Hunt Club soiree for Alton Whitehouse, the chairman of Standard Oil of Ohio (Sohio), and disrupted the annual Sohio stockholder's meeting. When British Petroleum acquired Standard Oil of Ohio, the corporate memory of such events influenced subsequent support for community development activity. As BP America CEO James Ross stated, "I don't believe that BP can exist as a wealthy company in a society where you have such a substantial underclass as you do in Cleveland that will pull the whole structure down with it". (See page 160 in Keating, Dennis W., Norman Krumholz, and David C. Perry, eds. *Cleveland: A Metropolitan Reader*. Kent, Ohio: Kent State University Press, 1995.)

Local organizing combined with a series of Community Reinvestment Act challenges protesting the failure of local banks like Society and Central National to meet the credit needs of neighborhoods. Activists also targeted East Ohio Gas demanding an end to utility shut offs and support for home weatherization programs. Union Miles Community Coalition and others also targeted the Veterans Administration for its home mortgage lending and its failure to maintain foreclosed properties. In addition, housing activists like Phil Star and Ray Pianka had begun to organize a citywide campaign leading to creation of the Cleveland Housing Court, which is instrumental in defending tenant rights and maintaining housing standards. (Pianka, who had been director of the Detroit Shoreway CDC and became a city councilman, went on to serve several terms as Housing Court judge.) For an in-depth view of community organizing in Cleveland from 1975 to 1985 see Randy Cunningham's account, *Democratizing Cleveland*.

Democratizing

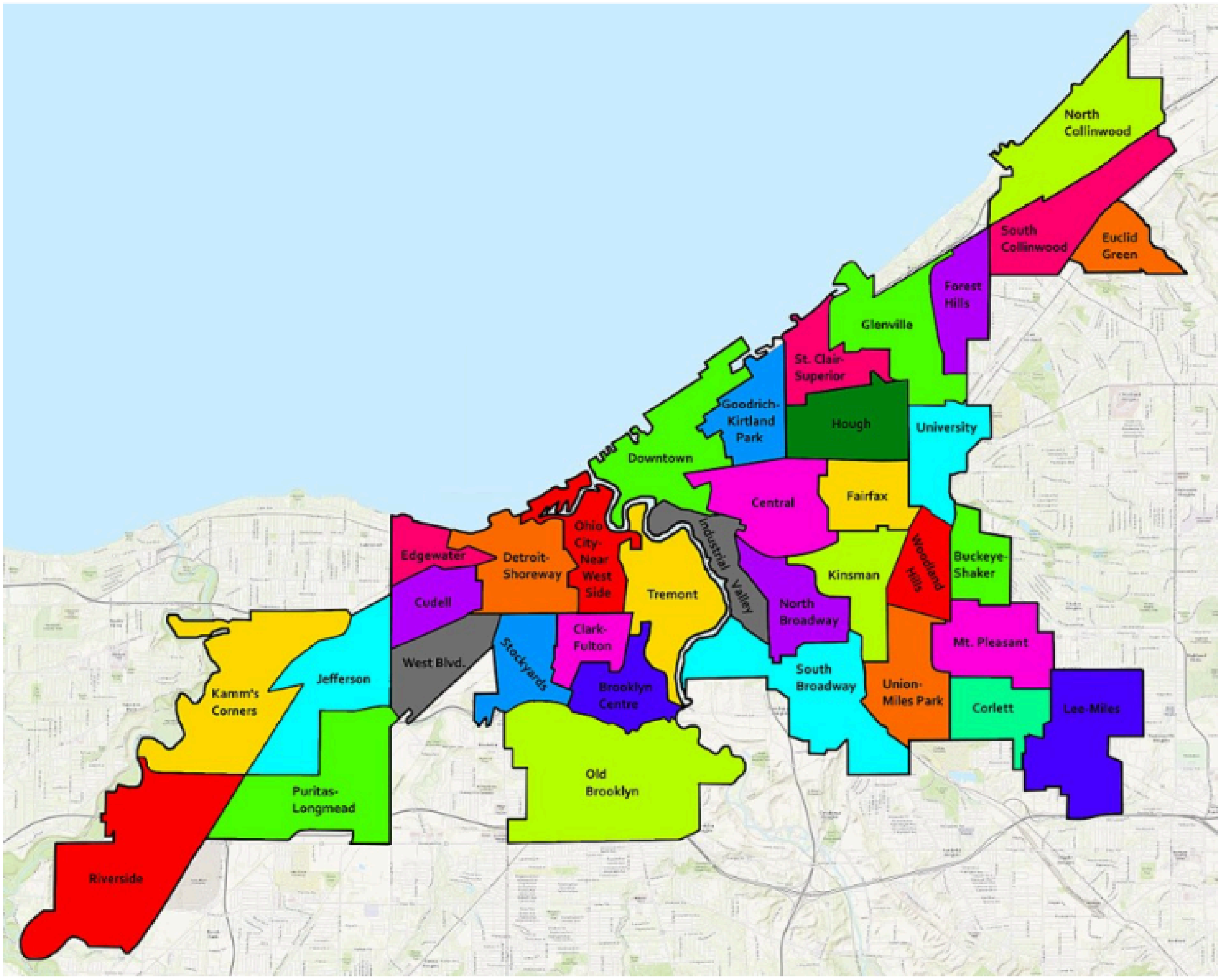
Seeing that organizing alone wasn't enough to reverse decline and improve neighborhood housing, the community coalitions formed development affiliates in the St. Clair, Slavic Village, Tremont, Ohio City, Detroit Shoreway, Buckeye, Cudell, Glenville and Fairfax neighborhoods. Boundaries of newly formed CDCs often overlapped ward boundaries. Operating support came from respective City Council ward allocations and small grants from the Cleveland, Gund and Sohio Foundations.

Early staff for these newly formed community development corporations were social activists committed to grassroots organizing and neighborhood empowerment, like Chris Warren, Bob Pollock at Near West, Pat Kenney in Buckeye, Bob Hudecek at St. Clair, Rob Curry and Tony Brancatelli in Slavic Village, and myself in Union-Miles. As the CDCs grew and the supporting infrastructure expanded, another generation of professional staff with advanced degrees in law, finance and business played important roles in bringing the neighborhood redevelopment efforts to scale.

However, in the early days, on-the-job training was the norm, with local support from the Center for Neighborhood Development at Cleveland State University's Levin College of Urban Affairs and national support from Joe McNeely and the Development Training Institute, with rehab assistance from Ray Mikelthan and Jim Larue at the Lutheran Housing Corporation. The Cleveland Housing Network with Bob Wolf at Famicos and Chris

Warren at Tremont became the umbrella for the nascent CDC industry and pioneered a lease-purchase model for rehabbing vacant properties for low-income families.

Despite these advances, the scale of neighborhood work was still relatively modest— 50 renovated houses a year citywide—and CDC capacity, both financially and organizationally, was fragile. Local foundations began to look at a new model for building local capacity. It was based in part on the Lexington Village experience and the Ford Foundation's work with local partnerships in leveraging resources for more scale and impact. The Cleveland Neighborhood Partnership Program (CNPP) was one outcome of the search for new funding models.



Cleveland Neighborhood Map.

Cleveland Neighborhood Map Image Source: From https://commons.wikimedia.org/wiki/File:Neighborhoods_-_Cleveland.jpg, under the Creative Commons Attribution-Share Alike 4.0 International License

My Story: The Early Period—Union-Miles

In 1982 I was living in the St. Clair neighborhood with my wife Carolyn Platt when I heard from an organizer for the St. Clair Community Organization that a new community development corporation in Union-Miles, a working-class, African- American neighborhood in southeastern Cleveland, was looking to hire its first executive director. The organization had grown out of the Union-Miles Community Coalition where Ken Esposito, Ann Pratt and Marita Kavalec had organized block clubs to demand better city service and protest neighborhood disinvestment by Society Bank and the VA's redlining and property maintenance record. After a successful Community Reinvestment Act challenge, Union-Miles activists had gotten Society Bank to support a development corporation and provide financing for neighborhood projects. Steve Minter of the Cleveland Foundation had given them an operating grant. They meant business.

I applied for the job. I thought it was a good fit. I lived in a multiracial Cleveland neighborhood, had been a Job Corps counselor and Teamster organizer, could do issue organizing, write a leaflet, chair a meeting, listen to the room, and negotiate a contract. I had worked as a union carpenter and knew something about construction. I didn't know anything about nonprofits, fundraising or finance, but I had a lot of energy, good intentions and organizing skills. I was a white guy, but not a racist (or so I hoped).

I now realize how lucky I was that the Union-Miles board took a chance with me. The heavy lifting had been done: the grassroots organizing, the planning, the clear sense of purpose, and the resources required to bring the neighborhood back, were all in place. Leadership of the Union-Miles Development Corporation (UMDC) was critical. Inez Killingsworth, a neighborhood resident and a forceful spokesperson for the community, was Board chair. A service worker in the city school district and a local leader of National People's Action, she, along with other residents, kept the bankers at the table and made sure the organization was responsive to the community. The Board had reps from Society and Central National banks, and the city councilman Earle Turner, but most members, like Hugh Kidd, Thelma Wilson, and Vera Coe, were residents active in their block clubs. There were no local businesses or church pastors represented. This lack of institutional muscle would later be a problem when economic conditions deteriorated.

During my time at Union-Miles, we successfully renovated a handful of homes for sale in an environment of 17-percent interest rates, developed an exterior home repair program using area youth, re-developed a mixed-use historic building to preserve the last family drugstore (Cermak) in the area and provided rental apartments on the floors above. This was one of the first low-income tax credit projects in the City in which Pat Costigan at CSU (later of the Enterprise Foundation) played a pivotal role in structuring the financial model based on corporate investment from Standard Oil.

We also worked with Mary Ann Simpson at CSU's Center for Neighborhood Development, coming up with a novel approach for obtaining title to vacant houses as a court appointed receiver. UMDC secured funding from the Cleveland Foundation to develop a pilot program that could be replicated

Union-Miles Coalition Housing Receivership Demonstration Property, circa 1983.

and used to support state wide receivership legislation. Working with the newly created Housing Court, UMDC requested to be named receiver for an abandoned home in our target area, first making need repairs to address health and safety issues. (See picture.) We then proposed to take title to the property by foreclosing on the receivership lien. The newly created housing court approved our request. Dr. David Listokin of Rutgers University wrote a book on the topic that looked at national examples of receivership programs and drafted model legislation for us. With this in hand, we went to State Senator Troy Lee James and then-state representative Lee Fisher to introduce legislation for a state-wide law. Working with the Ohio CDC Association (of which I was the vice-chair) we successfully got the legislation passed and signed by Governor Dick Celeste.

Ohio Receivership Legislation Passage. Governor Richard Celeste, Councilman Earle Turner, Inez Killingsworth and Hugh Kidd UMDC, State Senator James

The idea that a community group could successfully pass a state-wide law that gave community groups a mortgage lien position in front of a bank is quite remarkable. It speaks to changes in the political environment, but also the potential of bottom-up initiative supported by philanthropy.

In all these activities at UMDC, a sense of possibility, energy and collaboration permeated the emerging community development landscape in Cleveland. That sense also informed my own later work.

Chapter 3 Neighborhood Progress Inc.: A New Approach to Community Renewal

In 1985, the Cleveland, Gund, and BP foundations realized that a new approach was needed to support the emerging community development field. They then created the Cleveland Neighborhood Partnership Program (CNPP) to explore a collaborative funding model for community development. This pilot program, modest in scope and budget, was to test if an intermediary approach was politically viable, operationally effective, and likely to increase the level of neighborhood investment and impact.

The Ford Foundation agreed to launch this program with a grant of $350,000 contingent on a local commitment of $700,000. Based on a citywide request for proposals, six emerging CDCs received two-year operating support averaging $85,000 for a CDC project manager, planning, and operating overhead needed to develop high-impact projects. In addition, the Ford Foundation made a 10-year, $2 Million, 2% program-related loan to supplement bank financing. A program manager from the CDC community was hired—me—and Cleveland Tomorrow, a newly formed corporate leadership organization, agreed to be the fiscal agent and provide administrative support. The hope was that this exposure to neighborhood revitalization would lay the groundwork for future corporate engagement.

A committee of foundation staff, Cleveland Tomorrow, the City Council President and the Cleveland Community Development Director selected the six diverse neighborhood grantees and provided program oversight.

In addition to operating support CNPP helped identify and recruit local developers for CDC projects and held workshops resulting in "**Shop Talk,**" a how-to guide for neighborhood real estate development. Consultants also worked with grantees to strengthen financial management and board governance, laying the groundwork for ongoing support. To bring banks to the table to lend to neighborhood housing ventures and with only one professional staff, CNPP used the Ford Foundation PRI loan for compensating loan deposits to provide below market financing for sponsored projects.

At the end of the first year, CNPP's performance was favorably evaluated by Ed Skloot of New Ventures, a New York City-based consultancy. A study by James Pickman and Associates, commissioned by the Cleveland Foundation, recommended that the Foundation expand its neighborhood focus to develop middle-class housing and new commercial centers, with greater coordination of community development investments by local foundations.

The foundation staff that worked with Cleveland Tomorrow on the initial proposal to create a new foundation intermediary (Neighborhood Progress, Inc.) was senior, knowledgeable about best practices in the field and effective advocates internally. Jay Talbot of the Cleveland Foundation had previously been with the Ford Foundation's "gray areas" program, a comprehensive anti-poverty effort in New Haven; Dan Berry of the Gund Foundation and Lance Buhl of BP America were equally experienced and helpful. Leadership of both Cleveland and Gund Foundations—Steve Minter and David Bergholz respectively—had significant first-hand community development exposure, Minter with Lexington Village and as Welfare Director for the State of Massachusetts. Bergholz from Pittsburgh had been deputy director of the Allegheny Conference (a model for Cleveland Tomorrow) and a senior executive with Action Housing, both nationally recognized civic organizations. Foundation staff played an active role in ensuring its success. Not only did they help structure proposals to ensure they aligned with foundation expectations, but they also nurtured Foundation board champions for the agenda and later served on NPI grant making and loan committees.

Cleveland Tomorrow

Cleveland Tomorrow was a newly formed organization (1985) of Cleveland's 50 largest headquarter companies. The strategy developed by Mckenzie Company called for CEO leadership to participate directly in a limited set of Cleveland Tomorrow priorities and a range of affiliated organizations. The agenda focused heavily on downtown and tourism, regional economic data, the Cleveland Advanced Manufacturing program, Playhouse Square, and neighborhood revitalization. A key expected outcome was shaping public policy and government funding decisions to support Cleveland Tomorrow priorities. Surprisingly, neighborhoods made the list. Not a top priority, but still. . .

So why did Cleveland Tomorrow agree to act as fiscal agent for CNPP and later as a funding partner? I believe a mix of factors figured in their decision. The public/private partnership as a means of realizing social objectives was very much in vogue in the Voinovich era and the foundations wanted to engage corporate leadership in a broader civic agenda. Cleveland Tomorrow wanted to have a voice in how an organization it might affiliate with was structured, especially since its member CEOs might be directly engaged. This was especially true for the banks, which were looking at community reinvestment issues, and BP/Sohio, needed to be viewed as a good citizen as it located its new headquarters in Public Square. The fact that many of the headquarter bank banks were in the process of consolidation through mergers and acquisitions and needed to demonstrate in the Community Reinvestment Act environment that they were meeting the credit needs of Cleveland neighborhoods. Serving on the NPI Board lending to CDC projects, and tax credit investments contributed to a favorable CRA assessment. In addition to corporate Realpolitik, Cleveland Tomorrow staff believed in the neighborhood strategy and wanted to see it work.

It should be noted that missing from this corporate leadership group were the non-headquarter companies (e.g., auto and steel) as well as the CEOs of the universities and hospitals in the city whose operations had a significant impact on Cleveland neighborhoods.

Neighborhood Progress, Inc.—A Foundation Operating Intermediary

Based on the favorable assessment by Ed Skloot and recommendations from James Pickman for the Cleveland Foundation came a proposal in 1989 from Cleveland Tomorrow for a new 501 (c) 3 organization—Neighborhood Progress Inc. (NPI)—to manage an operating grant support program, technical assistance, and real estate finance for community development corporations in the city.

The name for the newly formed organization was not chosen after a carefully considered strategic planning session but was more a shared understanding that the agenda required more than a program and an ad hoc funding partnership, that progress was a reasonable goal and that including Inc. in the name would indicate a business approach likely to be more favorable viewed by the banks and private investors.

Followed a two-year, $4.2 Million aggregate grant request to the Cleveland, Gund, Standard Oil later BP, Ford, and Premier Industrial foundations to expand and deepen the CNPP model by significantly increasing the level of foundation support for community development. Support grew to $7 Million in 1991-93 and has continued in three-year cycles to the present day. The proposal outlined a basic structure and proposed outcomes. There was consensus on goals, priorities, governance, budget and staffing. Initial outcomes would determine future direction and support as the partnership evolved and results warranted further investment.

NPI's version of the public-private partnership not only included the big three—business, city and foundations—but also gave neighborhood organizations seats on the Board. Board membership was restricted to senior leadership who set goals and policy rather than staff, who were expected to implement. Demands on the Board increased over time as NPI became more complex and business demands on corporate leadership increased.

In addition to the shared agenda of improving neighborhood conditions, each of the partners also benefited in its own way from this intermediary structure. The foundations were better able to leverage their resources for greater impact and align with best practices nationally; corporations got social peace and support for a downtown redevelopment agenda; City government got a non-profit community development infrastructure. All three had the added benefit of an intermediary to take the heat for unpopular decisions that were inherent in a scarcity environment. Finally, the CDCs got more funding for projects, operating and planning support for local capacity, and a seat at the table.

Operating Assumptions and Governance

Cleveland was one of several US cities (Pittsburgh, Atlanta, Indianapolis, Portland, Baltimore, Philadelphia, Memphis, El Paso and New Orleans) that created a local foundation intermediary. These cities were part of the Ford Foundation Community Development Partnership Network, which shared best practices and common problems. NPI also developed a working partnership with the two national intermediaries, Local Initiatives

Support Corporation (LISC) and Enterprise Foundation (Now Enterprise Community Partners) to further leverage resources and ensure that there was an integrated strategy.

While there was no single strategic plan developed through a citywide process with metrics and outcomes, there were several shared operating assumptions among the funding partners about how NPI would go about its business.

Based on success of the CNPP model, stakeholder agreed that a local intermediary was the best way to develop a common agenda, engage business leadership, and leverage resources.

The goal was collaborating with national players to develop a shared agenda and efficient use of resources and expertise. To ensure that LISC and Enterprise continued to do business in Cleveland, NPI provided operating support for their local staff based on a shared strategic framework and understanding regarding priority projects. An agreement to coordinate operations with LISC was finalized in 1995. Both LISC and Enterprise channeled national funding to NPI programs, projects and grantees through the National Community Development Initiative (NCDI), as well as providing financing for projects. Informally, the parties agreed that the national intermediaries, not NPI, were better suited to secure corporate investment via the Low-Income Housing Tax Credit. (A vehicle for corporate investment in low-income housing projects). To have both LISC and Enterprise operating in the same city with a local intermediary was not common practice nationally. This meant that Cleveland could access national resources and expertise while maintaining local governance and a shared neighborhood strategy that addressed Cleveland's priorities.

The partners quickly reached agreement on how it would conduct its business. Racial balance in grant-making, staffing, and board leadership was assumed. Equity, transparency and performance would guide CDC grant-making. In a resource-scarce environment, focusing on assets and targeting would be encouraged. Professionalizing CDC operations—staff, board leadership and financial accountability—and building the operating framework to support CDCs and their development agenda were initial priorities. It was believed that outcome would be greater productivity (bricks and sticks), stronger organizations, and a functioning funding partnership. This combined with school district reform and improved public services would lay the foundation for neighborhood renewal.

NPI focused exclusively on Cleveland neighborhoods, leaving regional issues to others. Likewise, NPI did not include Downtown and University Circle, where the business community, the hospitals and university had their own agendas that were not primarily neighborhood focused. The issue of anchor institutions in a place-based strategy will be discussed further in the assessment and future directions sections. (See chapter 7 and chapter 8). Also missing was any discussion of how this strategy would address the fact that Cleveland was a very poor city and that increased private investment in real estate ventures was alone unlikely to remedy the situation. A parallel organization, Poverty Commission, with a focus on social services and the culture of poverty was formed as a civic/foundation response to address the issue but it had no direct connection to NPI and its future activity.

So NPI was to stay out of politics, and policy was for others. Unlike the Ford Foundation's earlier efforts to shape policy nationally, NPI was not expected to beta-test solutions that the public sector could scale with greater resources. If that occurred, it was a side benefit, not the focus. As the name Neighborhood Progress, Inc. implied, progress was to be achieved by adopting a more businesslike approach to community development, a modest goal. Over time NPI evolved from a funding intermediary to a more pro-active venture model with mixed results.

Structure and Program

The bylaws called for audit, project finance, and CDC grant committees. Each committee was chaired by a board member and drafted outside expertise as needed. The operating grant committee consisting of foundation and city staff made CDC funding recommendations to the board; neighborhood reps did not review proposals. The real estate loan committee included loan officers from participating banks. Over time, the project finance committee became a separate 501c3 subsidiary of NPI known as the Village Capital Corporation; New Village Corporation, a real estate development subsidiary, was created later to execute joint ventures with funded CDCs. A capacity-building program for staff and organizational development called Quantum Leap was added to the mix. NPI evolved from a funding intermediary managing a CDC grant program to an operating intermediary working in partnership with CDCs to realize their development agendas.

The NPI Board

NPI was conceived as a public-private partnership representing community stakeholders each with different interests that came together to advance a shared agenda. At its core was a multiple-foundation intermediary, a conduit and manager of foundation funding for community development. It was also an affiliate program of Cleveland Tomorrow, with CEO membership. City government had board reps, and while the City did not fund NPI directly, it did fund CDCs and their projects. Also, CDCs through their trade association (Cleveland Neighborhood Development Coalition) finally had a voice in policy and priorities. CNDC was an independent organization not affiliated with NPI which allowed it to develop its own agenda and priorities based on neighborhood concerns.

The formal structure at NPI continued to evolve, and chances that it would endure for the long term, given the three-year foundation funding commitment, were uncertain. As one CEO told me, “We didn’t think you’d last more than a couple of years,” or in the words of Mort Mandel, “NPI exceeded our original expectations.”

NPI’s board was initially structured to represent the four classes of community stakeholders. Four corporate CEOs were appointed by Cleveland Tomorrow, with James Ross, CEO of BP America, selected as board chair. (Appointing a corporate CEO as board chair continued through several funding cycles.) CEO members were expected to be directly involved and not delegate their Board responsibilities to staff. The Gund and Cleveland foundations appointed board members from their respective distribution committees, not staff. The operating assumption was that Foundation lay leadership should be directly engaged as NPI Board members and represent NPI to Foundation trustees rather than Foundation staff who were not expected to play a policy role. This understanding slowly reverted to the more traditional relationship as programs and complexity grew.

Six neighborhood board members were chosen by the neighborhood advocacy coalition and Cleveland Neighborhood Development Coalition, the CDCs’ trade association. The City of Cleveland’s chief of staff and the president of city council were also represented. This was a high-powered, diverse board designed for collaboration.

That it was able to work around a shared agenda speaks well of the individual board members and was integral to NPl's initial success. A small example of the effort to create a shared leadership culture was setting Board meetings to accommodate work schedules of members. James Ross at BP could be in London, Alaska, South Africa, or Cleveland on any given week, while Inez Killingsworth, a neighborhood rep and a School District employee, worked in food services on the day shift, so late afternoon meetings were the norm.

NPI reinforced its neighborhood connections by locating its office in neighborhood projects, including the Gordon Square Arcade in Detroit Shoreway, followed by the Glenville Enterprise Center, Ohio City's Market District, and finally St. Lukes in Buckeye Shaker. That helped the project's bottom line and ensured that corporate board members got a feel for the neighborhoods they were supporting.

The Board set policy, budget, overall direction, and program, as well as providing staff oversight. It was not expected to micromanage. The Board business acted on recommendations and motions from various committees and subsidiaries where members were likely to get into the detail of the programs and projects. If a Board member felt strongly about an issue, they would try to find consensus or let the issue go, if it wasn't vital to them. Board meetings were collegial affairs. We did not discuss how corporate members and foundations were fulfilling their commitment to neighborhood renewal or ways to improve their own performance. Cleveland capital budget requests to the State and CRA reviews were never a Board topic.

Financial controls were paramount to our credibility since we were a complex organization, pushing the margins; the prospect of going off the rails was always present. The committee for annual audits included members from each of the membership classes chaired by a Board member with deep financial skills and non-profit law expertise, like John Shields, former CEO of Finast, Hossein Sadid, CFO of Case Western Reserve University, and Paul Feinberg, partner with Baker Hostetler and counsel to the Gund Foundation. Barb Hoffstetter as our CFO kept multiple financial obligations and controls in working order.

Over time, the organization became increasingly complex and technical, with greater demands on Board oversight and strategic direction. The Board evolved from one that met quarterly to review foundation proposals and evaluate performance to a complex operation with multiple subsidiaries, partnerships and committees chaired by NPI Board members.

In communicating to the larger community, NPI's role in helping advise and advocate for CDCs and their projects was a challenge.

As an intermediary, NPI operated on a three-year funding cycle and never transitioned to an "evergreen" grantee relationship. Our proposals to core funders were reviewed and approved by the NPI Board, but it was understood that whatever the Board approved would then be subject to Foundation review and approval, and, if needed, our goals and outcomes might need to be amended. This seldom happened.

NPI Staff and Operations

Tom Cox was hired as NPI's first president in 1989 after a national search. The foundations believed that it was important to recruit someone from the CDC world for credibility, someone from the outside who brought a fresh perspective—without the local baggage. Cox fit the bill. Prior to NPI, he was director for nine years of one of the premier CDCs in Pittsburgh. A Yale graduate and Episcopalian priest, Cox saw himself as a change agent who believed that private investment was key to neighborhood recovery. "I didn't come here to rearrange the deck chairs on the Titanic," says Tom.

He would be the only outsider selected to manage the community development agenda in Cleveland. In 1993, he left to be deputy mayor of Pittsburgh, a position he held for 12 years. During his time at NPI, he kept corporate leadership and the foundations at the table, brought a sense of urgency and commitment to housing market recovery and the CDC strategy, and in the process laid the groundwork for much of what was to follow.

In the beginning, NPI had three professional staff who managed multiple activities (Kim Kimlin, Daryl Rush and me) along with an office manager (Rae Shea) who in the beginning and for 25 years thereafter kept the organization on an even keel. Eventually NPI would grow to a staff of 15 +/- but we maintained a program/operating overhead ratio of 94 percent and kept providing operating support for CDC our first priority. See Appendix for detail about key staff and Board members.

When Cox left NPI to become deputy mayor of Pittsburgh, I was selected as acting president, and after an extended search was hired to build on what was working and keep the neighborhood/CDC focus rather than chart a new direction. So, what was that foundation, and what was built?

Strategic Issues

Cox had summarized NPI's strategy at the first board meeting as follows: "To create an internally generated development process in neighborhoods where the private market is not functioning properly by supporting and empowering decentralized neighborhood-based operations. CDCs." NPI's mission statement elaborated on this: " To strategically invest in community development corporations and their development agenda in order to increase economic opportunity, build local capacity, create private investment opportunities and advance stakeholder objectives."

Buried within this "banker speak" was the assumption that in a no growth region, a market/investment approach when combined with better city services, safety and quality schools would improve the quality of life for existing residents and attract those who wanted to live in a city.

In a no growth region, for Cleveland neighborhoods to prosper, they needed to compete with the suburbs for middle income homeowners and quality retail services. They needed to become, or remain, neighborhoods of choice that were desirable places to live and raise a family- not a last resort for those who had few choices.

Investing in CDCs and their agenda was viewed as a critical element in linking private investment and capacity with public and philanthropic resources. In practice, this meant a focus on assets and an expectation that CDCs would manage tensions that arise from serving the needs of low-income residents while seeking to attract and retain those with greater choices. In a no-growth region defined by suburban sprawl, this was—and remains—a stretch goal.

Housing values were seen as one indicator of neighborhood health and competitiveness, not the end goal. The operating premise for NPI was that the CDC strategy was the best way to ease the tension between improving quality of life for existing residents with few choices and providing the amenities necessary to attract and retain a more affluent middle class. In this environment, the issue was how to deploy scarce grant resources and staff for maximum impact.

The human resource issue was essential to our approach because without effective neighborhood-based organization with excellent staff and Board members who were able to translate community needs into a realistic agenda, the big picture goals would be nothing but rhetoric that raised expectations that were not met.

NPI was not a social service operation, our focus during this period was on transactions, with a premium placed on execution. Both market-rate and low-income housing were pursued as resources came available. Investment decisions were based in part on neighborhood priorities that emerged from the planning process of the funded CDCs.

NPI's neighborhood revitalization strategy was built on CDCs and support for project managers. In the beginning, the real estate development focus was on single-family rehab, home repair, weatherization programs, and retail merchant support, in line with local capacity. Of the fifteen CDCs initially receiving operating support from NPI, there was a wide range of development capacity, often related to staff quality and market opportunities. Training programs, development coaches, and various forms of technical assistance were viewed as necessary adjuncts to operating grant support for project managers. Over time, because projects became more complex and markets crossed ward boundaries, the ability of CDCs citywide to support development staff financially and deploy them effectively became more of an issue. This led to an increased role for New Village Corporation in some instances and, more significantly, the Cleveland Housing Network.

Tactics

Within its core mission—supporting CDCs—NPI could respond to changes in local conditions, changing environment and economy. This required flexible tactics and strategies. While never explicitly stated, these approaches guided operations and strategy.

NPI "Fortune Cookies"

- Focus on neighborhood Assets not Liabilities.
- Listen to the community
- Markets matter.
- Break Down Silos.

- Right size the problem/solution to ensure successful outcome.
- Target scarce resources and avoid peanut butter approach.
- Beware the White Whale projects and keep focus on the big picture
- Quality lasts.
- Invest in people and their priorities
- Partnership and collaboration are key.

NPI Programs and Subsidiaries

To advance its strategy for neighborhood reinvestment, NPI developed a set of programs to support CDCs and leverage public, private and philanthropic resources these included: a performance based operating support program (CNPP), a human resource and organizational development program (Quantum Leap), a real estate finance subsidiary (Village Capital), a real estate development subsidiary (New Village Corporation), and an applied research and development capacity.

Cleveland Neighborhood Partnership Program

Providing multiyear operating support to CDCs citywide was the core NPI program (CNPP). Based on a competitive request for proposals, NPI supported, on average, 18 CDCs in a city with 33 council wards and 35 neighborhood planning areas. Annual grants of $125,000 to $175,000 were awarded to the more established CDCs. For emerging ones, the range was $65,000 to $100,000. In addition to project financing support, NPI provided technical assistance and training resources. A committee of local funders made decisions on grantees following staff write-ups and recommendations. Total operating grant support to CDCs over three years was approximately $7Million.

The CNPP proposal format called for identifying neighborhood strategies, projects and likely impact. Neighborhood support for priorities was required, as were timeline and deliverables. Use of funds was detailed, and an annual audit was expected. NPI prioritized targeting resources for impact, and preference in funding tended to favor project managers. In addition to NPI support, most funded CDCs received federal Community Development Block Grant money from the city, council ward allocations, project fees, and local fund-raising.

Expectations were that grantees would be better managed, remain connected to the community, produce new and rehabilitated housing units, visibly improve the neighborhood, stabilize retail corridors, and address safety and blight. A memorandum of understanding defined the terms of the grant commitment and expected outcomes, as well as what NPI was expected to provide grantees to realize their objectives. These agreements informed NPI's request for foundation support–goals achieved and future direction. The CDCs' success determined NPI's funding level and required that we work together for a common outcome.

A key element of NPI'S operating grant commitment to CDCs required a selected target area for redevelopment that described development/project goals. Planning grants were given, and training was offered. Starting with a SWOT analysis (strengths, weaknesses, opportunities and threats) stakeholders began to craft a plan for the neighborhood. One of the key real estate training elements was producing a two-page go/no-go decision paper to clarify what a successful development would require. Funded CDCs received support to hire a project manager and access to Village Capital predevelopment funding. A memorandum of understanding between the CDC and NPI outlined a timeline for deliverables and identified the resources needed. Over time, this was refined as the Strategic Investment Initiative, which took targeting and comprehensive redevelopment to another level with mixed results, given resource, market and ward-based challenges.

CNPP Support

According to Bill Whitney, former ED Detroit Shoreway Community Development Corporation, "Doing a real estate development project generally takes longer than a year. And if you're going to do it right—by building a neighborhood rational planning process—it can take even longer. When you must keep hiring new project managers, there's a learning curve, almost like starting all over. The great thing about being able to count on ongoing multiyear support from CNPP has been the stability it has given us. Relationships are built, as well as a development team that knows the big picture and is used to working together."

CDC Grantees: The following CDCs received multi-year operating support grant through CNPP:

Amistad Development, Bellaire Puritas Development Corporation, Burten Bell Carr Development Inc., Buckeye Area Development Corporation, Clark Metro, Cudell Improvement, Detroit Shoreway Community Development Corporation, Famicos Foundation , Fairfax Renaissance Development Corporation, Hough Area Partners in Progress, Ohio City Near West Development Corporation, Northeast Shores Development Corporation, Mt. Pleasant NOW, Stockyards Area Development, Shaker Square Area Development Corporation, St. Clair Superior Development Corporation, Tremont West Development Corporation, Union Miles Development Corporation

Capacity Building (Quantum Leap)

The evolution of community development corporations from volunteer neighborhood advocacy organizations to a system with professional staff, board leadership, financial controls, real estate development and planning skills in multiple neighborhoods was a significant achievement. As stand-alone 501c3 nonprofits, rather than the development arms of established social service organizations, CDCs had to be built from the ground up. There were trade-offs to this approach which will be discussed later.

In short order, Cleveland went from a few community development corporations to 30 501c3 organizations employing approximately 200 employees in total, some more than others. Each CDC had a community board of directors. The capacity and neighborhood base of these organizations varied. From 1988 to 1991 the median operating budgets of existing CDCs increased from $325,000 to over $500,000 and the level of real estate production grew significantly.

Initially, intensive training for a limited number of executive directors was provided by the Development Training Institute and through a certificate program in economic development offered by the National Development Council. In addition, the Center for Neighborhood Development at Cleveland State University provided training and coaching for staff and board members. NPI also worked with ShoreBank Advisory Services and Charlie Rial to develop a real estate training program, one outcome being the one page "go-no go project feasibility paper that helped clarify the difference between a problem and a project. Building on these efforts, NPI realized that creating a high-quality, sustainable community development system demanded a targeted investment strategy to address human resource and organizational needs.

To address this situation, NPI formed a human resource advisory committee chaired by retired Finast CEO Richard Boglomony which contracted with the Development Training Institute to survey 27 executive directors of community-based development organizations (CBDOs), senior development staff and board chairs. The findings were summarized in a report, "**Investing in People…A Human Resource Plan for Investing in Cleveland's Neighborhood Development Industry"** that addressed workforce and community characteristics, recruitment and retention, compensation/salary and benefits, training and education, career development and personnel practices. Grants from the Ford and Rockefeller Foundations initially supported this work.

Based on this survey and recommendations from its Human Resource Advisory Committee, NPI then conducted a national search for a senior human resource professional to implement the capacity building plan. We hired Daryl Burrows from Bethel New Life in Chicago. Burrows, a Harvard grad with over 20 years' experience in human resource training and organizational development, made a "Quantum Leap" in our capacity building efforts. To support the next level of system building we submitted, along with the local LISC and Enterprise offices, a multi-year grant request of $375,000 to the Human Capital Development Initiative (HCDI), a consortium of national foundations. The request was approved.

Of the 30 Cleveland CDCs, 21 participated in Quantum Leap, including those that received operating support grants from NPI. Quantum Leap provided a mix of training, staff and board development, consultants, coaches, search firms and peer support. The goal was to build stronger CDCs with the capacity to make a difference in their neighborhoods. It was based on the CDC's assessment of its own organizational needs and mutually agreed upon operating guidelines. Capacity building was seen as professionalizing operations while maintaining core community values.

Quantum Leap functioned, in effect, as the human resources department of the local CDC industry. Working with the Center for Neighborhood Development at Cleveland State University and the Mandel Center for Nonprofit Organizations at Case Western Reserve University, Quantum Leap helped create an organizational template and human capital agenda for the emerging CDC field in Cleveland.

Real Estate Finance and Development—A Synergistic Approach

Village Capital (Development Finance)

In 1993, NPI created Village Capital Corporation (VCC) as a wholly owned 501a 3 subsidiary designed to serve as NPI's real estate finance vehicle. VCC provides flexible investment funds in the form of loans and grants to community-generated real estate projects in Cleveland's distressed neighborhoods.

Initial funding came in the form of program-related investment loans (PRI) and grants from BP America, The Ford Foundation, The Cleveland Foundation, Cleveland Tomorrow, the George Gund Foundation, the National Community Development Initiative, and the Premier Industrial Foundation. PRI loans allowed foundations to provide below-market-rate financing with favorable terms to VCC for nonprofit-sponsored projects while enabling private foundation funders to meet minimum distribution requirements. VCC subsequently was awarded two equity investments from the Community Development Finance Institutions Program of the US Treasury totaling $2.8 million. These helped secure program-related investments from foundations, and bank lines of credit. Later the Cleveland Foundation converted its $10 million PRI loan to an equity grant. Over time, VCC had upward of $20 million in loan capital under management.

VCC was governed by a 13-member board of trustees comprised of representatives from the investment community, the city administration, real estate, law, finance and development. Board members were incredibly important in that they were senior management who gained an understanding of why the project mattered, how it would fit into their own institution's loan underwriting, as well as providing guidance to staff who would be responsible for structuring the banks' participation. Within this framework evolved an understanding about how risk should be apportioned. The chair of the VCC board was also an NPI board member, and in several instances the chair of VCC would later become NPI chair. Bud Koch (Charter One) and David Goldberg (Ohio Savings) were two notable chairs. Talented finance professionals Kim Kimlin, Deb Janik and Linda Warren, developed policies and procedures, packaged loans and helped provide strategic direction for the board. Despite a thin support staff and a charitable-purpose mandate, VCC was able to provide critical funding for a range of projects that advanced NPl's overall agenda with minimal losses. The loan portfolio was reviewed annually by an outside auditor, and loan-loss reserves were allocated accordingly. Net asset ratios, pricing fees, and credit quality were adjusted for market conditions and industry standards. VCC's general underwriting policies required that: 1) the projects be catalytic and make economic sense in the long run; 2) the local community development corporation be a partner/sponsor; 3) the projects be carried out by an appropriate development team; 4) the transactions leveraged other private/public investment; 5) projects must be located in CDBG-designated areas within the city of Cleveland.

In a weak market environment where there is a value gap between the cost of creating a quality project and its appraised value, structuring a deal that makes economic sense for the developer, the private lender/investor, and the public sector required VCC to provide flexible financing products. Of particular importance early on was predevelopment financing in the form of recoverable grants that enabled the CDC to assess feasibility, identify environmental issues, and obtain site control options. Once the project moved beyond feasibility, VCC would provide acquisition and construction loans and was instrumental in bringing other lenders to the table and providing gap funding as needed. VCC grant and loan products included: feasibility, pre-development and project grants: bridge, acquisition, construction, mini-perm, and linked deposits. In addition to funding CDC projects directly, VCC would also manage and structure PRI loans on behalf of local foundations for larger neighborhood catalytic projects done by private developers, such as Beacon Place Shopping Center in Fairfax.

> **"**VCC often takes the front-end risk by providing the gap financing that enables a CDC to go forward with a project which it might have trouble interesting a commercial bank (in) at that stage. A combination of recoverable grants and flexible loans makes many neighborhoods' deals possible." *—Deb Janik, former Village Capital VP for Community Finance*

New Village Corporation (NVC)

New Village Corporation was formed in 1990 as a real estate development affiliate of NPI in response to an RFP from the Department of Housing and Urban Development for developing affordable home-ownership projects for low-income residents. NVC using the Nehemiah grant program leveraged city grants and bank financing for two such projects in the Glenville and Central neighborhoods. Both were done in partnership with the local CDC. There was no long-term plan for NVC, only the opportunity to bring needed resources to Cleveland to address a perceived need it evolved in support of NPl's core mission of fortifying CDCs through partnerships, developing catalytic projects in communities of need.

It focused on large, complex neighborhood development projects for which the private sector had little appetite and the CDC often lacked the resources and expertise to undertake on its own. In these projects, NVC entered a joint venture limited liability partnership with the CDC in which key management decisions and development fees were equally divided. In addition, the CDC took the lead in neighborhood planning, community engagement, and supporting activities like merchant associations and housing rehab. The projects were often "hero deals"—large commercial projects or mixed-use shopping centers, neighborhood supermarkets, or market-rate housing of scale, and they could be both new construction and adaptive reuse. Village Capital played a critical role in providing early financing to all the projects undertaken by NVC.

Of particular importance in developing a retail strategy was partnership with Cleveland's Saltzman family. This led to development of four Dave's Supermarkets in underserved neighborhoods, providing jobs and groceries, often as part of a larger placemaking investment plan (See PlaceMaking Deals for further detail.)

NVC's largest retail project was purchase and renovation of the 220,000-square-foot Lee-Harvard Shopping Center in a joint venture with Amistad Development Corporation, the local CDC, and Forest City Enterprises. NVC used a $500,000 loan from VCC to acquire the shopping center. The $22-million project created and retained 810 jobs and a range of quality retail tenants, including a supermarket and 20,000 square feet of medical office space for the neighborhood.

The most complex project undertaken was the $65MM mixed-use, multi-phase redevelopment of the historic St. Lukes hospital campus. (See Placemaking for further detail.)

NVC was governed by a small Board of experienced real estate development professionals chaired by Robert

Kaye, who at the time was CEO of Metropolitan Savings as well as a major real estate development company in New Jersey. NVC operated with minimum capital and staff. Russell Berusch, who would become vice president for commercial development at Case Western Reserve University, was NVC's first real estate VP. Staff consisted of a project manager, NPl's accountant/CFO and other NPI/VCC employees as needed, including the CEO who filled in during staff transitions. Although NVC was a subsidiary of NPI, with the exception of the St. Lukes redevelopment, NPI never co-signed on a project, though NVC's balance sheet was reflected in NPI year-end financial statements. NVC only did deals with CDC partners in neighborhood transition areas with undervalued assets and unrealized market potential.

During this period, no NVC project failed. While NPI provided support for core staff, NVC covered its operating costs from project revenue and was never a financial drain on NPl's core operations. NVC successfully completed 12 projects valued at over $150 million, often working in tandem with Village Capital, which provided risk capital and early-stage financing.

R&D Initiatives

NPI had a broad mandate and staff able to multitask. Over the period discussed, several studies and exploratory initiatives were undertaken to address neighborhood issues and related resource needs. While intended to support CDCs, NPI staff was often the primary driver, while the board provided budget and program oversight to some of the higher-risk projects. R&D was not seen as a core NPI function, and its potential was never fully realized, but a look at the activities undertaken suggests that applied R&D could play a significant role in shaping strategy for a community development system. Whether this was a role for NPI, either to keep in house or spin off to another entity, and if so, how best to make this a core NPI funded function was never resolved. The list of R&D efforts is still impressive, however.

- **The Neighborhood Economy Initiative and ShoreBank:** Bringing private market resources and expertise were priorities for the foundations and corporate community. ShoreBank was a community lending institution with extensive experience in providing credit to distressed municipalities in Arkansas and Chicago. NPI helped bring ShoreBank to Cleveland by acquiring and stabilizing an abandoned factory facility (the Pullman torpedo plant) on the east side to serve as a business incubator for minority enterprise. NPI was a tenant of the Glenville Enterprise Center, and an advocate for the $5 million in seed capital for ShoreBank from Cleveland Tomorrow and the Cleveland Foundation.
- **Building a Sustainable Housing Production System for Cleveland's Neighborhoods:** This study by the firm Hamilton and Rabinowitz was commissioned by NPI, LISC and Enterprise in 1997 to assess the real estate finance system and recommend ways to increase housing production in the city to 500 for-sale units and 1,000 home-improvement loans annually. This represented a 57-percent increase from existing output levels, and if sustained over a five-year period was projected to stabilize the Cleveland housing market.

To realize this increased volume, $49 million in additional nonmarket funding was proposed in the form of subordinate debt, nonrecoverable grants, funds for home repair financing, land assembly and infrastructure. Bonds, tax-increment financing and new forms of creative financing were recommended.

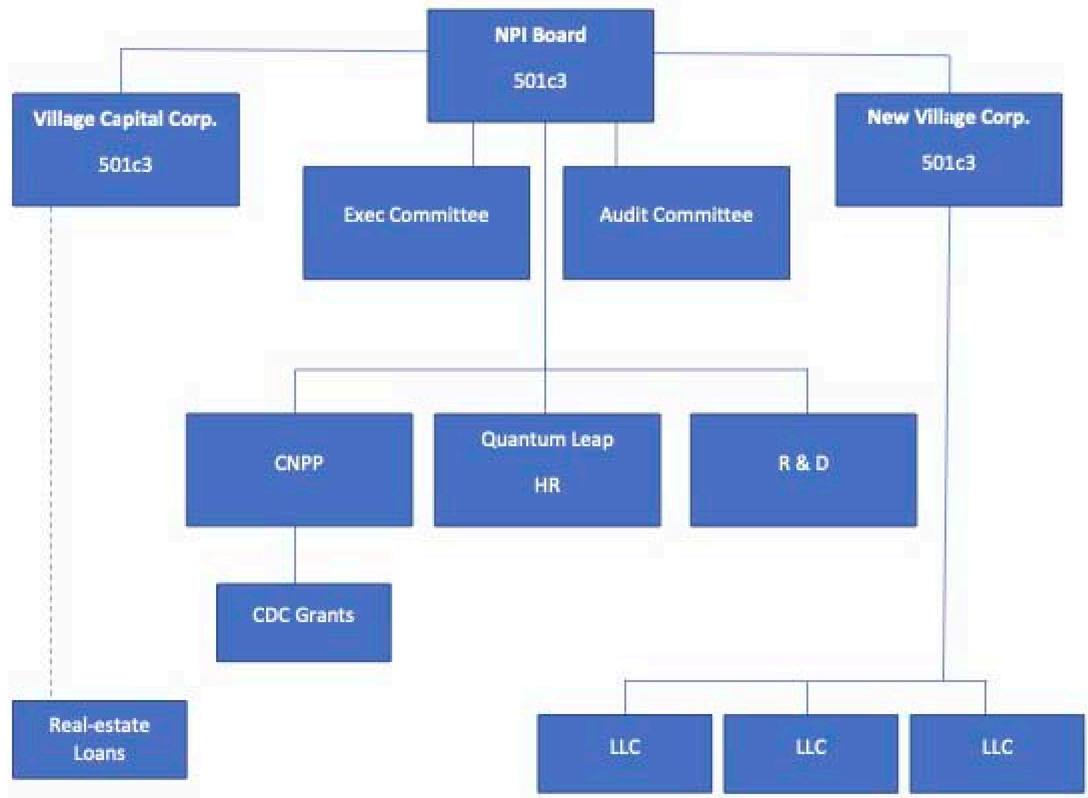
In addition to financial products, the report recommended a more targeted and comprehensive approach, expanding the pool of builder/developers and citywide capacity to assemble land, structure financial transactions, and manage a large and growing portfolio of rental property. While never fully implemented, the study provided a template for the types of financial capacity needed and the resources necessary for Cleveland to "go to scale."
Home Repair – The Fix-It Fund: This fund targeted non-historic district neighborhoods for emergency repair and exterior upgrades. It was our attempt to deal with a preservation agenda in middle market neighborhoods targeted by funded CDCs where abandonment and vacant property was not the defining issue. In the pilot stage, the Fix -It Fund originated 210 loans, and later a key element in our Model Block initiative. NPI followed with a proposal to the administration of then-Mayor Jane Campbell's administration for underwriting a home repair bond fund based on the Fix-It Fund model. The Administration rejected it for fear it would negatively affect the city's bond rating.

- **Vacant Property and Land Assembly:** As foreclosure and abandonment began to increase in several at-risk neighborhoods acquiring vacant property went beyond the capacity of most CDCs or the city's landbank and required a more proactive approach. In response, NPI commissioned a study by Smart Growth America in 2003 to analyze the situation and recommend a response. **Cleveland at the Crossroads: Turning Abandonment into Opportunity,** the study by Allan Mallach and Joe Schilling in 2005 was one of the first of its kind nationally undertaken by Smart Growth America. It   addressed the issue of vacant and abandoned property and made a series of policy recommendations that supported forming the Vacant and Abandoned Property Action Council (VAPAC) a county-wide multi-agency coalition, a property data system at Case Western Reserve University. (NEO CANDO), and code enforcement policies for Housing Court. (See Mortgage Foreclosure section for further info.)
- **Reimagining A More Sustainable Cleveland and the Cleveland Pattern Book:** A joint initiative of NPI and Kent State University Design Center led by Bobbi Reichtel and Dr. Terri Schwartz, produced a report and series recommendations for green space reclamation to address right-sizing Cleveland in a period of population decline and growing vacant land inventory. The recommendations were adopted by the City Planning Department. A "how to" pattern book for green re-development for neighborhood practitioners was also produced. (See Cleveland Response to Sub Prime Mortgage Collapse for further detail.)
- **Cleveland Neighborhood Main Street Initiative:** A two-year pilot working with LISC, the Cleveland Neighborhood Development Corporation and four CDCs, this integrated real estate development with marketing and merchant organizing.
- **Brownfields Redevelopment Initiative:** A Brownfields Resource Information Guide, prepared by Paul Christensen a former McKinsey associate and NPI staffer worked with the   Cuyahoga Planning Commission to provide technical assistance and support for projects requiring environmental assessment and remediation. The initiative helped the City of Cleveland in applying for a blanket Urban Setting Designation to expedite cleanup of 9,000 acres of vacant or abandoned industrial land.

Legislative recommendations to the city for assessing groundwater contamination on brownfield sites were also drafted.

- **Land Assembly:** NPI assembled a working group with Kermit Lind of the Cleveland State Law School to help CDCs acquire privately owned property in areas targeted by the Strategic Investment Initiative. The land Assembly Team lead to the formation of neighborhood Stabilization Team the precursor of the county side Vacant Property Council. In addition, New Village Corporation formed a subsidiary LAND LTD (Land Assembly for Neighborhood Development) to hold privately acquired property north of Chester Avenue adjacent to the Cleveland Clinic and a target area north of Case Western Reserve University. We partnered with two private developers and a local CDC (Famicos Foundation) to build market-rate homes on 50 vacant lots for employees of University Circle institutions. We had hoped to develop a model like the University of Pennsylvania's neighborhood/ employee program in West Philadelphia, but we were not successful. While we never did build the 50 market rate homes for sale, Finch did build Innova (a multi-family mixed use development) and CHN built Heritage Homes (a senior LIHTC apartment building).
- **Other**: Staff-driven efforts to address different aspects of neighborhood redevelopment included a) a study of Cleveland's retail market done with private developer Forest City that mapped neighborhood supermarket potential in underserved areas (food deserts) and helped inform work with the Saltzman family's siting of new facilities; b) a feasibility study for a preliminary proposal to Cuyahoga County by Starting Point for developing new child-care; c) various marketing efforts to promote neighborhoods.

Note: For a comprehensive overview of NPI related material see: Neighborhood Progress Research Collection compiled by Bob Jaquay of the Gund Foundation.



NPI Board Chart. 1988

Chapter 4 Cleveland's Community Development Ecosystem

While Neighborhood Progress, its subsidiaries, and the CDCs it supported were important components of the Cleveland Community Development system, the operational reality was complex and nuanced. The Community Development ecosystem focused primarily on the housing, retail and land use needs of Cleveland's neighborhoods.

Cleveland's neighborhoods, especially those on the east side, were losing population. Much of the existing housing stock was pre-World War II. Many wood-frame worker houses were on small lots (40×150), with a single-car garage; the Cleveland doubles or deteriorating small multifamily buildings, all had lingering environmental issues such as lead-based paint, lead water lines and asbestos siding.

As was the case in other older Rust Belt inner cities, retail followed the freeways to the suburbs, with their shopping malls, national chains, and huge parking lots. Local shops that remained clustered along bus/trolley corridors, anchored by neighborhood arcades like Gordon Square, and family-owned convenience stores like Cermak Drugs in Union-Miles, couldn't compete with chains on price and variety. Hollowing out of downtown department stores accelerated flight to the suburbs. Poorer neighborhoods that depended on public transportation were especially hard-hit, creating food deserts and struggling retail districts.

Along with outmoded retail districts, abandoned factories, a low-performing segregated school system, and weak market demand, Cleveland neighborhoods were at a competitive disadvantage with the surrounding suburbs for attracting new neighborhood investment and residents.

The challenges were not equally shared as the legacy of racism permeates Cleveland from redlining, housing foreclosure and collapsing housing values, to police harassment, lack of health care and employment opportunities.

From the days of redlining to the sub-prime foreclosure and vacant property debacle, to poor health and lead paint housing conditions have remained largely unchanged.

The loss of population density during this period – a decline of over 100,000 between 1980-2000 – led to a patch work of abandoned houses, factories, schools, and hospitals often with related environmental costs and absent owners. Unlike the suburbs, re-developing an inner-city project often involved over 30 discrete stages involving multiple public, private and neighborhood actors with a range of financial resources and regulatory approvals. In the end, the deals needed to “pencil out”, address appraisal issues, and compete financially with suburban green field development. Developing an effective system that responded to both neighborhood need and market demand was a significant achievement of the public private partnership.

Strategy Planning Programs

The city under Mayor Mike White, along with NPI and the foundations, supported for-sale new housing in joint ventures with CDC partners and private builders, along with low income tax credit projects complementing CDC housing rehabs and home repair efforts Many of these for sale housing developments were small, suburban-style subdivisions, while others were in-fill housing woven into the existing neighborhood fabric.

Community development corporations first focused on blight removal, arson prevention, and renovating single-family homes for neighborhood residents of limited incomes. The Cleveland Housing Network, working with local CDCs, pioneered the lease-purchase model for reclaiming distressed properties. The focus was on providing decent housing at affordable prices to low-income residents. That meant keeping rehab costs low, in part by repairing rather than doing major system upgrades, and keeping operating reserve funds to a minimum. This approach solved the immediate affordability issue but had long-term consequences which later required a complicated restructuring by CHN, Enterprise, and others to ensure that the homes remained assets for future owners.

A mix of housing strategies to address the need of equitable development balancing low- income housing with middle income new construction evolved. For example, NPI formed its real estate development subsidiary, New Village Corporation, not to develop upscale housing but to secure two Nehemiah Housing Opportunities Grants from HUD to provide homeownership opportunities for public housing residents and the working poor.

Neighborhood Planning

“Make no little plans; they have no magic to stir men’s souls…aim high in hope and work,” said architect and city planner Daniel Burnham. Inspiring, but not the best approach to neighborhood renewal, where often communities have organized to keep plans and planners from destroying neighborhood fabric as Jane Jacobs in her account of Robert Moses in NYC so eloquently described. Burnham helped develop the Group Plan that anchored the public buildings along Cleveland’s lakefront even as the Olmsted brothers designed the Emerald Necklace Metroparks. Notwithstanding these achievements, big plans have not been that helpful for Cleveland’s neighborhoods, the destructive impact of Urban Renewal and Federal Highway construction being primary examples.

To counter this top-down vision, planning staff at the City under Norm Krumholz evolved an approach called Equity Planning, which focused on the needs of resident stakeholders. “More choices for those who have few.” This approach became a national model for progressive planners and in Cleveland influenced a generation of urban activists though it never found a political home. Despite its influence within the planning community, there is not an example of an implemented “equity plan,” which is often honored more in the breach than in the observance by developers. For neighborhoods, the Citywide plans and the major infrastructure and roadway investments have been a mixed bag and have not provided much by way of resources for the work described in this account.

Civic Vision 2000 was the downtown plan. It was followed by **Connecting Cleveland 2020,** the Citywide Plan. Together these foundation-supported efforts had a price tag of $3.5 million. **Connecting Cleveland** was mostly an aspirational plan that called for neighborhoods of choice, celebrated diversity, was green, sustainable, connected, and built for today and tomorrow. The underlying assumption, however, was that most neighborhoods were likely to remain stable or grow, an optimistic assumption that did not materialize.

Nonetheless, each of the 36 neighborhoods identified their vision and priorities. Implementation and management rested with a small, under- resourced planning staff. Neither the mayor nor civic leadership indicated that realizing the plan was their top priority and that they would commit the resources and political capital to make it happen.

In contrast, the 2012 Detroit Strategic Framework Plan, all 347 pages, was far more ambitious in scope, budget and participation. Also, it took the added step of creating an implementation office with staff and operating support to ensure progress and some level of accountability. How successful it was remains to be seen, though the Kresge Foundation's commitment of $50 MM over five years towards implementation is significant.

Infrastructure Planning: Opportunity Corridor

In 2019, the State of Ohio awarded $365 million for the proposed Opportunity Corridor, a multi-lane vehicular roadway through Cleveland's Forgotten Triangle. The purpose of the access road plan was sold as a way to increase economic opportunity in a poverty neighborhood where 40 percent of residents lacked cars, while creating direct freeway access for the Cleveland Clinic's suburban and foreign patients. Little new private investment has been identified at this time, though the city has agreed to build a new district police headquarters and support a new asphalt plant as its primary economic development projects and more is in the pipeline. The Corridor along with construction of a new mega juvenile justice center building in Fairfax has done little to improve neighborhood conditions for local residents who struggled to be heard in the planning process.

So big plans have not been the driver of neighborhood re-investment. What has worked are smaller-scale efforts that have had community input and allow for iteration, adjust as conditions change to solve problems, recover from mistakes, and keep the initiative moving in the right direction. This is an approach used by NPI with its Model Blocks strategy and Strategic Investment Initiative that was improved upon as we learned while attempting to target limited resources for maximum impact.

Model Blocks, Strategic Investment Initiative and Development Action Plans

The goal of building mixed-income neighborhoods of choice went through several versions, from identifying assets and competitive advantages, to an attempt to cluster neighborhoods by type and develop appropriate strategies for each. The term "neighborhoods of choice" was never formally defined in a document with any specificity. Internally it was intended to indicate places where families would choose to live because it was a desirable place, both for new homeowners and exiting resident. The term assumed mixed income not gentrification though this interpretation was not shared by all.

The challenge in adopting this targeting framework was that city council ward boundaries consisted of 10,000 + residents spread out over areas defined by census tracts, not markets, ethnicity or shared history. Each ward had multiple neighborhoods, one CDC and a range of issues and opportunities. Developing a consensus on where to focus and whether to target at all was a challenge in an environment of limited resources and conflicting demands. Nonetheless, we pushed ahead and learned by doing. In the process we found what worked and what didn't; the approach was more art than science and better suited to an organization like NPI that had no planners on staff.

The "model block" approach was our attempt to build neighborhood fabric by requiring that funded CDCs identity streets within their target areas where block clubs were organized to address safety concerns "eyes on the street", provide access to home repair/paint programs, develop community gardens on vacant lots, secure abandoned houses and engage residents in various organizing and planning efforts. Later NPI focused on submarkets in six neighborhoods, creating "The Strategic Investment Initiative." Its goal was to create a comprehensive redevelopment plan around anchor projects and supporting programs. When the mortgage foreclosure wave occurred in 2007 NPI shifted to stabilization strategies for the hardest-hit communities.

Tremont West Strategic Investment Initiative Plan

Tremont West Development Corporation was one of 6 CDCs selected as a Strategic Investment Initiative grant recipient. The following summary from Dennis Keating's ***Brief History of Tremont*** is representative of the SII planning process.

After choosing a Steering Committee and conducting community meetings with residents, TWDC decided to focus on five Tremont sub- neighborhoods: North Tremont, South Tremont, Duck Island, Lincoln Heights and SoTre.

One of the overall objectives was to "establish Tremont's different districts as neighborhoods of choice to live in through real estate development promoting their strengths." While different objectives were identified for each of the five districts, TWDC also had overall goals for the entire neighborhood.

- Transportation and infrastructure enhancements.
- Improvements to the West Fourteenth Street bridge.
- Encouraging interaction between block clubs and neighborhood
- Creating a series of connecting walking, biking and driving routes.
- Create parks and community gardens to provide "melting" pot interaction.
- Retain the existing housing alternatives that are affordable for all Tremont residents.

For its target area for model blocks, TWDC chose the blocks immediate adjacent to two new housing projects: Tremont Pointe and Starkweather Homes. A work plan was completed in April 2007 to implement this plan.

Public Sector, Resources and Programs

In the absence of an overall neighborhood redevelopment plan for the city and the fact that Cleveland did not have a redevelopment authority, how did neighborhood deals get done, and how did various players co-ordinate their efforts and prioritize development opportunities?

In a low-growth region, the suburbs have a built-in advantage due to costs of environmental remediation, land assembly, appraisal gap issues and weak market demand in the city, all compounded by race and poverty. To overcome this legacy, gap-financing tools evolved, and a savvy cadre of developers and nonprofits have found ways to do business in the city. **There are 110 sources of government/foundation financing for neighborhood housing and commercial industrial projects in Cleveland.**

Aligning these sources with project requirements is a key component of getting deals done. It involves over 35 discrete stages to get to the finish line starting with a feasible development concept for a buildable site with manageable environmental issues, community consent, zoning, market feasibility, a competent development team, working capital, city subsidies, tax abatement, bank financing, construction, ribbon cutting and occupancy by end users.

Key to successful project development was a network of informal staff relationships in the various sectors—City, CDC's, banks, and developers—who were able to collaborate on shared development objectives over time. A critical path for developing a project could involve coordinating more than thirty separate major actions on the part of multiple players. The depth of these relationships was a distinguishing trait of the Cleveland system. Another was the Baclava finance system, in which Village Capital played a central role. In brief, the Baclava model meant layered financing to address risk tolerance in an environment where the appraisal value often did not support development costs and acceptable return on investment.

The following section outlines how some of these resources were deployed to do the projects that drove Cleveland's redevelopment efforts**.**

City Government Programs

Mayor Michael White and his administration (1990-2002) were the main drivers of the city's redevelopment agenda during the '90s–for both downtown and the neighborhoods–and much depended on city resources and staff. White was an east-side councilman and state legislator who ran against his former mentor George Forbes, the powerful, autocratic head of City Council. The key to White's election was an alliance with progressive white west side activists—Housing Court Judge Ray Pianka, Councilmen Jay Westbrook and Jim Rokakis, and Community activists like Chris Warren. After White's election, Westbrook became City Council President and Warren Director of Community Development, adopting policies and practices that supported CDCs and their revitalization efforts and creating a more accessible and proactive city government. City actions and resources were essential to NPI's strategy and programs, and vice versa. Together with a strong private-sector leadership commitment, the City's support of CDCs and neighborhoods was exceptional.

Key to the City's effective use of public resources for neighborhood renewal was the talent and commitment of a series of Community Development Directors beginning with Chris Warren and continuing with Terri Hamilton Brown, Linda Warren and Daryl Rush. All were committed to working with and for community-based developers, problem solvers rather than bureaucratic road blocks willing to make the extra effort. In addition to leadership at the top all relied on Bill Resseger to get worthy projects through the maze of City hall committees and myriad program requirements.

The White administration's support for neighborhood projects included tax abatement on new construction, early Community Reinvestment Act challenges to local banks, and later, community benefit agreements, city investment of federal subsidy dollars in flexible and varied forms in many NPI projects, and council support for CDCs through a city-wide competitive operating support program.

To promote the building of single-family housing in Cleveland, the White administration provided the following: land at $IOO per buildable lot through the City Land Bank; 2) 100-percent, 15-year tax abatement; 3) $10,000, zero percent deferred second mortgages; and 4) access to capital for infrastructure and other improvements via the City Housing Trust Fund based on an annual competitive grant process. These program subsidies continued under the Jane Campbell and Frank Jackson administrations, augmented by a $65 MM public-private Neighborhood Transformation Initiative. The main source of the earlier neighborhood public investment support had been the annual federal CDBG allocation which declined significantly over the period reviewed.

Federal Urban Programs

Since the Reagan era, there has been a steady decline in resources and policies. During this period CDBG funding was reduced by 80 percent, and support for public housing decreased proportionately. In addition, cuts in welfare, food stamps and public housing budgets placed increased pressure on low-income communities. The War on Terror and major increases in military spending, balanced budget obsessions leading to tax-credit investment programming, and the sense that suburban/metropolitan strategies are more likely to gain support in the current political climate, have led to small-bore targeting of resources; these have been insufficient to transform poverty communities not seen as policy priorities.

The mix of federal programs of benefit to neighborhoods range from CDBG funding and the Low-Income Housing Tax Credit (through State of Ohio allocations) to the New Market Tax Credit for commercial/retail properties, the Nehemiah grant program, and the Community Development Finance Initiative of the US Treasury. Cleveland also received special-purpose funding from HUD in the form of a Supplemental Empowerment Zone, a Home Ownership Zone designation, and a HOPE VI public housing redo award.ome Home In addition, during the Great Recession, the Neighborhood Stabilization Program provided needed subsidy for reuse of abandoned properties like St. Lukes Hospital that were deemed "shovel ready," and demolition funding for vacant foreclosed properties city wide. These federal programs were helpful but not transformative given the depth of the problems that they sought to address.

State of Ohio—LIHTC, Historic Tax Credit, Bond/Infrastructure and Brownfields Remediation

This is a big topic, especially if one wants to explain the mechanics of how State resources get to Cleveland projects. Much of what goes on in terms of allocations is political and driven by relationships between the City and State cultivated by Low Income Housing and Historic Preservation interests, and it is beyond the scope of this narrative.

The basics are as follows: Many of the Cleveland neighborhood deals depended on tax-credit allocations, either through the Ohio Housing Finance Agency or state and federal historic credits. Awards were often made through a competitive application which the city needed to endorse and for which financing commitments and site control had to be in place. Cleveland fared well in the statewide competition, especially as relates to LIHTC awards. However, the complexity of the application process and the technical and financial requirements has meant that community-based organizations often lack the resources or ability to be competitive and as such rely on the Enterprise Foundation, the Cleveland Housing Network, and private real estate interests.

Few neighborhood projects were supported in the state's biennial capital budget allocations, which went to downtown and major cultural institutions' building projects. NPI was not at the table when Cleveland's priority projects were identified.

Cuyahoga Metropolitan Housing Authority

Founded in 1937, CMHA was the first housing authority in the United States and for many years a leader in the field. CMHA has 10,000 units including 13 estates and 33 high rises. In addition, it administered both the Section 8 project-based and tenant-based voucher programs. It has 1000 employees and a $260 Million annual budget. Many of the estates are concentrated in the Central neighborhood of Cleveland and development of CMHA units outside this core has often met neighborhood opposition. The waiting list for both tenant vouchers and public housing units is quite long, indicating the shortage of affordable housing, especially for poverty populations. Funding for public housing, replacement units, and maintenance has steadily declined for thirty years. An exception has been the Hope V*I* program for replacement of older housing estates. Cleveland received two Hope VI awards and unlike Chicago's demolition program elected to rebuild and retain units on site. CMHA's Hope VI successful redevelopment of the Valley View Homes Estates in collaboration with Tremont West Development is a model for equitable development.

Banks, the Community Reinvestment Act, and Cleveland Tomorrow

Bank financing was and is critical in a weak market with limited public or foundation resources. The major banks and the White Administration negotiated community benefits agreements which outlined neighborhood investment goals, actions to be taken, and evaluation criteria for which the banks received high marks in their annual CRA review. Keeping the banks accountable and invested in neighborhoods was one of the White administration's major achievements, though performance was uneven and the banks insisted that CRA findings were to be treated as trade secrets not share publicly with community and housing advocates

The CEOs of Key, National City, Charter One and Ohio Savings were on the board of NPI, and their banks financed neighborhood projects. Banks were also Low-income Housing Tax Credit investors. In addition, National City formed a development corporation that made equity investments in CDC market-rate projects, financing model homes and providing homebuyer mortgages. ShoreBank was also a vehicle for bank and foundation neighborhood investment under the local leadership of Charlie Rial. ShoreBank promoted a triple bottom-line approach that aligned bank profit with meeting credit needs of underserved markets while promoting green sustainable development as well. ShoreBank Advisory through the Glenville Enterprise Center attempted to support minority business start-ups. It had a significant impact on the community development culture of Cleveland, but less so on the real estate market.

Cleveland Development Advisors (CDA) was the real estate finance arm of Cleveland Tomorrow that supported shared corporate priorities. They initially invested in Village Capital and participated directly in larger neighborhood deals with collateral positions ahead of the city and Village Capital Corporation. While CDA's primary focus was downtown development projects that did not involve CDCs, they did provide needed gap financing for larger, private-market neighborhood deals.

Foundations and Village Capital Corporation

Foundations were key players in funding nonprofits through operating grants, program-related investments, and direct project support. In Cleveland during this period, the foundations channeled much of their support for neighborhood development through NPI and its subsidiary Village Capital Corporation, which did the underwriting and lending on projects. (See descriptions of NPI and subsidiaries.)

NPI was able to target its efforts in high-impact ways, partly because of alternative public funding for CDCs in neighborhoods in which NPI was less centrally involved. The diversity and scale of funding available locally, while in some ways messy, made it easier for NPI to focus its resources and say no to CDCs and projects that did not align with its overall strategy and programs.

Collaborating was essential for Cleveland's mid-sized foundation community to pool funding necessary to address the wide-ranging needs of a poverty population in a weak market city. Initially, the system benefited from the direct engagement of the Ford Foundation and the philanthropic commitment of BP America. Subsequently, Cleveland foundations worked with national funders through the National Community Development Initiative. NCDI came to Cleveland via LISC and Enterprise, which also provided national tax credit equity for low-income housing projects. The Enterprise Foundation remained in Cleveland and played a key role in supporting the Cleveland Housing Network, securing tax credit equity investments for low-income residents and permanent supportive housing for the homeless. Enterprise was and is a major player in state and federal policy advocacy for community development. Like NPI its role and priorities have evolved over time.

This collaborative funding strategy to provide gap financing worked well when market values and subsidy needs aligned, but less so when the subprime meltdown led to the housing market collapse and more resources were required to sustain the effort.

The Cleveland Housing Network

The Low-Income Housing Tax Credit is the major resource to produce nongovernmental housing for poor people.

The Cleveland Housing Network (CHN) has evolved from its start as a network of 6 neighborhood CDCs renovating 50 vacant homes in its first year to a membership organization with over 100 partners operating in Detroit and other Midwest cities. Since its inception, CHN has developed over 6,000 housing units including LIHTC, Lease Purchase rehab, Homeward (new and rehabbed for-sale homes), and permanent supportive housing. In addition, CHN provides a range of services spanning counseling, financial literacy, weatherization, and the Family Stability Initiative. In 2010, working with NPI, the Enterprise Foundation, the city of Cleveland, and the Ohio Housing Finance Agency (OHFA), a plan was implemented to transfer 882 lease-purchase homes to current occupants with manageable debt levels. CHN is nationally recognized for the range and depth of its efforts to support housing for low-income residents. (See Krumholz and many others for description of CHN evolution.)

Much of the success, growth and impact of CHN is due in large part to the continued commitment and exemplary leadership of its four executive directors: Chris Warren, Mark McDermott, Rob Curry and Kevin Nowak. Each in their way has kept CHN in the forefront of affordable housing and supporting programs both locally and nationally.

New Village Corporation #NVC (Chapter 3 Neighborhood Progress Inc.: A New Approach to Community Renewal)

Private Sector Builders/ Developers

The CDCs and the city administration needed to attract qualified, mostly suburban builders to work in the city. To do so, projects had to make economic sense and address issues such as appraisal gaps, environmental contamination, and the city's building and housing requirements and regulations.

A small cadre of mid-sized, family-owned housing developers emerged: Zaremba Homes, Marous Brothers Construction, Gordon Premier, Snavely Group, Ozanne Construction Company, Rysar Properties, Bradley Construction and Walter Burks. Occasionally, out-of-town developers such as the Finch Group and Pennrose Properties were recruited for larger projects.

In Cleveland, the Finast and Rego supermarket chains constructed stand-alone, suburban-quality stores in a few neighborhoods. The Saltzman family and its Dave's Supermarket stores figured out how to deliver quality service in challenging locations. Peter Rubin and the Coral Company redeveloped the historic Shaker Square Town Center and the Eastside Market. Brothers Daniel and Patrick Conway and their Great Lakes Brewing Company were key to revitalizing the Ohio City Market, starting a trend toward food, arts and entertainment-based districts in more upscale areas that were attractive to suburban customers.

CDCs focused many of their efforts along key commercial corridors, focusing on façade improvements, merchant associations and promoting arts and entertainment districts: in Ohio City, the Waterloo District in Collinwood, along Professor Avenue in Tremont, and Larchmere in Buckeye Shaker, and the Gordon Square Arts District.

The larger local developers—Forest City, Jacobs, Carney—stayed downtown but still exerted significant political influence on allocation of public subsidy. The building trades unions were absent from neighborhood construction projects. In large part due to the Fannie Lewis law (Lewis was a Cleveland council person), contractors on larger neighborhood projects were required to hire a percentage of Cleveland residents. Note: The Ohio Supreme Court recently ruled that home rule does not apply in this situation after the State legislation's pre-emption of Cleveland's local hiring policy.

Other Resources

Cleveland Housing Court and Cleveland Land Bank

Cleveland is one of the few cities nationally that has both a Housing Court and a Land Bank. Without them the job of maintaining and redeveloping housing in the city would be much more difficult. Housing Court judge Ray Pianka and his staff were exceptional in their proactive neighborhood advocacy for code enforcement and tenants' rights.

The Cleveland Restoration Society

Through its Heritage Homes Program CRS provided subsidized bank loans for historic properties in middle-market neighborhoods. It has been a key contributor to neighborhood stabilization in areas where NPl/CDCs are not major players as well as being an effective advocate for preserving Cleveland's historic legacy.

Neighborhood Housing Services

NHS provided home improvement loans in stable neighborhoods, often in tandem with private bank lending.

Neighborhood Manufacturing Support

The City effort to support and attract small and mid-sized manufacturing and service business through business loans, infrastructure grants, city services and employee training programs relied heavily on the Cleveland Industrial Retention Initiative (CIRI), WIRE-NET (a nationally recognized operation on Cleveland's west side) and Mid-Town Development. Each in their own way contributed to a viable neighborhood economy. As they were not directly linked to either NPI or the CDC strategy their achievements and issues are beyond the scope of this book.

Community Development Finance System

Federal Government

HUD, Treasury, Economic Development

City

CDBG

Tax Abatement

Business loans

State

Tax Credits

LITHTC / Historic

County

Land Bank

Banks

Loans

Construction and permanent finance

Equity investments

Cleveland Tomorrow Development Advisors

National Foundations

Ford

National Community Development Initiative

Cleveland Foundations

Grants

Operating and Project

Program Related investments

Neighbored Progress

Village Capital

Loans & Grants

Technical Assistance

Enterprise Foundation

Developers

Private Sector - CDC – Cleveland Housing Network - New Village Corp. – Limited Liability Companies

Chapter 5 Neighborhood Planning and Placemaking

Placemaking

Placemaking as currently defined focuses on equitable regional development strategies to rebuild market strength and increase economic diversity in disinvested neighborhoods. The goal is to improve conditions for residents in disinvested communities by improving physical conditions and community fabric as opposed to a voucher approach that attempts to move families to a better place with more resources and opportunities. Ideally both people and place strategies should complement one another but the history of racial segregation shows this to be a difficult marriage.

NPI's neighborhood redevelopment strategy, as I stated previously, was built on targeting resources to leverage market opportunities and create regionally competitive places that could attract and retain residents who had choices as to where to live and invest. The assumption was that these anchor projects would be of sufficient scale when linked with CDC block clubs, home repair programming, greenspace, and retail services to create desirable communities for new and existing residents. Linking these investments to major regional employers—eds, meds and corporate headquarter priorities—was an aspirational goal seldom realized.

The following projects illustrate how placemaking helped define Cleveland's redevelopment strategy. They are not the sum of impact deals done, but each has a story and offers some insight into the community dynamics that shaped the outcome.

The ten (10) examples of neighborhood placemaking selected share a number of common features while their outcomes varied. All of the projects described warrant further treatment as detailed case studies that would inform the work of emerging community development practitioners interested in how real estate deals get done. What follows is the overview.

All of the projects described involved a CDC supported by NPI that kept the community agenda in the forefront and things moving forward as obstacles were encountered and resolved. The projects were of scale, supported by the community, and involved a range of complementary activity that leveraged the investment. All involved a working public private partnership between city, the foundations and NPI, and local banks to address cost and market factors. A handful of private developer partners and NVC provided the technical capacity and risk capital in a limited liability company with the CDC. Land assembly was key since eminent domain was never politically viable. The projects were a mix of planned unit developments, scatter site in fill, middle income home ownership, tax credit and historic rehab. Retail, arts and entertainment provided needed services and community identity in a number of cases. All of the projects described involved creative problem solving and evolved from a single project to a more comprehensive agenda with greater impact. The history of the Gordon Square Arts District is a case in point.

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Gordon Square Arts District

Thirty-five years ago, before my stint at NPI, I was project manager for Detroit Shoreway Community Development Corporation (DSCDO). The Gordon Square Arcade, a 1920s shopping center and anchor of Detroit-Shoreway's commercial district, was on the verge of collapse. Parts of the crumbling brick façade on W 65th Street fell on cars parked below. A single-room-occupancy hotel on the building's second floor was no longer viable, stores along Detroit Avenue were vacant, and the Capitol Theatre had not shown a movie in years. There was strong sentiment for demolition.

DSCDO, Father Marino Frascatti, pastor of the neighboring Our Lady of Mount Carmel, parish church for the Italian American neighborhood, and then-Councilman Ray Pianka were determined to save this landmark, critical to the long-term health of its community. Rental housing for elderly parishioners and shopping for residents were needed, and a large vacant lot at 65th and Detroit would have been disastrous.

A joint venture was put together by DSCDO and developer John Ferchill, who had ties to the pastor. The project was one of the first tax-credit efforts in a Cleveland neighborhood, with investment from Standard Oil and Enterprise Social Investment Corporation. The plan was to subdivide the arcade with air rights for the second floor. Low-income rental apartments there would be owned and managed by Ferchill, and ground floor retail by DSCDO.

Successful renovation of the Arcade anchored the commercial hub of the neighborhood and laid the groundwork for the $30-million development of the Gordon Square Arts District 35 years later. (See Dennis Keating). Along the way, James Levin provided a permanent home for Cleveland Public Theatre at 65th and Detroit, and a new arts district organization representing stakeholders was formed to raise funds and manage the district. With development of upscale residential properties like the Tillman Townhomes and Battery Park, along with several low-income multi-family units and a redo of the Shoreway that connected the neighborhood to the lake, Detroit Shoreway has emerged as one of Cleveland's premier neighborhoods.

The Detroit Shoreway Community Development Corporation was able to meld together an old-time, Italian ethnic community with gay lifestyle professionals, urban homesteaders, and the arts and entertainment crowd. NPI supported DSCDO's work during this period with operating grants and various levels of project financing through Village Capital; DSCDO called the shots, and NPI responded.

The lesson I draw from this is that transformative redevelopment often takes time—a generation—stakeholder commitments, multiple partnerships, political leadership, a defining vision, market savvy, and resources to match. Piece of cake.

North Park Place and the Glenville Enterprise Center

NPI moved its offices from the Gordon Square Arcade in 1991 to the Glenville neighborhood to develop the 49-unit North Park Place housing subdivision and to renovate an abandoned 135,000-square-foot factory building as the Glenville Enterprise Center business incubator. The Enterprise Center would be owned and managed by Chicago-based ShoreBank as part of what was called by NPI the Neighborhood Economy Initiative. This two-pronged strategy was one of the first attempts to combine a housing project of scale with support for neighborhood business development. It was partially successful.

The housing development originated as a successful application by New Village Corporation (a newly formed real estate subdivision of NPI) to HUD for a project grant from the Nehemiah housing program. The project was to develop forty-nine new homes for first-time low and moderate-income buyers. We partnered with Glenville Development Corporation, the local CDC, to do the project.

North Park Place was one of the first new housing developments supported by Mayor Mike White's administration with roads, infrastructure, second-mortgage financing, and tax abatement. The 1,600-square-foot single-family homes with two-car garages were designed by the local firm Whitley and Whitley. There were three models that sold for $110,000 on average, and demand was strong. The builder was Snavely Group, an experienced suburban developer with a good track record that kept the project moving forward despite site challenges.

Financing for the project, in addition to the Nehemiah homeowner grant, included a VCC acquisition loan, and the city paid for new streets and utilities, buyer second mortgage financing, and ten-year tax abatement. National City Bank financed the model home and provided first-mortgage buyer loans. For first-time home buyers, which was a very attractive package.

With most inner-city development, soil conditions and environmental issues surfaced (no pun intended), creating complications, delays and unanticipated costs. North Park is a case in point. We discovered that our building site (the factory parking lot) was paved over the Doan Brook meander, which was filled with debris. This required a new site plan, removal of the debris, and trucking in clean fill that was dynamically compacted (dropping a 20-foot cylinder from a great height damaging crockery two blocks away). The city covered the extra cost, and the subdivision was completed on schedule. Today, the houses are well-maintained, there are no vacancies, and there is a strong sense of community. Since local banks originated and held the mortgages, there was no subprime meltdown. So, while at the project level, North Park Place was a great success, it and the Glenville Enterprise Center, along with Eastside Food Market, did not transform the neighborhood. Why not?

The main reason, I believe, was that we underestimated the level of disinvestment, what it would take to re-weave the neighborhood fabric and the resources needed to sustain the effort. The factory site, the Nehemiah grant, bringing ShoreBank to Cleveland, and wanting to do something in Mayor White's old City Council ward drove the selection process. The challenges of making the project work and getting ShoreBank up and running consumed staff energy and attention. There was no neighborhood plan for the area, which was run-down and cut off from the lake, parks and other community assets. The CDC, Glenville Development, was not particularly good at block club organizing or bringing local stakeholders to the table (unlike Detroit Shoreway). The ward had a history of indifferent council members so there was no clear political vision or leadership.

Finally, we and ShoreBank were unable to link the economic development engines (the Enterprise Center and Eastside Food Market) to one another or, more importantly, to the community and the institutions at University Circle. Thirty years later, except for North Park Place, the neighborhood is much the same, despite the best of intentions. In contrast, efforts to rebuild the Central neighborhood, described in the next section, had a more favorable outcome and demonstrate the value of political leadership, community input, good design, infrastructure and market savvy.

Central Commons Home Ownership Zone Arbor Park Shopping Center

A positive outcome of the successful Glenville Nehemiah North Park Place project was that HUD viewed NPI as a credible developer when we applied for a second grant. We proposed an 81-unit Nehemiah development in the Central neighborhood. New Village Corporation partnered with the newly formed Burten Bell Carr Development Inc., which in the beginning had one staff member and a resident board. Neighborhood Progress provided operating support. Councilman Frank Jackson, who would become Cleveland's mayor, was clear about what he wanted: affordable homeownership for residents and folks who worked in the area and no displacement or public taking of vacant land. This meant piecing together private acquisitions with Land Bank lots to create a fifteen-acre development site for residential units costing less than $120,000.

NPI wanted to demonstrate that moderate-income housing in a high- poverty neighborhood could be done affordably to a high design standard with a site plan that was woven into the neighborhood and would be a building block for further development.

Given cost constraints, selecting the architectural firm of Duany Plater-Zyberk was a bit of a stretch. The Miami-based founder of the Congress for New Urbanism, DPZ is internationally known for the planned-unit upscale development of Seaside in the Florida Panhandle, but it had never done a low-income, inner-city project. Because of the challenges of the Central project (Central Commons), DPZ was willing to accept the engagement at a reduced fee that was covered by a special grant and not part of the project cost. The new urbanist approach emphasized walkable communities, a range of traditional housing styles, design guidelines, and shared public space. In Cleveland this meant reworking the street grid to shorten the blocks and create small housing clusters around a Close, with porches and garages in the rear off alleys. The intent was to create a safe, walkable place, with neighbors that looked out for one another: eyes, not a fenced, stand-alone subdivision.

DPZ partnered with the local landscape design firm Schmidt Copeland Parker Stevens and conducted a series of design charettes to get resident, builder and city input making sure the models would pencil out. Changes were made to stay within budget—Hardie-board became vinyl, ceiling heights were lowered, the porches shrank, there were fewer alleys, but in the end, we had a product and design that worked.

What also worked was the development partnership put together for the project. New Village and Burten Bell Carr formed an LLC with a subsidiary of National City Bank, which agreed to fund construction of a model home with the parent bank providing mortgage financing for the buyers. The LLC hired a local Realtor to staff the model and work on qualifying the first-time buyers. There was a homeownership association with a code of regulations, design guidelines and owner governance.

Despite the success of Central Commons, Cleveland did not choose to replicate the new urbanist model, nor participate in the Congress for the New Urbanism which would have linked Cleveland to an international network of urban professionals committed to new approaches to sustainable development. Nonetheless, thirty years later, half of the original buyers are still there, the houses look good, there are no vacancies, and there was little fallout from the mortgage foreclosure meltdown. Central Commons was the catalyst for further market-rate housing development in Central and contributed to the first new retail in the area in over 20 years. Key to this evolution was the growth of BBC as a strong development partner following the hiring of Tim Tramble as executive director.

Nehemiah Housing Central Commons

Arbor Park Shopping Center and the Homeownership Zone

Arbor Park is a 39,000-square-foot retail shopping center at Community College Avenue and East 40th Street. It replaced Longwood Plaza, with its marginal shops in deteriorating buildings with sub-standard merchandise for public housing residents. Frank Jackson, at that time City Council president, had failed to attract a developer to the location. New Village Corporation formed an LLC with Burten Bell Carr CDC and began working with the councilman to acquire the plaza from the owner. three years of negotiations, the LLC acquired the site, put together 10 separate sources of financing, and recruited the Dave's Supermarket chain as anchor. Burten Bell Carr assumed management and eventual ownership.

At this time, the Cuyahoga Metropolitan Housing Authority had been awarded one of 6 HOPE VI grants nationally to redo the existing public housing estates in Central along with a major upgrade of Arbor Park, a several hundred-unit Section 8, place-based development that had gone into default. Along with Central Commons, the Nehemiah home ownership development, Central was well positioned to secure a Homeownership Zone designation and a $4.6 million grant from HUD, which, along with significant vacant land assembled through the city's Land bank and private acquisition by BBC leading to construction and sale of more than 200 new, market-rate homes in Central.

As a result of this combined investment and the focus of new Mayor (and area resident) Frank Jackson, Central, despite its concentration of public housing, has one of the stronger private housing markets on the city's east side and is a neighborhood many are proud to call home.

Mill Creek Subdivision

When the state of Ohio closed its 111-acre mental health facility in Slavic Village in the early nineties, the Broadway Area Housing Coalition (BAHC) stepped up to redevelop the site. Working with Councilman Earle Turner, the city, and the state housing representative, they were able to get the state to convey the property for a token sales price, demolish the buildings and do the extensive environmental cleanup and infrastructure building required for redevelopment. The city and BAHC then issued a request for proposals and selected Zaremba, a suburban builder/developer with an excellent track record.

Adjacent to the Metroparks and Mill Creek Falls, Mill Creek was developed as 250 single-family homes with a community center and gazebo on a Commons available to the larger neighborhood and linked to the Metroparks. It is a planned community with a varied streetscape and a range of single-family homes in the $160,000-$240,000 price range. The city provided roads, tax abatement, and other incentives.

Mill Creek was the first suburban-quality subdivision in the city. Of special note was BAHC's affirmative marketing campaign designed to attract home buyers who wanted to live in a racially integrated development. It worked. There was no fallout from the subprime meltdown at Mill Creek—unlike the rest of Slavic Village—and the development has retained its value and appearance. U.S. Sen. Sherrod Brown and his wife, syndicated columnist Connie Schultz, were early residents and have remained along with many of the original home owners. Mill Creek proved that home buyers who could elect a suburban location would purchase a home in the city with favorable financing, quality design and amenities. Cleveland could compete!

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Mill Creek, however, had little impact on the surrounding Warner-Turney neighborhood in the sense of further development, either residential or commercial, though there was no displacement, and the immediate area remains a traditional Cleveland neighborhood in good repair. The Zaremba company continued to develop middle-income housing in the city (Beacon Place) and sent a signal to other builders that they could do business in the city.

Lexington Village, Beacon Place and the Suburban Homes of Hough

One of the first public- private housing partnerships in the late ’80s, Lexington Village was a joint venture among the Famicos Foundation (the local CDC), and McCormack Baron Salazar Company, a national affordable housing developer from St. Louis. Many view the 277-unit garden apartment rental development in Hough as the catalyst for new housing development in the city, although some mistakenly refer to it as a market-rate home ownership project. The Cleveland Foundation played a leading role in pulling the financial package together, requiring a combination of public subsidy—UDAG grants, tax abatement, cleanup funds, and infrastructure money—as well as bank financing, foundation grants, and program-related investment loans. Steve Minter took the lead in securing the $13 million needed to build the first phase of the project—with support from 27 public and private partners.

Lexington Village also served as the catalyst for the development of Church Square Commons on E. 73rd and Euclid Avenue the first new retail complex on the eastside in years financed with a mix of foundation/VCC loans, city grants and bank financing from National City bank.

Lexington Village was a low-income rental project that did not increase property values in the area or alter the view of Hough as a poverty neighborhood. What changed perceptions was the new suburban-style home built for retired Cleveland Police commander Tell on Chester Avenue and viewed by a steady stream of downtown commuters.

The Tell house was the first of over 100 owner-designed, suburban-style homes constructed on vacant lots in the Hough neighborhood.

Hough New Construction In-Fill

They were comparable to new, upscale housing in the eastern suburbs. Renaissance Place, a planned intentional development of 20 homes was jointly conceived and implemented by Carolyn Allen, former Cleveland safety director, with friends and colleagues who decided that they could have what they wanted at a lower cost in a community more congenial to the African American experience.

The City, the local CDC, Hough Area Partners, and Councilwoman Fannie Lewis worked with buyers to secure land, tax abatement, and second mortgages. Individual builders constructed the homes for owners, and local banks provided construction loans and takeout mortgages, even though existing home values in Hough were well below the cost of the new homes. Currently, median sales prices in Hough are still in the bottom quartile in the city, but the designer homes are occupied, look very suburban, and are a reminder that not everyone wants to live in the 'burbs when they can get better quality at a reasonable price, make a life-style statement, and assert cultural values.

Beacon Place is a 120 + market rate, planned unit, town house, development by the Zaremba Company that was heavily supported by the White Administration. Adjoining the Church Square retail shopping center on E 79th between Chester and Euclid Avenues, its primary market was Cleveland Clinic employees and though it took a while to complete, it was/is a successful project of scale.

Ohio City Market District

The Ohio City Market area is a designated historic district near the intersection of West 25th Street and Lorain Avenue, anchored by the iconic West Side Market and home to Great Lakes Brewery. In the early '90s, vacant buildings, marginal retail, and a high-rise public housing complex along West 25th defined the area. The notion that a vibrant district supporting a range of shopping and residential uses would take hold seemed a reach at the time.

Gaining neighborhood consensus about what was to be done began with the merger of Ohio City and Near West Housing Development Corporations as a condition for operating support from NPI. Each of the organizations represented different constituencies—the gentrifiers and the low-income housing advocates–and were often at cross purposes when it came to projects and priorities. The merged organization was able to work through the multiple issues that arose as the Market District development moved forward.

NPI had relocated its office to Ohio City in 1996 in anticipation of a protracted redevelopment agenda. We believed that three projects would move the district forward: A Dave's Supermarket, the Merrill Building and the Fries and Schuele block.

Dave's Supermarket

As much as the West Side Market was a regional draw, it was more a place where families shopped for the holidays and weekend parties and tourists came for the ethnic flavor. There was no quality grocery store downtown or on the near west side. There was clearly a need, but there was no suitable site and the larger grocery chains were not interested in fitting a modern store into a historic district with a diverse customer base.

A joint venture of New Village Corporation, Ohio City Near West Development, and Anthony Rego/Riser Foods was formed in 1997 to develop a $6-million, 35,000-square-foot supermarket with the Saltzman family/Dave's Supermarket as tenant operator and ultimately owner. The project required a complex site assembly process that involved relocating a Volunteers of America homeless shelter, eminent domain for acquisition, acquiring a substandard grocery dependent on food stamps and liquor sales, and building a new store over the foundation of a historic brewery. Russell Berusch and New Village as managing general partner worked closely with Chris Warren, Mayor White's Community Development director, local councilwoman Helen Smith, and Ohio City Near West to pull the deal together, including finding a new location for the Volunteers of America (a homeless shelter). Financing was a mix of city and state loans and grants, an equity infusion from Rego/Riser, a loan from VCC, and bank money. This wasn't a cookie- cutter deal, but it was well worth the effort; the store has been an anchor for Ohio City, serving a diverse customer base while employing 93 neighborhood residents.

> "The residents of Ohio City are entitled to the same shopping opportunities as suburban shoppers. By providing good food, quality services and affordable prices, the Dave's Supermarket family intends to do well in the same neighborhood where our great grandfather Alex sold produce many years ago."—*Dan Saltzman, COO Dave's Supermarkets*

Merrill Building

A key project in the district was rehab of a historic vacant building on West 25th adjacent to the planned Dave's Supermarket. The building, which contained 21 apartments, was developed by David and Doug Perkowski, brothers who specialized in niche market renovation of older buildings for urban pioneers and creative types who didn't want to spend Friday's drinking beer at a suburban TGIF. This was the first multi-family market-rate development in the district. It required a mix of financing sources to make the numbers work: owner equity, historic tax credits, city financing, tax abatement, a construction loan from VCC, and conventional bank mortgage. This successful project was the impetus for the Fries and Schuele redevelopment and similar efforts citywide.

Fries and Schuele Building

In partnership with Ohio City Near West, NVC acquired the Fries and Schuele Building**,** an historic neighborhood department store building, in 1998. It had been vacant for 10 years and was owned by the Conway brothers of Great Lakes Brewery. NVC purchased the building with an acquisition loan from Village Capital. Private developers had viewed the building as a low-income housing opportunity. We believed that there was sufficient low-income housing in the area, and instead proposed a mixed-use development with 38 market-rate rental units to be converted into for-sale condos. Seeing the potential for a market/entertainment district, we built out ground-floor retail for a trendy bar/restaurant (Bar Cento), owned and operated by Sam McNulty, a young restaurateur who went on to develop other venues in the district, and offices for the Committee for Public Art (now Cleveland Public Art). The project was financed with a mix of Historic Tax credits, various city subsidies, a VCC construction loan and a bank mortgage.

The project's second phase was acquisition and demo of the adjoining Family Dollar store and parking lot and construction of 40 new condos, conversion of the rental units in Phase 1 to condos, and a new Family Dollar to serve a low-income market, along with an indoor parking garage. The $17 million project was supported by a range of city financing loans, tax abatement, historic tax credits, VCC loans and a $5-million construction loan from Metropolitan Bank.

The Market Square District led to other development, both within the district and in the adjoining residential neighborhood, including market- rate, in-fill housing south of Lorain Avenue–the Orchard Park project.

Orchard Park

Orchard Park was a joint venture between Ohio City Near West and NV to develop 30 green, neo-traditional homes on vacant lots located on several blocks south of Lorain ("SOLO") near Orchard Park Elementary School. The homes were designed by Paul Westlake/DLR Group and priced to sell in the $160,000 range to younger families and lifestyle singles attracted to affordable cool design and the Ohio City vibe. Scaled to fit into the existing neighborhood fabric, they sold quickly. The Orchard Park model was successfully replicated by other builders on vacant lots in the area.

Dave's Supermarket

Fries & Schuele Block

Neighborhood Anchors

One of the challenges of placemaking is working with anchor institutions to define a neighborhood agenda that works both for residents and institutions whose interests are often more corporate than community. The following three examples illustrate the issues and outcomes of this approach.

Tremont Pointe and Valley View Hope VI Public Housing

Tremont New Construction

Valley View Hope VI

Valley View Homes Estates, a public housing, garden apartment complex built in the 1930s and overlooking the industrial valley, was decimated by the Interstate 490 freeway extension, a major detriment to the redeveloping Tremont neighborhood. The public housing authority (CMHA) received a Hope VI grant for a complete overhaul of the estate. McCormack Baron Salazar, who had done Lexington Village in the ’80s, proposed a redevelopment plan consisting of three parts: public housing replacement units on site, low-income housing rental and market-rate housing on the periphery. This integrated redevelopment plan linked the project to neighborhood and upscale, single-family new construction. The design integrated the different housing types and tied the site to the community. It is one of the few projects that are both racially and economically integrated. Tremont West Development Corporation worked with CMHA, McCormack Baron, and the City on the neighborhood plan and community buy-in. A model for how to do it right, this stabilized the eastern edge of the neighborhood without displacement of low- income residents.

Bicentennial Village in Fairfax

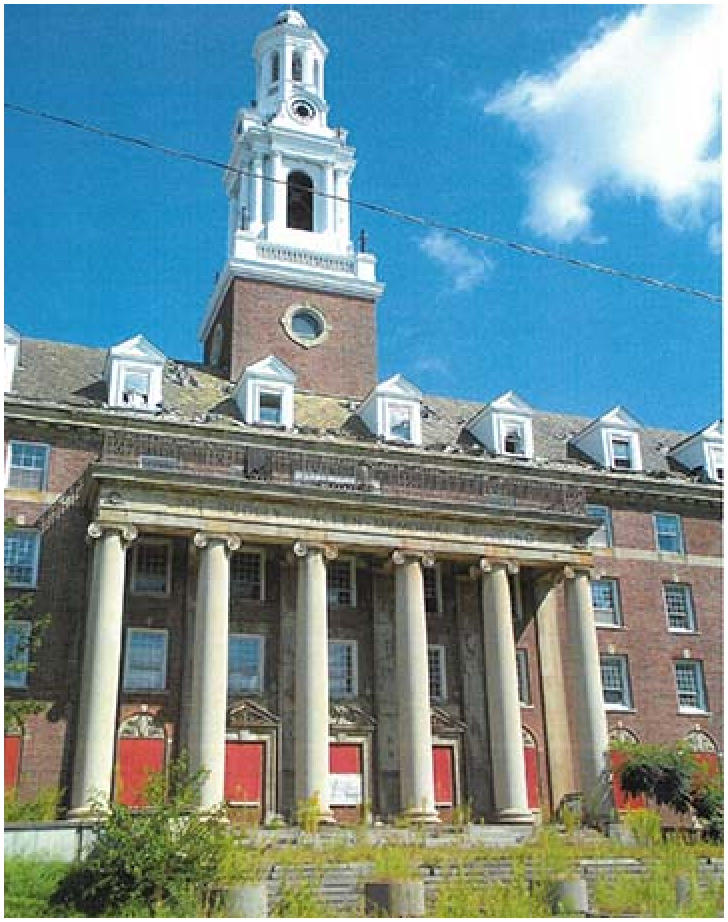
Conceived as part of the Bicentennial Celebration intended to hi-lite 200 years of City progress. The area selected for the Village was in the Fairfax neighborhood adjacent to Cleveland Clinic and Karamu House, the city's iconic African American cultural venue. New Village, in partnership with Fairfax Renaissance, worked with the city on a comprehensive approach including rehab for sale of existing vacant properties, 49 in-fill, new, for-sale homes, and another 200 homes repaired, painted and landscaped. To create a walkable neighborhood, we reworked the street grid based on a pattern book and design by UDA Architects Ray Gindroz. Rysar Homes and Habitat for Humanity did the new construction.

There was never any evaluation of whether the attempt to create a "village" within the Fairfax community succeeded and whether there are lessons to be learned. The plan was carried out, the houses were built, homes were repaired, and the street grid redo created a more walkable neighborhood; a bicentennial event was held, but overall conditions did not change.

I think the uneven outcome was mostly due to the Cleveland Clinic's reluctance to fully embrace the project, whose involvement was limited to some internal marketing to employees. Transforming conditions in Fairfax has never been a priority for the Clinic. Its 165-acre campus was carved out of the neighborhood, and its long-term interests are more in line with keeping a level of stable underdevelopment at its periphery in case more land for institutional expansion is needed. Whether this remains the Clinic's modus operandi into the future remains to be seen, but past experience does not suggest a major course correction.

St. Lukes Medical Campus

Among the legacy placemaking projects in the city, redevelopment of the St. Lukes campus illustrates the challenges and rewards of doing catalytic development in at-risk neighborhoods. It is a project of scale that involved multiple partners, a range of investors, community engagement, and a great expenditure of time and hard work over several years to achieve what the National Trust for Historic Preservation called a national model for preservation and social equity.



Saint Lukes (before)

History of the Project

Constructed in 1927 on 26 acres in the Woodland Hills neighborhood of Buckeye-Shaker, St. Lukes was the premier hospital serving the east side of Cleveland and Shaker Heights. (Paul Newman was born there.) The 380,000-square-foot Georgian Revival building was expanded with additions in the 1940s, ’50s, ’60s and ’70s–over 500,000 square feet in total. The hospital supported a corridor of medical office buildings along Shaker Boulevard, the retail district at Shaker Square, and several nearby low-rise rental residential estates.

Population shifts and the economics of healthcare led to several changes in ownership, the last a partnership of University Hospital (UH) and Sisters of Charity that in May 1999 closed the Level 2 trauma center and all surgical and medical services. As there was no requirement to demonstrate community impact, unlike the Community Re-Investment Act for banking, there was no obligation to provide alternative medical services.

When the hospital closed, the Buckeye/Woodhill neighborhood lost its neighborhood anchor, and no one claimed the territory. There were and are a mix of institutions within a half-mile of the site: an RTA station, a Cleveland Clinic special needs facility, St. Benedictine High School, the East End Community Settlement House, Woodhill Estates Public Housing, the Benjamin Rose Institute on Aging, a library, an elementary school, and the Shaker Square and Buckeye retail districts. All were focused on their own silos and had little interest in making community links. The city councilman, who had a record of low-grade corruption and self-interest dealings, was not particularly interested in the site or in that part of his ward. Twenty years earlier, the Buckeye Community Congress consisted of 200 neighborhood organizations and block clubs that would have ended any attempt to close the hospital.

Nonetheless, the community was up in arms, and a proposal supported by then-Congresswoman Stephanie Tubbs Jones surfaced to turn the facility into a Job Corps Center. This was opposed by residents and by the Sisters of Charity, who believed a Job Corps Center wouldn't serve neighborhood interests. University Hospital wanted out, and a re-development plan was needed.

Development Concept and Project Stages

The original concept was for a project of scale built around a neighborhood landmark with complementary features that would be mutually re-enforcing: a market rate housing development linked to senior housing for parents, health care and supportive services, and an elementary school and library proximate to a middle-income retail district. NPI had funded the Buckeye Area Development Corporation (BADC) under its Strategic Investment Grant program to work on the St. Lukes project and community-building activities in the surrounding area. This was an ambitious undertaking that extended far beyond the original critical path scenario and is illustrative of the challenges of doing hero deals in a legacy city. It also underscores the need for anchor institutions to work together proactively to advance a shared agenda for the community in which they are located and the commitment of resources sufficient to achieve a successful outcome.

Acquisition

We reached an agreement with UH/Sisters of Charity to convey the property to NVC for $1 along with a commitment of up to $7 million to cover demolition, site and environmental remediation costs. NVC would manage the demo.

Demolition and Historic Preservation

In 2005 NVC succeeded in listing St. Luke's on the National Register of Historic Buildings. Applying for designation meant not demolishing the east wing of the hospital, thereby preserving a neighborhood landmark and eligibility for historic tax credit funding, as well as assuming liability for a 69,000-square-foot wing without a credit anchor tenant.

Development Partnerships

The STL campus eventually became four different projects, each requiring separate agreements with different parties. The core of the project was renovation of two wings of the hospital for 135 units of elderly rental housing and supportive services (St. Lukes Manor). The east wing of the building was to be re-developed by New Village after creating a separate legal entity, with a shared building envelope and agreements on common areas and parking. The 81-unit single-family sub-division was to be done in a joint venture of New Village and Buckeye Area Development. NVC conveyed sites to the new library and school in a land swap with appropriate easements.

Senior Housing

NVC reached a preliminary agreement with Pennrose Development and Property Management out of Philadelphia, which had a successful track record in historic preservation projects and management of housing facilities for the elderly. They agreed to be the managing general partner for the elderly housing portion of the project once we had completed demolition of the hospital additions and our joint application for Low Income Housing Tax credits, and the State Historic tax credit was approved.

The redevelopment was done in two phases, requiring a mix of financing sources including federal and state historic tax credits, along with low-income housing tax credits packaged by Enterprise Social Investment Corporation and purchased by Chase Bank. There also was subordinate financing through VCC. As a result of the Great Recession, HUD created the Neighborhood Stabilization grant program to support "shovel-ready projects" in distressed urban areas which became a key element in the City's commitment to the development. With funding in place, the historic renovation was completed in two phases within budget, and occupancy and supportive services followed.

East Wing—Offices/Social Services

The 69,000-square-foot East Wing was a major challenge for Linda Warren and her NPI team. There was no development partner, and no anchor tenant. Conventional bank financing was not an option, so this meant piecing together a mix of New Markets tax credit investments and multiple foundation grants, most notably the St. Luke's Foundation, as well as loans from Village Capital and Enterprise Social Investment. A number of nonprofit tenants were recruited—a top-tier Intergenerational charter school, a Boys and Girls Club facility, and offices for the St. Luke's Foundation and NPI. Accommodating multiple users, each with differing space needs, in a multistory building presented a range of design challenges and budget issues, all successfully addressed.

Single-Family Market Rate

The original plan for development of an 81-unit housing sub-division was conceived when the Cleveland housing market was at its peak before the sub-prime melt down. There was a range of models and pricing. The City provided new roads, sidewalks, and utilities based on a site plan by NVC. Twenty units were built and sold, and then came the downturn. What was to be a two-year project lasted seven years, and the mix of units changed to include low-income rental units of comparable quality.

Harvey Rice Elementary School and Library

The Cleveland school board was in the process of replacing a severely deteriorated school building on Buckeye and MLK; Harvey Rice Elementary and the Cleveland Public Library had a small, obsolete facility adjoining that they were planning to close. NVC negotiated a land swap, acquiring the old Harvey Rice library and elementary school sites in exchange for land to develop a new library and elementary school at St. Lukes. In exchange, NVC received the library building and the old school site after demo and environmental remediation (later to be redeveloped as a site for permanent homeless housing by the Cleveland Housing Network). The Library and School district agreed to coordinate planning, site issues, and shared common parking. In addition, the Library agreed to keep the old oak tree on the corner, and the school district allowed us to construct a mews between the new school and the East Wing of the hospital so we could provide a direct link between the new housing project and the Regional Transit Authority. The RTA agreed to refurbish their rapid train station.

The Challenge of Hero Deals

Daniel Kahneman, the Nobel economist, in his book, *Thinking Fast and Thinking Slow*, observes that in larger, complex projects, circumstance, priorities, and commitments change, particularly when multiple partners are involved, and leadership moves on. This means hero deals take longer, cost more and require willingness to go the extra mile when unexpected problems emerge, and stakeholder commitments are tested. This was certainly the case with St. Lukes. Even though NPI attempted to make redevelopment of the Buckeye/Woodhill neighborhood a prime example of our strategic investment initiative approach, our core foundation supporters were lukewarm about the prospects and potential costs—too big, too expensive, too risky, in a neighborhood that wasn't a priority. As a result, when additional support was needed, they were not very responsive.

The project was as a prime example of the strategic investment program that NPI was championing citywide. There was an element of the "too big to fail" maxim: that the scale would allow us to tap into a bigger pool of resources, and that once underway, stakeholders wouldn't walk away. This was not unlike CDC thinking about neighborhood hero deals.

Given the effort, risk and time required, this was certainly a project beyond the capacity and risk tolerance for a local CDC. NPI, thanks to the hard work of Linda Warren, her staff and partners was able to pull it off and not bankrupt the organization in the process. It did come at a cost. By diverting our attention and limited staff resources to a project without a strong CDC partner, we were unable to engage the area's institutional stakeholders in an overall plan for the community. That is only now beginning to take shape.

In balance, St. Lukes was a successful venture. An initial direct investment by our core foundation partners of less than $700,000 in loans and grants leveraged an overall community investment of $105 Million, providing a range of needed community services and an anchor for the neighborhood.

The result was a landmark building saved from demolition and repurposed to provide 136 units of senior housing, 65,000 square feet for a top-tier intergenerational charter school, a Boys and Girls Club facility, office space for nonprofits adjoining an 80-unit, mixed-income, single-family housing subdivision, a new library and elementary school, and an upgraded public transit station. The project, for all its challenges, will be a significant catalyst for redevelopment of Buckeye-Woodhill and surrounding communities and is illustrative of what it will take to bring back neighborhoods on the edge: legacy, community, resilient leadership, commitment, hard work, tenacity, creative problem solving, partnership.

St. Lukes Hospital Conversion (After)

Saint Lukes Homes

Harvey Rice Library

Placemaking City Wide

The above qualities are evident in a range of other placemaking housing developments sponsored by local CDCs in Cleveland neighborhoods that have provided a stable, middle-income anchor for the surrounding community, most notably Reservoir Place, Kingsbury Run, Church Square, and Battery Park.

In addition, neighborhood arts and entertainment districts, by repurposing older buildings with a cultural vibe based on art studios, brew pubs, clubs and galleries, can create places that bring creative types together and attract suburbanites who want to walk on the “wild” side. Examples include Hingetown, Tremont, Detroit Shoreway, Waterloo, and Asia Village. Place making takes many forms, and it is being nurtured in different places throughout the city by urbanists who thrive on the challenge.

Chapter 6 Response to the Mortgage Foreclosure Crisis

The Subprime Crisis—What Happened and Why

The Cleveland community development system was doing well at the beginning of the 20th century. Markets and housing values were on the rise, and the CDCs were in good financial shape and performing well. But housing foreclosures were beginning to creep up, and subprime mortgages were on the rise. Speculative real estate flippers/sharks were surfacing in transitional neighborhoods, taking advantage of higher valuations created by CDC housing activity. The flippers didn't do the major system upgrades that were standard practice for neighborhood groups. A fresh coat of paint and a variable-rate mortgage that started low at qualifying and increased over time were standard practice. Then came the sub-prime mortgage debacle.

2015 Property Inventory
Source: "Western Reserve Land Conservancy"

The Cleveland Response

A number of proactive responses were made to deal with this situation ranging from consultant studies of systemic responses (National Vacant Properties Campaign); law suits by NPI against two of the largest bank foreclosure practice offenders (Deutsche Bank and Wells Fargo); redevelopment of vacant houses (Opportunity Homes); a vacant land green reutilization plan (Re-Imagining a More Sustainable Cleveland); and a comprehensive grass roots neighborhood effort (Slavic Village).

Cross Roads Study

In the face of growing abandonment but before the full impact of the mortgage foreclosure crisis, NPI. commissioned the National Vacant Properties Campaign to review local conditions and make recommendations for appropriate action. (**Cleveland at the Cross Roads: Turning Abandonment into Opportunity:** Alan Mallach et al) This report was the impetus in 2003 for creating the Vacant and Abandoned Property Action Council. VAPAC was an intragovernmental body to help coordinate a response to improve property information systems, code enforcement, build CDC capacity, and strengthen public sector tools.

Opportunity Homes

As the foreclosure crisis began undermining neighborhood housing markets, NPI partnered with the Cleveland Housing Network in 2005 to create Opportunity Homes, with support from the National Community Stabilization Trust. Working with local CDCs, city government, and local banks, CHN acquired, renovated and sold 50 foreclosed homes in 6 targeted neighborhoods: Broadway-Slavic Village, Buckeye/Shaker, Fairfax, Glenville-Wade Park, Tremont, Detroit-Shoreway.

The goal of the pilot program was to intervene in foreclosures to assist 100 at risk families to remain in their homes and reestablish their credit; eliminate blight with targeted demolition of 100 homes deemed beyond repair and renovating 121 distressed properties as affordable homes for Cleveland families in focused model block areas. The initiative also took aim at beautifying vacant lots through landscaping, community gardens and public art.

While the pilot program was successful, and the principles were applied in other distressed neighborhood recovery efforts, the initiative lacked the scale and resources to have city wide impact.

The Cuyahoga Land Reutilization Corporation

NPI also engaged a consultant to work with Cuyahoga County and the city of Cleveland on a successful proposal for the County for grant funding under HUD's Neighborhood Stabilization Program. These funds enabled the Cuyahoga Land Reutilization Corporation to acquire and demolish vacant foreclosed property if necessary.

As vacant buildings were demolished, NPI, led by Bobbi Reichtell in partnership with Dr. Terri Schwartz of the Urban Design Collaborative at Kent State University, produced **Re-imagining a More Sustainable Cleveland (2010).** The report identified vacant land in the city and development factors that would help determine reuses to offer an economic return, community benefit, and/or enhancement of natural ecosystems. The plan also included 20 key policy recommendations adopted by the Cleveland Planning Commission in December 2008. **A Pattern**

Book for Vacant Land Reuses was developed and distributed to community organizations and individuals interested in developing projects on vacant land in ways that maintained neighborhood fabric. This initiative was nationally recognized for its scope and relevance.

NPI sues two of world's largest banks

Frank Ford -former senior vice president at Neighborhood Progress Inc. and currently senior policy advisor at the Fair Housing Center describes the lawsuit and motivation.

By 2007 it was becoming apparent the investment CNP (then Neighborhood Progress Inc. [NPI]) was making to revitalize Cleveland neighborhoods was being undermined by increasing mortgage foreclosure and housing abandonment.

The visible blight from these properties caused a dramatic drop in home sale prices in Cleveland neighborhoods, particularly in the majority African American neighborhoods in Cleveland's East Side where mortgage lenders had heavily promoted the sale of high interest subprime loans.

Among the foreclosing banks two stood out for their foreclosure volume. By 2008 Deutsche Bank owned over 400 foreclosed homes in Cleveland; Wells Fargo Bank owned over 200. Neither bank appeared to have any plan for the redevelopment of these distressed homes. Instead, faced with the possible liability these homes represented, they were offloading that liability by selling homes to out of state investors for as little as $500 per home.

On December 15, 2008 NPI sued Deutsche Bank and Wells Fargo Bank alleging their properties constituted a public nuisance and seeking an injunction that would 1) stop any further sales to investors, and 2) ensure the blighted properties would be repaired or demolished. NPI had already created a subsidiary, Cleveland Housing Renewal Project (CHRP), for the purpose of bringing public nuisance lawsuits on individual vacant homes strategically located near CDC investments. NPI was now going a step further by collectively addressing 26 homes owned by Deutsche Bank and 15 owned by Wells Fargo. However, NPI went even further, it not only asked the Cleveland Housing Court to declare the individual homes a public nuisance, it asked the court to declare the bank's *business practices a public nuisance.*

NPI's strategic objective was to change how these banks were doing business. This came down to two things: either demolish or repair blighted properties, or donate all low value blighted property to the Cuyahoga Land Bank, along with a check to offset the cost of demolition or repair.

Housing Court Judge Raymond Pianka issued an injunction against Wells Fargo. The suit against Wells Fargo was dismissed by NPI after Wells Fargo repaired or demolished their homes and began working with the Cuyahoga Land Bank to donate future distressed homes and contribute funds for any required demolition.

The case against Deutsche Bank took a different path when Deutsche was able to get their case moved out of Cleveland Housing Court and into Federal District Court. Although Deutsche did begin demolishing some properties, it was unwilling to enter into any agreement going forward. That began to change after NPI amended its lawsuit to add nine of Deutsche's mortgage servicers as additional defendants. By 2012 six of the new defendants agreed to negotiate which ultimately led to a series of seven agreements with Deutsche and mortgage servicers on the following terms for an 18-month period:

1. Properties valued at $20,000 or less would be donated to the County Land Bank.
2. Any condemned property would be offered to the County Land Bank, regardless of value.
3. The defendant banks and servicers would pay the demolition costs, up to $10,000 per property.
4. Seven of the ten defendants issued settlement checks to NPI totaling $126,500, which was used to offset NPI's legal fees.

Most of the banks and mortgage servicers continued their working relationships with the Cuyahoga Land Bank for the next several years while their exposure for liability remained high. By 2018, when mortgage foreclosure filings began to return to their pre-crisis levels, the remaining inventories of bank-owned properties had become very low.

One important legacy remains from NPI's action: a public nuisance lawsuit, whether initiated by a community organization or a municipality, can be a powerful tool when dealing with a corporate property owner unwilling to comply with local laws and regulations.

Slavic Village Fights Back

The following account is based in part on "Cleveland's Slavic Village: Stabilizing a Neighborhood Hit Hard by the Foreclosure Crisis (2006-2017)," a paper by Dennis Keating of the Levin College at Cleveland State University.

Slavic Village /Broadway was at the epicenter of the foreclosure crisis in Cleveland and nationally, as well. It was also home to one of the strongest CDCs in the city, which had successfully developed a multifaceted housing and retail agenda. Fueled by a subprime lender like Argent Mortgage as well as real estate flippers, Slavic Village experienced a wave of foreclosures that decimated the neighborhood. Housing values fell from a 2000 peak of $70,000 to $13,000 in 2010. Slavic Village fought back via several efforts under auspices of the Vacant and Abandoned Property Task Force. NPI's Land Assembly Team along with Mike Schramm at CWRU and Kermit Lind provided mapping, data and technical assistance to this effort.

A Neighborhood Summit convened to map out a strategy and identify the critical areas of need and support for grassroots efforts like the Bring Back the 70's Block club organized by Barbara Anderson a resident and community leader. Turning liabilities into assets, SVD created the Rooms to Let initiative in which local artists turned vacant houses into art installations. Slavic Village Development worked with Kermit Lind and his students at the Urban Development Law Clinic at CWRU to file suits against banks and property speculators who were allowing foreclosed properties to deteriorate. They worked closely with Housing Court Judge Ray Pianca on code violations and health and safety issues. The local councilman, Tony Brancatelli, a former CDC director, brought national exposure about the impact of the foreclosure crisis on Slavic Village.

In addition, local neighborhood anchors like Third Federal kept its headquarters in the neighborhood, did not make sub-prime loans and didn't sell its mortgages on the secondary market. Slavic Village CDC worked with the County Land Bank and County Treasurer Jim Rokakis to demo vacant properties and to begin redevelopment efforts with support from NPI's Opportunity Homes initiative and its model block program.

Slavic Village Moving Forward

Broadway/Slavic Village's response to the foreclosure crisis highlights Cleveland's toughness, its creativity, its resilience and its vision as we managed the effects of an international meltdown," says Marie Kittredge, Slavic Village Executive Director. "Here we are embracing the opportunity to redesign our community as a sustainable, 21st-century urban community of choice. We still struggle with the problems of poverty, crime and disinvestment, as do many urban neighborhoods, but we are in control and are defining our future. Through collaborative solutions developed by fully engaged residents, business and community development corporations and city government, we are moving forward."

The Big Picture—Causes and Outcomes

At the federal level, underlying causes of the subprime collapse began with the Clinton Administration's financial deregulation and multiplied in the Bush era. Then, "collateralized debt obligations" and mortgage backed securities became the hot new things, and substandard loans were repackaged on the secondary market as AAA credit. The appetite for subprime loans was intense, and Cleveland was a prime source.

As the banks collapsed, the Obama Administration focused on preventing a global financial meltdown by bailing out the big boys like Lehman Brothers with the $700-billion Troubled Asset Relief Program (TARP). Homeowners who were underwater had no support, and banks were not required to rework mortgages to keep homeowners in place, though they were expected to make a good faith effort on a case-by-case basis. Foreclosures skyrocketed, and no banker, locally or nationally, was criminally charged for malpractice. A new market opened with acquisition and resale of foreclosed properties, many as rental properties. The leading example was the newly repurposed, mortgage bank, One West, whose CEO Steve Mnuchin made millions and became the US Treasury Secretary in the Trump Administration.

In Cleveland one consequence of the subprime meltdown was loss of local headquarter banks—National City, Ohio Savings, and ShoreBank. National City was acquired by PNC, Ohio Savings by NY Community Bank. ShoreBank was closed by the U.S. Office of the Comptroller. Cleveland neighborhoods were left on their own to deal with a patchwork of federal resources and to develop an effective response.

The result of this meltdown for Cleveland according to research findings of NEO CANDO at Case Western University, was a $2.9 Billion loss in homeowner equity based on median housing values for 1-3 housing units, which fell from their peak value in 2003 to a low point in 2006. East Side African American neighborhoods were most severely affected, losing over 60% of their home equity on average.

Nassim Taleb in his book **The Black Swan** asserts that highly improbable events have a major impact on risk management and those outliers play a disproportionate role seldom anticipated and planned for. Based on this argument, one could argue that the Cleveland system's reliance on increasing homeownership rates did not anticipate or prepare for the sub-prime collapse. True, but CDC-sponsored development did not fuel a foreclosure meltdown. Exotic financial products like collateralized debt obligations and packaged subprime loans as class A credit fueled a speculative boom in the absence of any regulatory oversight. As a result, a sub-prime home mortgage that originated in Slavic Village could be part of a class A collateralized debt package held by Deutsche Bank, which would have no interest in keeping people in their homes. Speculative mortgage finance, was a house of cards and a money maker; however, when the scheme collapsed, homeowners were left without recourse. Only one broker/financial executive nationally was convicted of a crime, and few lost their bonuses.

So, we can't predict the onset of a meltdown like the sub-prime crisis or a calamity like Covid-19, but we do know that when events like this do occur, and they will, most likely they will have a greater impact on the poor and/or people of color than those who caused the problem. If a regulatory infrastructure like the Consumer Protection Agency, as well as a local monitoring system, had been in place, neighborhood home owners would have been protected.

Without Slavic Village Development, Slavic Village would be a wasteland. It still has social fabric and community spirit, and a forward-looking agenda. The same can be said for Cleveland. This speaks to our resilience and local capacity, but more is needed by way of a safety net for the most vulnerable. This is the role of government, not the private market.

Chapter 7 Assessing the Cleveland Community Development System

The Cleveland community development system was an evolving public-private partnership or, more accurately, a governing coalition of co-operating interests with unequal contributions to a shared goal of neighborhood revitalization. The coalition agreed that significant private investment and new neighborhood development capacity, along with improved public services, and school district reform were needed requiring a collaborative effort.

In the early 1980's, there was no effective neighborhood infrastructure or strategy in place to reverse decline and disinvestment. The system had to be built from the ground up; it also had to be based on creating new community capacity to finance and develop housing, retail and community fabric. The goal was inclusive neighborhoods of choice that could compete with the suburbs to attract and retain residents and supporting services. The operating premise was that a mix of private investment, government subsidy, foundation risk capital and grass roots initiative would lead to neighborhood market recovery. How the scale of the problem and the resources needed were underestimated. Nonetheless, Cleveland was exceptionally productive in making the most of available resources as evidenced by overall investment, leverage, real estate development, civic infrastructure, placemaking, best practices, and its resilient responsiveness to challenges.

The starting point for this retrospective assessment is that no harm was done. Unlike urban renewal, welfare reform, highway construction and red lining, the newly created cd system did not accelerate decline, undermine family structure, or keep people from working. This is a low bar, but without this base line, the situation would be much more dire.

Assessment

The system that evolved from this basic understanding—the strategy, tactics, programs—has been described earlier. My assessment of what was accomplished during the period described, how it was accomplished, and the limitations of that system follow.

Investment Outcomes

From 1985 to 2008, local foundations invested over $78.5 million in CDCs and their neighborhood projects, much of it through Neighborhood Progress. This leveraged over $750 million in additional investment through national foundations (Ford, Enterprise LISC, the National Community Development Initiative and others), along with federal government special purpose grants, bank loans and private investment through a mix of tax credit programs for low-income housing and historic preservation. The combined investment resulted in over 400 neighborhood projects yielding 6,443 housing units and 2.5 million square feet of new and renovated commercial/industrial space. Cleveland CDCs have helped retain over 100 local businesses that have created or retained more than 3,200 jobs. Equally important was the creation of an effective network of community development corporations, their supporting organizations and leadership.

For a city the size of Cleveland, these are impressive figures. They could not have been achieved without a system staffed by committed professionals and neighborhood activists working on hundreds of projects throughout the city.

Before the sub-prime meltdown, Cleveland’s median housing value had increased by 40 percent in the 1990s and had narrowed the gap with the suburbs. In 2007, the median sales price for single-family homes in Cleveland was $84,000 versus $118,000 in Cuyahoga County. Sales prices in a few Cleveland neighborhoods exceeded the county average. At its peak in the late 90’s, the Cleveland system produced 500 new homes annually. The sub-prime real estate meltdown of 2016 that disproportionately affected neighborhoods on Cleveland’s eastside reversed much of this progress though results would have much more dire absent the response of the community development system described in this account.

Neighborhood Placemaking

Place making projects as described in the previous section were key to the City’s redevelopment strategy and were successful in many instances though less so in connecting to anchor institutions and building the foundation for the neighborhood economy. While housing market appreciation did not address the broader neighborhood social agenda, it helped transform and stabilize neighborhoods, promoted diversity, provided needed services and rewove community fabric. Some places look better and are more livable neighborhoods of choice; these were and are competitive with the suburbs. Most of these are urban life-style communities with a mix of professionals, hipsters, empty nesters, and gay and first-time home owners without kids. These are neighborhoods like what you’d find in Seattle or Portland—just fewer. Ohio City, Detroit Shoreway, Tremont, North Collinwood, Central, Wade Park, Larchmere, and Downtown are attractive and affordable places that benefited from the redevelopment of the last 25 years. In a few neighborhoods like Tremont, displacement and gentrification are only now emerging as issues.

In general, the neighborhoods that have done better had more assets to build on–proximity to downtown and lake front, cultural amenities, better housing stock, stronger social fabric and community organization.

Neighborhood Civic Infrastructure

As important as bricks and mortar was creation of an effective, resilient and innovative civic infrastructure to address neighborhood issues.

The 33 CDCs in the community development system created local capacity to plan and address neighborhood issues, linked to block clubs and community organizations. A network of supporting local intermediaries, a Baklava financial network, and proactive foundations, as well as local institutions like the housing court and the land banks have proved responsive to emerging community issues and have endured. Non-profit housing programs include the Cleveland Housing Network, Neighborhood Housing Services, and the Cleveland Restoration Society.

Innovation and Best Practice: The Cleveland Lab

Over the years, Cleveland has pioneered innovative approaches to restore neighborhoods that have proved effective and have endured, shaping local culture and providing an infrastructure for action. The following list briefly describes some of the highlights of the Cleveland Lab.

- **Equity Planning**: More Choices for those who have few. This is the approach to City Planning first developed by Norm Krumholz that informed the culture of many community development professionals both in government and the non-profit, sector both in Cleveland and nationally.
- **Housing Court:** Established in 1980 as one of two specialized in the State of Ohio. Under the leadership of Judge Raymond Pianka, the court creatively addressed a range of landlord-tenant problems, housing code violations, and abandoned property issues. It also responded proactively to the mortgage foreclosure meltdown.
- **Cuyahoga County Land Reutilization Corporation**: Formed in the aftermath of the sub-prime meltdown to acquire vacant, abandoned and foreclosed properties and to repurpose them for productive use, and key to neighborhood renewal efforts. The State passed enabling legislation in 2008 and the land bank was incorporated in 2009. A joint effort of both the City of Cleveland and Cuyahoga County. **(See cuyahogalandbank.org)**
- **Neighborhood Reinvestment Agreements**: Mayor White and Chris Warren using the Community Reinvestment Act and the City's depository agreements with local banks as leverage, negotiated a series of bank agreements to make credit available in city neighborhoods. Annual review kept banks at the table and accountable.
- **Baklava Layered Finance System**: Cleveland's multi-layered approach to providing below-market, high-risk loan capital for neighborhood real-estate projects. It combined foundation program-related investments, recoverable grants, city loans, historic and low-income tax credits, and bank financing.

- **Housing Receivership**: Union Miles Development Corporation's creative solution to address neighborhood housing abandonment that led to state-wide legislation. This allowed community organizations to take title to abandoned houses and make needed repairs, a great example of grass-roots policy and community organizing.
- **New Urbanism**: Duany Plater-Zyberk (DPZ) developed the architectural and land-use plan for the Central Commons housing community. Central Commons was among the first applications of new urbanist design principles to a poverty community. It was featured in HUD's annual report.
- **Re-Imagining Cleveland (Cleveland Land Use Pattern Book):** Kent State/NPI response to the foreclosure crisis and a green strategy for reuse of vacant land, through community gardens, public space, and green infrastructure. The City Planning Department adopted recommendations and the book was nationally recognized. (See previous description)
- **Vacant Property (VAPAC):** County coalition of local government folks working on shared strategy for vacant property. NEO CANDO is a state-of-the-art data system at CWRU working with neighborhoods and the County Landbank.
- **NEO CANDO data system:** Created in 2004, with initial support and funding from NPI and Enterprise Foundation, Case Western Reserve University created the premier publicly-accessible data system in the United Stated, if not the world. Today it is an indispensable tool used by every housing advocate and community development professional in Cuyahoga County.
- **ShoreBank:** Community banking model. Its triple bottom-line (profit, community, green) approach helped shape community development investment approach nationally and in Cleveland. When the for-profit bank holding company in Chicago collapsed in the wake of the sub-prime mortgage melt down the non-profit affiliate, ShoreBank Enterprise Cleveland closed its doors. Too good to fail was not enough. Though VCC was a participant in ShoreBank funded projects, and I served on the Board of its non-profit, ShoreBank Enterprise, there was no integrated strategy, and ShoreBank was never able to take its focus on "ma and pa: rehabbers", minority contractors and projects like the Enterprise Center to scale. ShoreBank Cleveland did not survive the financial meltdown of the Great Recession and was closed by the Office of the U.S. Comptroller. It did leave a lasting imprint on the community development culture of Cleveland and created strategies for private market investment in neighborhood projects.
- **Cleveland Housing Network:** A national leader in affordable housing partnering with local community development organizations. Its Lease Purchase Program was an innovative approach to providing homeownership for low-income residents.
- **Wire-Net:** A nationally recognized economic development organization that successfully linked workforce development and manufacturing improvements for small to medium sized companies with Cleveland westside neighborhoods.
- **Neighborhood Progress Inc.:** A nationally recognized, locally based foundation intermediary supporting community development, as described in this account.

Social Capital—It's the People

Bottom line for the Cleveland system's success was the people who made it happen, from the neighborhood block club to the corporate board rooms. Cleveland was fortunate to have a deep and committed number of civic leaders and staff who provided the vision, expertise and energy necessary—often without recognition or public thanks. This honor roll included community leaders, managers, and grass-roots activists who were motivated to do the right thing and make a difference. Much of the system was built upon the early pioneers who are no longer with us.

The Honor Roll Pioneers (RIP)

- **DeForest Brown:** Founding Director of Hough Area Development Corporation, the first Title 1 development corporation in Cleveland and a prototype for neighborhood-based revitalization.
- **Steve Minter:** Executive Director the Cleveland Foundation and godfather of community development in Cleveland.
- **Harry Fagan**: Catholic Diocese and the Campaign for Human Development. An early supporter of community organizing efforts that laid the foundation for the CDC system.
- **Bob Wolf**: Founding member of both Famicos and the Cleveland Housing Network. A retired engineer who put his time to good effect.
- **Fr. Frascati**: Pastor Our Lady of Mt. Carmel, a neighborhood anchor, and founding member of Detroit Shoreway CDC.
- **Inez Killingsworth**: Union Miles and People's Action leader.
- **Ray Pianka**: Founding director of Detroit Shoreway CDC, City Councilman, Housing Court judge.
- **Tanya Almond**: Executive Director of Glenville Development Corp. and early NPI Board member,
- **Nate Zaremba**: Private developer of the Mill Creek housing sub-division that set the standard for market rate projects in the city.
- **Danny Cameron:** National City Bank VP who ran NCB's community development corporation that partnered and financed much of the early neighborhood housing projects
- **Daryl Rush**: A Cleveland native who ran NPI grant programs for CDCs. Later City of Cleveland Community Development Director.
- **Norm Krumholz**: City Planning Director who pioneered the Equity Planning model and was a mentor and adviser to a generation of city planners and neighborhood activists.
- **Daryl Burrows:** Quantum Leap maestro.
- **Richard Shatten**: First director of Cleveland Tomorrow and thought leader for corporate leadership that kept neighborhoods at the table and NPI an affiliate program.
- **Henry Meyer III**: CEO of Key Bank and 2nd Board Chair of NPI. Set the standard for corporate leadership.

Cleveland needs to encourage and continue supporting a new generation of leaders from all sectors if it is to prosper.

Issues and Performance

Cleveland developed a well-functioning system staffed by good people that slowed the rate of decline and improved or stabilized conditions in many neighborhoods. But things change, new problems arise, old approaches prove insufficient, and resource are diverted into other channels. How did the Cleveland system deal with this changing environment, and what are some of the issues that need to be addressed going forward?

Scale and Sustainability

To reverse fifty years of decline and national trends, the Cleveland coalition needed to develop a clear set of goals, metrics and related investment levels in order to achieve a transformative impact. Instead, the city settled for a good-faith effort and improvement. The end goal and progress were never quantified beyond the 1997 Hamilton Rabinowitz study for building a sustainable housing production system for Cleveland. In order to realize a goal of 500 for-sale units and 1,000 home improvement loans annually for 5 years, $49 million in additional non-market financing was proposed. While Cleveland substantially increased its level of financial support it was never able to generate either the financial or organizational capacity to realize this stretch goal. Whether the model/approach was scalable was never addressed.

There was no county-wide redevelopment authority, so neighborhoods made do with the resources available and adjusted goals accordingly. Transactions, not systemic issues, became the focus, and there were not enough deals to counter economic malaise. The bootstrap approach and reliance on private markets has its limits.

The investment and infrastructure requirements exceeded local resources of the coalition and the development capacity of the CDCs, the Cleveland Housing Network and New Village Corporation. These non-profit institutions were expected to hold the line until the private market came to the rescue—this, of course, has taken longer than anticipated, and was severely undermined/stalled by massive predatory lending and subsequent foreclosure of distressed properties.

In the sub-prime mortgage collapse Cleveland lost 2.9 billion dollars in homeowner equity between 2008 and 2014. (County Auditor estimate as compiled by NEO CANDO). Much of this occurred in African American neighborhoods on the east side. Uneven recovery has occurred, but outside real estate speculators are a major problem and counter measures are needed.

The German Marshall Urban Policy Story

In 2006, I was a German Marshall Comparative Urban Policy Fellow and for five weeks visited older European industrial cities. I interviewed a range of urban development professionals who were developing policy or managing programs and projects that related to the work I was doing at NPI.

My tour started in Brussels where I met with Anatassios Bougos, head of the Distressed Urban Areas program for the European Union. We struggled a bit to find common ground since Cleveland, public-private partnerships and foundation intermediaries did not figure in the EU's approach to urban renewal. Of course, he said, renewal of distressed urban areas was the responsibility of government, and while non-profits and business could be helpful at the margins, they were not the drivers of an agenda which required significant resources and political will. This was the case with national funding of schools and the requirement that all private housing development include a set aside for social housing.

When I asked him about the budget for this effort (distressed area reclamation), he replied, that over 7 years the EU had committed **305 billion Euros** supplemented by local and national government public funding. Co-ordinating the funding, planning and implementation was of course, he said, a complex undertaking involving a vast network of public sector professionals. I nodded in agreement, and we then discussed my itinerary and good restaurants in Torino.

The Public-Private Partnership and the Governing Coalition

Civic Vision and Leadership in a Legacy City

The Cleveland governing coalition managed the city's decline while protecting their individual interests and doing the best they could to address the shared goal of improvement. This wasn't the era of "I have a dream;" rather, in the words of former Mayor Frank Jackson, "It is what it is." Neighborhoods were important to corporate coalition members but not a priority, and federal resources were lacking.

The legacy of the neo-liberal Reagan era and the Voinovich years–that government is the problem and that private market interests can better address deep inequities through trickle-down economics, balanced budgets and cultural uplift was accepted by both political parties. Likewise, the belief that the private sector, with appropriate subsidy, would be motivated and capable of doing the heavy lifting required to rebuild distressed communities was accepted as bed rock. There was little support for a strategy to reduce regional economic disparity (in which Cleveland/Cuyahoga County led the nation) or the impact of such an unequal system on regional prosperity. Within this framework, how did the coalition members contribute to the goal of neighborhood improvement?

City Government

City government was the main driver of neighborhood investment even in a period of declining federal funding. Each of the four mayors described in this account (Voinovich, White, Campbell and Jackson) put their personal stamp on how things got done but each operated within the limitations of a ward- based system, low property values, high poverty levels, a weak performing, segregated school system, regional sprawl and a dominate corporate sector. Making the best of this situation was the modus operandi for each Administration. The "glass ceiling" for mayoral advancement limited the incentive for visionary leadership. Only Voinovich was able to leverage his mayoral term to higher elected office.

The various mayoral administrations kept the lights on, the city solvent, and were more managers of decline than innovation leaders. (Mayor White pushed the envelope during his first term.) Tax abatements during the White administration were used for new and rehabilitated housing as well as economic deals outside of downtown. This was a major departure from the Voinovich years when tax abatements were largely used downtown. Despite minor corruption, Cleveland had no fiscal crisis and has retained a decent bond rating. There is no visual sense that things are out of control; the street lights work (unlike in Detroit), trash is removed, vacant lots and buildings are maintained, city services are adequate. There were no municipal lay-offs. Not so good, the Police Department has been operating under two Justice Department consent decrees for practices that violate residents' civil liberties, and for the police murder of Tamir Rice, which remains an open wound.

City government was and is the major vehicle for neighborhood investment and is much improved from the early days of the Community Development Block Grant, when repaving sidewalks was a top priority. Although Cleveland has a ward-based city council with 17 Council seats that lobbies for constituent services, Council follows the mayor when it comes to policy and city priorities including infrastructure, projects, and planning. The ward system means that public investment seldom provides sufficient resources to be transformative in any neighborhood.

Despite these limitations support from City government has been integral to stabilization in a weak market city. Without public subsidy most of the projects described in this account would not have happened. In addition, infrastructure investments to improve Kinsman Road and the Shoreway were essential to jump starting redevelopment efforts. And despite my reservations about Opportunity Corridor, the City pressured ODOT to ensure that it was made a boulevard not a freeway by-pass connecting the Forgotten Triangle to both the Cleveland Clinic and the airport. Whether the adjoining neighborhoods will benefit remains to be seen, but the potential is there.

The White administration support for neighborhood projects included tax abatement on new construction, early Community Reinvestment Act challenges to local banks and later community benefit agreements, city investment of federal subsidy dollars in flexible and varied forms in many NPI projects; Council helped CDCs through a city-wide competitive operating support program. This agenda continued under subsequent administrations. NPI was seen by the City as a useful resource that could get deals done and provide gap funding when needed but was never seen as an agenda-setting organization.

The main achievement of the public-private partnership during the White Administration was the $850-million Gateway Sports and Entertainment Complex. This was more of a suburban/tourist agenda with little thought to creating a livable downtown residential community, and it was not linked to any substantive neighborhood reinvestment plan.

Public support for big ticket capital investment projects focusing on downtown and University Circle continued under Mayor Frank Jackson with the Convention Center, the Medical Mart, Opportunity Corridor, the refinancing of the Gateway sports venues with questionable community benefit.

The loss of home rule based on an Ohio Supreme Court ruling, and a general shift to an anti-urban State government has limited the City's ability to set its own policy agenda although Mayor Jackson's unwillingness to create alliances with other Ohio mayors and push a more aggressive regional agenda limited prospects for new approaches that might mobilize untapped resources and support. Newly elected Mayor Bibb seems intent on reversing course and building an expanded set of relations both within the State and nationally.

Federal programs

Federal funding for cities and poor people declined over the last 30 years and shifted to tax-credit programing as neo-liberal policies continued under both political parties. The programs that did come to Cleveland, in large part due to the clout of Congressman Lou Stokes, were a mixed bag—Supplemental Empowerment Zone, Homeownership Zone, Promise Neighborhoods, and Hope VI—and have been assessed by others. (See Further Reading) Neighborhoods benefited from CDBG funding, though at reduced levels. Community Development Finance grants from Treasury and tax-credit investment programs were important, but these programs and funds were not sufficient to counter effects of the federal crime bill, welfare "reform" of the Clinton era, and financial deregulation of the Obama years which devastated minority and poverty neighborhoods.

The promise of the Obama administration never recovered from its timid response to the mortgage foreclosure crisis which favored the banks and not homeowners. The creation of the Office of Urban Affairs staffed by centrist policy wonks focused on metropolitan strategies and better coordination of existing federal programs and agencies to break down governmental silos. Helpful but not transformative. The resources never matched the rhetoric especially after the Republicans recaptured Congress and programs such as the Promise Neighborhood program based on the Harlem Children's Zone were never able to go scale, as was the case in Cleveland.

Trump was a train wreck for neighborhoods and affordable housing with the Opportunity Zone tax credit scam a fig leaf for the massive tax cut legislation. A new approach will be tested by President Biden with the $1.9 trillion American Recovery Act and the proposed infrastructure bill. This will be a big deal for Cleveland, among the poorest major cities in the country, provided we can get the local politics right and develop an inclusive delivery system of benefit to those who need it most.

Regional Government

Lack of vision and political will for equitable development policies at the County level combined with the regional planning priorities of the North East Ohio Coordinating Agency for highway construction, along with suburban zoning restrictions, and other measures intended to preserve property values by keeping "those people" in the ghetto, fueled sprawl and moved resources, services, and people out of the city. The fact that social service anti-poverty programs are funneled through the County makes coordinating a comprehensive neighborhood recovery strategy more challenging. In the wake of widespread public corruption in 2008, County government was re-organized in 2010 with the creation of a County Council representing 11 districts with a chief executive officer. There is little evidence that these reforms improved conditions for Cleveland residents. On a more positive note, the creation of the Cuyahoga Land Bank has been a great asset for Cleveland's distressed neighborhoods. Whether the County/City imbalance is systemic or the result of a lack of political leadership and vision capable of advocating effectively for an equitable development agenda is an open question. The election of a new County Exec with extensive community development experience in Cleveland is promising. Time will tell.

State Government

Cleveland lost "home rule" authority, and state support for cities was reduced during this period. Republican domination of State government resulted in an anti-urban conservative agenda with less state resource/policies to match. Biennial state bond allocations for capital investments were targeted to downtown and the major institutions of University Circle. Cleveland did well in Low-Income Tax Credit allocations, in large part because the Cleveland Housing Network and a small cadre of private developers were particularly adept.

Corporate Cleveland

For corporations, the bottom line for civic engagement was maintaining profitable business operations, social peace, good corporate and civic PR. Corporate social responsibility for addressing neighborhood needs was not a primary concern nor was it the lens through which management was evaluated internally.

Access to credit and bank financing for resident homes and businesses was a key component of neighborhood recovery in part due to Mayor White's community benefits agreements and CRA where an unfavorable rating would jeopardize mergers and acquisitions for local banks. For corporations that kept operations in Cleveland and needed public sector support, doing good contributed to the bottom line.

Lending to CDC projects and later, low-income tax-credit investments in addition to serving on non-profit Boards – NPI being the main example- was the primary form of engagement. Annual philanthropic support with the exception of BP tended to go through United Way in support of social service organizations.

Cleveland had the sixth-largest number of corporate headquarters in the country in 1980. Corporate engagement declined as Cleveland became a minor player in the global economy, with mergers, acquisitions, emphasis on shareholder value, just-in-time global supply chains, and algorithm-driven decision-making. Local corporate assets were acquired by hedge funds and global behemoths, facilities were consolidated, and jobs were eliminated. Old industrial sites, many with major environmental issues, were left behind. Golden parachutes became the new corporate perk as business relocated to the Sunbelt or became a division of a global corporation or hedge fund.

Mergers, acquisitions, and hedge fund restructuring decimated corporate Cleveland. In 1998, BP joined the corporate exodus. It moved its headquarters to Chicago after it acquired Amoco, leaving behind the Claes Oldenburg stamp sculpture and a nearly empty office tower on Public Square. Eaton Corporation (Operations in Cleveland, headquarters in Ireland for tax purposes), Sherwin Williams, and Key Bank remain.

The Greater Cleveland Growth Association was the longtime regional Chamber of Commerce that lobbied for business interests, provided health insurance and related services and later established the Cleveland Roundtable to address race relations and minority business growth.

In 1981, Cleveland Tomorrow was created based on a strategic plan developed by the McKenzie Corporation as a membership organization of the CEOs of the fifty largest corporations. In 2004, the Growth Association, Cleveland Tomorrow, and the Roundtable merged to form the Greater Cleveland Partnership (GCP) more akin to a glorified Chamber of Commerce, than a CEO organization of the powerful.

More directly related to our narrative purposes, is that the hollowing out of the corporate infrastructure meant that NPI ceased to be an affiliate organization of Cleveland Tomorrow charged with realizing a higher impact neighborhood agenda and become more a manager of detail of projects and plans that were of interest to Cleveland Tomorrow and their investment arm, Cleveland Development Advisors. Staff not Board leadership began setting priorities and competing for resources as was the case with securing a CDFI designation from Treasury rather than working through Village Capital.

This history of corporate engagement and the rhetoric of the public private partnership speaks to the need for agreements that spell out community benefit when public resources are given to private interests. What are the metrics? Did they achieve outcomes in exchange for tax abatement, regulatory relief, infrastructure investment, and direct subsidies? Legacy issues like lead paint housing and Sherwin-William's role in remediation have not surfaced in discussions about plans for a new downtown corporate headquarters.

The odds that major corporations in the future will locate their headquarters in Cleveland are highly unlikely and should inform efforts to re-build a civic leadership structure. New partnerships and corporate leaders are needed to link Cleveland to a global economy that builds on our legacy of achievement and the lessons learned.

Ed and Meds

In accounts of the prospects for legacy cities nationally, Eds and Meds are often seen as the foundation for a new economy and as anchors for inclusive placemaking. Cleveland, apart from Metro Hospital, not so much.

The Cleveland Clinic is a tax-exempt, city-state with its campus located in one of the most distressed areas in Cleveland. According to a recent report by the Lown Hospital ranking Index 2022, the Clinic had the fourth highest fair share deficit among nonprofit US hospitals at $611 million. The fair share deficit is the difference between the estimated amount a hospital receives in tax breaks versus the amount it directly invests into its community. There is no agreement with the City for annual contributions—ether financial or services—in lieu of city taxes as is the case with Pittsburg or Boston for example.

It's likely the Clinic has a ten-year plus land-use plan for the area, but it is not shared, though we can surmise that it calls for maintaining a manageable level of neighborhood distress to keep land acquisition costs to a minimum.

Cleveland Clinic Building

Surrounding neighborhoods, Fairfax, Hough, and Glenville, have the highest poverty and health-care disparities, and the lowest housing values in the city. Multi-million-dollar public infrastructure projects–Opportunity Corridor, and the Health Care Transit Line (Euclid Ave.) are designed to connect the Clinic's campus to downtown, the airport and freeway system with little attention to neighborhood benefit. Major community initiatives such as the Greater University Circle Initiative, Evergreen Co-op, and the employee mortgage assistance program have had high public visibility but little impact. When compared to cities like Pittsburg, Baltimore and Philadelphia Cleveland comes up short in linking the eds and meds to a larger community agenda.

During the period described, **Metro Hospita**l did not have a significant neighborhood partnership, but this has changed in the last period and Metro has become a model for community engagement. The elements of this partnership are outlined in chapter 8.

University Partners

The two major universities in town, Cleveland State and Case Western Reserve, had a mixed record in supporting neighborhood recovery efforts. Early on, the politically connected Dean David Sweet of the Levin College at CSU recruited Norm Krumholz the City Planning director to create the Center for Neighborhood Development with seed funding from the local foundations and biennial allocations from the State of Ohio through the Urban University consortium. Cleveland State as the lead university received 50% of allocated funding. As a result, The Center for Neighborhood Development was able to hire a number of talented planners who were an integral part of the support network for the nascent CDC industry, most notably Pat Costigan, Bill Whitney, Mary Ann Simpson, Janice Cogger, and Phil Starr. In addition to State funding, the Levin College and Dean Sweet was able to attract a number of prominent urban planning faculty like Krumholz, Dennis Keating, Tom Bier, and along with visiting senior fellows like Phil Clay, and Kermit Lind of the Law School, the College was able to establish itself as an important player in community development both locally and nationally.

When the Republican party captured the Ohio State Legislature, support for the Urban University consortium and CSU Center was eliminated, The College was unable to fill the gap through local foundation sources and the Center for Neighborhood Development was shut down. CSU's role declined accordingly, and its influence has waned, though the Campus District development activity remains viable. The Cleveland Urban Design Collaborative in partnership with Kent State University is a positive force, and the college's urban planning program still provides graduates to staff both City and CDC positions.

Case Western Reserve University is a different story that underscores the difficulty in overcoming the silo mentality that prevents the development of a unified strategy for neighborhood renewal. The major neighborhood academic focus of CWRU focused on improving conditions for poor people not urban planning and neighborhood placemaking. The Mandel School of Applied Social Sciences was primarily concerned with developing a social work agenda to address poverty issues and training a professional cadre to staff the social work agencies. There was little effort made to coordinate the respective agendas and institutional capacity of the respective universities for placemaking and poverty alleviation. CWRU physical development agenda focused primarily on creating an Uptown university retail district for its student population. NPI's attempt to create a neighborhood housing agenda for the area adjoining Case Western the University was unsuccessful due in large part to the lack of interest on the part of the University.

> The lack of a unified research partnership and theoretical framework for neighborhood renewal by CSU and CWRU meant that NPI and the CDCs focused on program and deal making without the benefit of connecting theory to practice and using the outcomes to impact public policy.

Local Foundations

In this environment, local foundations were and are essential in developing a community revitalization strategy for Cleveland, bridging the gap between federal programs and private sector finance while supporting social programs for the poor. They helped create a shared strategic approach toward community development and served as thought leaders, conveners, and catalysts. The collaborative funding model of the local foundations enabled Cleveland to create a system, through NPI, that brought the City and the corporations to the table to target resources for maximum impact. The fact that this system has remained intact and able to fund citywide redevelopment efforts over a 25-year period is truly remarkable and speaks to commitment. Without this support, there would be no Cleveland system.

That said, there are limitations to what philanthropy can do to address systemic issues of legacy-city decline absent a more robust and diverse resource base. Private foundations are creations of the Internal Revenue Services, wealthy individuals and corporations. They are neither subject to market corrections nor voter approval. The federal tax ruling requirement that foundations distribute a minimum of 5 percent of capital annually for private foundations (has become the ceiling, not the floor, regardless of the local level of distress. (Note: The Cleveland Foundation as a community foundation is not subject to the 5% rule but has a spending policy intended to preserve capital). Addressing long term structural problems like persistent poverty and underinvestment are not likely to be solved in three-year funding cycles absent a robust public sector commitment.

Each of the major foundations in Cleveland had their own unique internal dynamics and grant making priorities. There were four different types of major Foundations in Cleveland supporting community development, each with their own culture: a community foundation (Cleveland); a family foundation (Gund); a sole donor foundation (Mandel) and a corporate foundation (BP). Later a health care conversion foundation (St. Lukes) emerged but at the time was not part of the system described. In this environment, collaboration and a shared strategic framework is the exception not the rule. Support for NPI was one example of a successful collaborative effort, but funding was limited, and priorities varied.

The Cleveland Foundation is the sixth largest community foundation and the 47th largest philanthropy in the country. Fred Goff laid the foundation with wealth that was largely derived from banking. It has since grown through market appreciation and charitable donations to upward of 800 donor advised funds with current assets in 2021 of $3.2 Billion. The Gund and Mandel Foundations are smaller with their own dynamics and priorities dictated by shifting family and benefactor interests.

When BP left town, the limitations of local foundations' capacity to lead a multilayered redevelopment effort became more apparent. As BP was exiting, the Ford Foundation began moving away from place-based, CDC-focused strategies, and in 1991, Living Cities. the coalition of eighteen of the largest foundations and national financial institutions with their own agenda and priorities, began to evolve.

Local foundations continued to support a range of activities and organizations that addressed some aspects of neighborhood health and vitality—from schools, to healthcare, the arts, economic development, and green infrastructure. Some of these investments were based on donor-advised funds and legacy commitments, others on foundation execs seeking new ways to make an impact. The need to consolidate grantees under the perceived need for efficiency has further diminished impact and community control.

Nevertheless, the range of neighborhood investments is impressive: The Poverty Commission, the Fund for the Future, ShoreBank, the Evergreen Co-op, the Neighborhood Connections small grant program and more. Whether these initiatives had the desired impact is beyond the scope of this account. They represented new approaches that depended heavily on limited foundation resources and were not linked to NPI and the mature community development system either organizationally or strategically. Can they meet new challenges in the post-pandemic environment when the federal government is pushing the boundaries on social justice and new approaches to addressing persistent poverty?

Foundation Intermediaries–The NPI Experience

I have given a great deal of attention to the role of Neighborhood Progress in this account as it's integral to the community development system; and it provides some participant perspective about the motivation and dynamics of the public-private partnership in Cleveland.

NPI emerged as a system for foundations to wholesale their neighborhood grant making with the understanding that NPI would manage the process fairly and be responsive to both neighborhood needs and foundation requirements. Over time, NPI became an operating intermediary that extended beyond its original CDC grant-making function. Nonetheless, it still remained an intermediary tied to local foundation needs limiting potential scope and impact.

What was originally intended as a three-year experiment in Cleveland evolved into a 25-year commitment, spanning the administrations of four city mayors, the regime of four funding foundation CEOs, and involving over $65 million in direct foundation investment. Core funders consisted of four local foundations, the Ford Foundation, and the US Treasury, with support for special initiatives and projects from over twenty-five additional investors.

As described earlier, there was not a grand plan for NPI that was tied to long- term outcomes for neighborhood improvement – progress, rather than transformation was the goal. NPI grew operationally from supporting a select number of CDCs to include two subsidiaries (Village Capital Corporation and New Village Corporation) and various special projects and initiatives that were opportunity- and need-driven. It led to a more complex organizational structure that evolved over time within the overall budget constraints and our mission of supporting CDCs within the City of Cleveland. Progress and improvement not catalytic change continued to be the goal.

NPI was a well-run, efficient organization, as evidenced by a 10-to-1 leverage of funds invested, 25 years of clean financial audits, and no reportable negative conditions despite increasingly complex financial structures and partnerships. There were no scandals or organizational meltdowns. NPI was and is a resilient and entrepreneurial operation; it adapted well to changing conditions but pushed the envelope as a support organization for CDCs and a foundation intermediary which was both a strength and a limitation.

For local funding partners NPI was a nationally recognized model for supporting community development that got desired outcomes with minimum stress and organizational overhead. This allowed the foundations to budget long-term and address other important community issues and agendas as the landscape changed and new challenges emerged.

The Cleveland Tomorrow corporate partners where able to realize investment objectives and meet regulatory requirements (Community Reinvestment Act) without undue disruption to business operations.

The City was able to meet neighborhood needs with a flexible partner that could provide gap financing and technical support for projects as well as training and capacity building for neighborhood groups leveraging their CDBG funding. In the process a CDC industry was created with development professionals and neighborhood activists represented on the NPI board with a voice in how and where support would be given.

As an intermediary, NPI was joined at the hip to the agendas, budgets, and civic priorities of its foundation investors. Since this arrangement was a collaborative effort, agreement between partners often focused on the middle-ground consensus. NPI was always viewed through the lens of its partners' overall agenda and priorities, which were primary. Despite years of successful performance NPI never graduated to an "Evergreen" relationship with its core funders.

Since its primary focus was supporting a CDC agenda within the City of Cleveland, NPI never went beyond these self- imposed limitations to expand its scope and impact by operating regionally, doing deals including LIHTC housing, and other fee generating projects and lending to private developers in stronger markets. The r&d function and public policy advocacy remained secondary priorities and never evolved into a core function or led to the creation of affiliate organizations. Whether NPI could have expanded its reach and impact was never tested and whether that would have made a substantial change in Cleveland's prospects is a matter for conjecture. What is clear is that there was no appetite on the part of its core funders to move in this direction.

In its early years, NPI had the clout that went with a high-profile Board and civic consensus as to its role and mission. As Cleveland Tomorrow became the Greater Cleveland Partnership and BP America exited for Chicago in 1999, NPI's leadership and funding base narrowed. New local foundation leadership viewed the organization as more of a program and project manager, not an innovator and agenda setter. Nationally, the foundation community was moving away from CDCs and place-based strategies. NPI lacked the political power and resource base to address a changing economic environment.

NPI responded to the subprime meltdown on various fronts, including a comprehensive housing strategy (Opportunity Homes) advocacy, lawsuits, redeveloping foreclosed properties, and vacant land reutilization, but wasn't able to act as civic convener to secure the resources and collaboration necessary to mount an effective response of scale to the market collapse.

NPI has since evolved and developed new approaches to community building in response to the changed environment which this account doesn't assess. Whether Cleveland Neighborhood Progress is viewed as a central address for neighborhood reinvestment or one of many sources, is unclear.

NPI was periodically evaluated by national recognized consultants (Tom Burns, Tony Proscio, and Basil Whiting) prior to submitting its funding proposals for core support. These evaluations of work done, and opinions of grantees, funders, the city, and private sector partners, as well as leaders in community development nationally, together helped shape programming going forward and are available for review. **(See Bob Jaquay, along with other related materials at the Western Reserve Historical Society)**.

In the interest of keeping a coherent big picture narrative of the Cleveland system, the preceding assessment did not attempt to summarize these consultant reports or provide a more granular account of the operational detail of how NPI went about doing its business. **I have provided a fuller description of the contributions made by Board members and staff in the Appendix.**

Neighborhoods and the CDC Strategy

More than many others, Cleveland is a city of neighborhoods, and neighborhoods are a defining quality of a legacy city. The governing coalition previously described was intended to improve neighborhood conditions by investing in community development corporations and their redevelopment efforts. Around this basic commitment, much of the infrastructure discussed above was constructed. So, neighborhoods and the CDC strategy are at the core of our assessment. Whether this approach was or is sufficient to counter the reality of suburban sprawl and the growth of virtual communities in the internet age is an open question and one requiring new approaches and strategies.

The Cleveland community development system was built on social fabric, sense of place, value-driven staff, and committed residents. Equity planning and a community organizing legacy supported a community land bank, CRA challenges, and a Housing Court. Keeping the community in community development was and is a core value. This contrasts with the urban renewal era when residents were removed in the interests of failed top-down planning. In the late 70's and 80's, the CDC strategy fit the fact situation. It provided a framework for action. Abandoned houses were being torched, banks weren't lending, city services were sub-par. Something needed to be done. **(**See Randy Cunningham's account of the early history of community organizing and its aftermath**.)**

Creating a CDC infrastructure was an outcome of this environment. The decision to form stand-alone organizations out of the community organizing coalitions–keeping organizing separate from development, and not aligning development with the existing social service organizations emerged without much thought of the long-term consequences.

Despite the subprime meltdown and collapse of the neighborhood housing market, CDCs have endured and provided a framework for rebuilding. There are currently 33 CDCs with professional staff community boards and a range of development capacities and community connections. Upward of 300 individuals are working in the non-profit sector in Cleveland to improve neighborhood conditions, and they play a critical role in maintaining community fabric and hope for the future.

As mentioned previously it's all about the people and in the case of relatively small non-profits with a big agenda requiring both technical skills and neighborhood smarts, the CDC executive director is critical to successful performance. Cleveland has been fortunate in the depth and capacity of its CDC staff many of whom have gone on to play important roles at the City, foundations and private sector.

However, CDCs are not a panacea or the magic bullet for neighborhood recovery. Often times progress is episodic at best and personalities, the ward political system and market dysfunction can undermine the best of plans. A case in point is the Shaker/Buckeye neighborhood which figures prominently in Cleveland's DNA. The CDCs were long supported by NPI but a corrupt City councilman, issues of race and class, and failure of private developers to manage a historic market district has meant that a vital Cleveland asset is in jeopardy. Fortunately the Councilman is now in jail, a new community partnership has emerged and a non-profit partnership has gained control of the Shaker Square retail center and is in the process of making needed repairs and developing a community plan for the area. (See Chapter 8 for further detail).

So CDCs are necessary but not sufficient. New organizational structures and alliances will be needed to address the challenges of building inclusive neighborhoods of choice in the current environment. In Europe, various housing agencies, many non-governmental organizations (NGOs) manage and develop thousands of units as well as coordinate a range of social services. Cleveland's ward-based system has resources spread city wide. This has limited capacity to achieve the needed scale. A few CDCs such as Bell Burten Carr and Detroit Shoreway have managed to expand their footprint and development capacity. In the case of BBCDC they have also pioneered a new community resource with the launching of a radio station (WOVU 95.9 FM) which provides a vehicle to connect people to valuable information and resources through on-air broadcasting and associated social media platforms. This is one example of local initiative and a creative response to problems and opportunities. There are many others.

A place-based focus on real estate gives residents a voice and means to plan and respond to issues, but it is insufficient without links to community anchors, political leadership, and quality-of-life issues. Alliances and joint planning with neighborhood anchors are needed primarily with the school district, neighborhood centers and the faith based ministry, all of which are silo oriented and focused on their core agendas but there the potential for collaboration is there though episodic in the recent past.

Legacy

The Cleveland CD system was able to develop a viable partnership and leverage significant investment to slow the rate of decline and create a foundation for the future. A civic infrastructure, both people and organizations was developed and has proved capable of responding to new challenges. The private sector is weaker and less able to provide the resources and leadership to deal with deep distress and market dysfunction. Foundations will continue to play a critical role in supporting innovation and providing gap financing for critical projects. Successful place based initiatives will require new partnerships engaging major neighborhood assets (schools and hospitals) that will need to move beyond their silos. New federal resources and a fresh approach to local government with newly elected mayor Bibb and County Executive Chris Ronayne offers prospects for greater impact. In the next chapter I offer some suggestions for moving forward.

Chapter 8 Rustbelt Resurgence: Looking Back to Move Forward

> "Accentuate the Positive. Eliminate the Negative. Don't Mess with Mr. In-between."—Dr. John

Legacy Cities in a Global Economy

It's been nearly 100 years since Cleveland was the sixth largest city in the country, an industrial powerhouse and center for innovation. Its trajectory mirrors those of other older cities, not just in the US, but globally. Manchester, Lille, and Essen have all declined from their peak and are reinventing themselves. The ebbs and flows of these cities' fortunes offer lessons: not all have gone downhill, and many have been able to re-invent themselves by building on their assets and entrepreneurial energy in the digital age.

Challenge in the New Era

The challenge in the new era for legacy cities is to re-build the economic infrastructure while advancing equity, social justice, and inclusive placemaking. This will take different forms in different places and will require a shared civic vision along with resources and metrics to measure progress.

I'm hesitant to offer my suggestions to address Cleveland's myriad issues going forward. The earlier chapters were based on an insider view of how and why things were done and to what affect. What follows is the somewhat informed opinion of someone who is no longer in the "game" but still thinks he has something relevant to say. I let the reader be the judge.

A Changing Landscape

Since we last looked at Cleveland, the city has mostly recovered from the mortgage foreclosure debacle, survived the COVID pandemic, endured 4 years of the Trump Administration, kept its community development infrastructure in place, and many of the neighborhoods have stabilized and become vital regional places**.** Significant issues remain, as is the case with older legacy cities—poverty, racism, crime and police response, obsolete infrastructure, sub-standard housing, and a worn neighborhood fabric. Addressing these issues is more challenging in that this has been a period of major leadership transitions (political, corporate and foundation) with leaders focusing on core business issues with less attention to developing a unifying civic vision or partnership to address pressing neighborhood issues and opportunities. However, there is much to build upon.

We've learned a lot from Cleveland efforts to rebuild neighborhoods in a weak market city: both strategy and tactics can inform local efforts. The general elements that would inform Cleveland's efforts have not changed, though new leaders, conditions and prospects will dictate different approaches and priorities. The check list begins with a shared vison and civic consensus about what needs to be done which requires an engaged leadership in partnership, leading to a strategic plan to leverage assets and resources with definable outcomes and public policies in support. Of course the devil is in the detail.

Cleveland Assets

Let's begin with the familiar list of Cleveland's assets, which are considerable:

- A real city with substantial assets, an interesting history, and neighborhoods of character
- A diverse city
- World-class health care for those who can afford it
- A Great Lake
- No forest fires, hurricanes, flooding, heat waves, or major earthquakes
- Affordable housing
- Major culture venues, parks, professional sports, and universities
- Major community foundations
- A superior community development system
- A municipally owned utility and major airport

In addition to these assets, Cleveland's precipitous population decline of the last century is over. Slow growth/no growth poses its own problems but is not a train wreck. However, we should not fool ourselves into thinking that Cleveland is poised to return to its former glory years or that the global economy will not crater again and leave Cleveland once again digging out from the rubble or that the political landscape will continue to unravel.

However, keeping a more upbeat attitude, if Cleveland became an immigrant-friendly city (the *Ukrainians are* *coming!)* and/or the environmental impact of global warming (floods, fires and water shortages) continues apace, then Cleveland could easily go from “the mistake on the lake” to a pretty-cool place to live and raise a family. The potential for Cleveland to become a Green City on a Blue Lake is there, and work to make it a reality is underway.

My Seattle Story

I lived in Seattle in the early 60’s in a struggling low- income community called White Center aka “Rat City”. Before it became a technology powerhouse and a happening place, Seattle was a sleepy NW town, a third smaller than Cleveland. It had two Fortune 500 Companies–Boeing and Weyerhaeuser–and no big-league sports teams, orchestra, or art museum of note. . .and a lot of rain and gray sky. At the time, Boeing was laying off all its engineers, and billboards went up over town calling for the last person leaving to turn out the lights. Seattle’s sister city in Kobe, Japan sent relief packages.

Before Gates and Allen were stealing computer time from the University of Washington mainframe, or Jeff Bezos was driving his van filled with books to his parent’s garage in a suburb of Seattle, and Starbucks was a Co-op roasting beans at the Pike Place Market, there wasn’t a grand civic plan. A community resurgence appeared on the horizon when a grass-roots coalition of voters passed a referendum opposing the mayor and the business establishment, who wanted to replace Pike Street Market with a hotel and sports complex. Plans for the Seattle World’s Fair, anchored by a privately financed Space Needle, envisioned Seattle as the city of the future, but was more hope than plan. Later, in 1986, Microsoft’s Initial Public Offering made 12,000 of its employee’s instant millionaires. Many of them spent some of their new-found wealth supporting neighborhood business and local culture–high and low (Opera and the Seattle Sound) and fueled a resurgent neighborhood housing market.

Seattle is now a prosperous, gentrifying city where displacement, homelessness and affordability are big issues–different from a de-industrializing city like Cleveland and requiring different solutions. Equitable development in each city calls for devising citizen-based, local solutions supported by federal policy requiring flexibility and resources appropriate to the problem.

Elements of a Future Agenda

A new generation of leaders will have to work it out, but here are some suggestions to consider.

Civic Vision and Leadership

A transition in civic leadership is underway with no consensus about future direction for the City. In the words of former Mayor Frank Jackson, “It is what it is.” Whether this is sufficient in an environment where people have lost confidence in their leaders, private neighborhood investment is lacking and the governing coalition is in disarray suggests that more is needed.

It is unclear where neighborhoods fit into the larger picture when it comes to priorities and resource allocation. Downtown, the lakefront, and University Circle are at the top of the list, while distressed communities and poverty are given lip service. This situation could change dramatically with passage of the American Rescue Plan Act and its $512 million in funding for Cleveland. How the funds get allocated and managed is, of course, the big question, as is the case with infrastructure funding.

The Challenge

The challenge is to re-build Cleveland's economic infrastructure while advancing neighborhood equity, social justice, and inclusive placemaking.

The road map could either be a variant of The Big Plan, a la Detroit's Future Cities agenda, or the "let a thousand flowers bloom" approach to spur innovation in many places built on local neighborhood plans with engaged residents. I gravitate to the flowers, but a good plan with resources might work too. Leadership at multiple levels is essential, as is competent staff in the trenches motivated to take risks and get things done, often without clear guidelines and resources.

For either approach, reference should be made to the Connecting Cleveland 2020 Citywide Plan, a foundational document by the Planning Commission, that organizes the City into 36 neighborhoods and six districts identifying the assets, opportunities and challenges of each. https:/planning.clevelandohio.gov.

Civic Leadership for this undertaking is, of course, a big issue. The civic hegemons are gone, replaced by gate keepers and managers instead of wealth creators and leaders. Tom Johnson, Carl Stokes, James Ross, Mort Mandel and their like are a fading memory. The corporate elite is a shadow of its former self and Headquarters Cleveland is not likely to return. The foundation community is over extended, lacks the necessary resources and is less inclined to collaboration and partnership. This is true for most older industrial cities not just Cleveland.

With Marcia Fudge as HUD Secretary, Sherrod Brown chair of the Senate Banking Committee, newly elected Congresswoman Shontel Brown, Cleveland mayor Justin Bibb City Council turnover, and a new County Executive (Chris Ronayne) there is a real chance for a new political alignment that could make a difference provided there is a unifying vision and commitment to the equitable redevelopment of Cleveland's neighborhoods. To date no agenda has emerged. While State government is a train wreck, and the County has yet to demonstrate that Cleveland neighborhoods matter, there is need for grass-roots political pressure to do the right thing and build alliances for lasting change. Foundation support for this infrastructure is crucial.

Citizens have lost confidence in their leaders and don't have much confidence in the political system as evidenced by the 16% of registered voters who cast ballots in Cleveland's recent mayoral primary.

The election of Mayor Bibb is a case in point. A 34-year-old African-American consultant with degrees in law and business but no elected office experience or neighborhood track record of achievement. He nonetheless promised a new beginning and spoke to the need for a more transparent, accessible approach to delivering public services and addressing long standing issues in health and safety in a COVID 19 environment. He has also made a point of looking beyond Cleveland's border to attract new allies and resources.

Mayor Bibb appears to be a technocrat who has staffed his administration with like-minded people with little direct neighborhood experience but intent on streamlining city services and increasing accountability – a watered down version of the Voinovich era Operations Improvement Task absent significant private sector expertise. The goal seems to be improving public systems and then at some future date move on to the vision thing. Hopefully the vision will be one supporting equitable development and neighborhood empowerment<but absent an organized neighborhood constituency there are no guarantees.

Mayor Bibb's 100 Day Plan staffed by an influx of new talent was a promising beginning though there is little evidence of tangible outcomes after one year in office sufficient to overcome the lack of private investment, the insularity of anchor non-profit institutions and a ward based political system.

New Federal Resources

New federal funding for Legacy Cities (The American Rescue Plan Act and the Infrastructure bill and more besides will provide much-needed resources for Cleveland, one of the country's poorest, most distressed cities. Estimates are for Cleveland to receive $512 million from the Rescue Plan and a still-to-be determined amount from the infrastructure package. Together, if properly structured, federal funds should leverage other resources and re-engage the community.

Building on the legacy of Tom Johnson and Carl Stokes, there is a range of changes that could make big differences for Cleveland neighborhood beginning with Mayor Bibb's Rescue and Transformation Plan that includes 10 big picture priorities including stabilizing the budget, inclusive economic recovery for equitable growth, affordable housing for all, comprehensive approaches to violence prevention and public safety, closing the digital divide, modernizing City- hall services for residents, supporting education, ending the city's housing lead crisis, investing in arts and neighborhood amenities and a participatory budgeting process. Translating this ambitious and largely rhetorical agenda into concrete initiatives and projects with investment levels and outcomes will be the key test for the new Administration.

The challenge is to take advantage of the opportunity and get it right, which depends on local capacity. The chance to leverage this investment for greater impact is there, but past examples that failed to deliver desired outcomes for neighborhoods and residents give us pause. To date, the promise to accelerate economic growth while cultivating trust has focused much of its attention on lakefront development, relocating the County jail, professional sports venues, and re-branding the $460 million Global Center for Health Innovation.

The Global Center is only the latest example where the return on investment did not meet expectations -Projects which in aggregate required over $2Billion in public subsidy designed by experts did little to improve conditions for Cleveland residents. In this environment, support for advocacy, community organizing, and policy change requires bottom-up planning and engagement to keep the pressure on politicians. Don't count on technocratic solutions and their champions.

A New Era?

Here are my suggestions for a range of initiatives and projects that could make a difference for Cleveland's neighborhoods. Identifying advocates, partners, funding sources and priorities is needed and is beyond the scope of this paper but challenging ourselves to think big is a good place to start.

Ohio Policy Agenda

- Returning local political control to municipalities (Home Rule)
- Restoring Ohio State funding for cities
- Re-instating the Fannie Lewis law requiring local jobs on State-supported projects
- Advocating for ways to support neighborhood organizations as does the Massachusetts corporate tax credit program for CDCs.

County and City Agenda

- Develop a legislative means for non-profit hospitals to provide equivalent funding for City services in lieu of tax exemption as the case in Pittsburg and other cities. Newly elected County Executive Chris Royanne has suggested creating an equity fund based on a % of taxes not paid. The Cleveland Clinic has the 6th worst disparity in the country for hospital systems based on taxes not paid due to non-profit exemption. As the largest employer in the State with over $2.4 billion dollars in fixed asset real estate in the County the Clinic is not likely to leave town.
- Municipal ownership of utilities and broadband access, as well as building a solar and wind infrastructure to provide reliable, cheap, and clean energy for residents. Connect Cleveland neighborhoods to the Internet and the digital economy as a municipally owned utility.
- Create a County -wide Housing Trust Fund for affordable housing with a dedicated public subsidy source. HTF proposals have been on the table for years and successful national models exist. The problem isn't the lack of funds, but the political will and leadership.
- Explore ways to utilize the housing receivership tool as a means addressing the problem of absentee ownership and neglect in areas such Moreland Rd. corridor where abandonment and disrepair threaten plans for the redevelopment of the Buckeye Shaker neighborhood.
- Restore the tree canopy for the Forest City by planting 20,000 trees annually. Underway now, should continue for the next decade. (The green infrastructure agenda needs to address the redo of disinvested places if we are to prosper in the 21st century economy.)
- Continue to implement the U.S Justice Department Consent decree and develop a community policing agenda with accountability.
- Link to best-practice legacy cities, not just in Ohio but throughout the Midwest. (Detroit and Pittsburgh come to mind.) Upgrading our participation in state-wide coalitions of Ohio cities, land banks, and the Ohio CDC association.

- **Cleveland is periodically ranked in the top three poorest, most distressed cities in the country and is among the most racially segregated.** That this situation has been accepted and has not led to a sense of civic crisis is a disgrace. A countywide strategy for addressing the issue of persistent poverty in Cleveland and its negative impact for the region is needed.

Various strategies and programs have been advanced to address this situation. None have demonstrated the scope, scale or leadership to make a substantive difference. Looking nationally for best practice examples and developing means to benchmark against measurable outcomes is a starting point.

The list of government programs that would reduce poverty have been around for a while – expand the child earned income tax credit, nutrition and health care assistance, a $15 minimum wage County wide among others. What's lacking is the political will to create the floor for every citizen to prosper.

Notwithstanding the severe problems of persistent poverty neighborhoods even distressed neighborhood have assets to build upon, from block clubs to churches to parks, libraries and schools and the committed individuals who make them work. It's the role of local government to ensure that the building blocks of a healthy community—safety, health and housing are easily accessible for those in need. There is an emerging local agenda for delivering the resources needed to address basic needs from lead paint abatement to code enforcement, broadband access, safety, and more besides. This is the promise of the newly elected Mayor Bibb. Building on these grass-roots efforts while waiting for regional response will continue to be needed and should be supported with a minimum of bureaucratic overlay.

The CDC Strategy and Community Organizing

There are thirty-three CDCs in Cleveland with paid staff and community boards. They provide capacity to address many neighborhood issues: vacant houses, green space, linking area youth with the elderly for home maintenance, Covid vaccination programs, lead-paint abatement, block-club organizing, and neighborhood planning, and advocacy. Build on what works.

To ensure that leadership extends beyond the board room, neighborhood input needs to be strengthened through block clubs, a neighborhood congress and other forms of direct participation and empowerment. Much of the community development infrastructure in place today was the direct result of grass roots organizing and political pressure and they are certainly needed in the current era.

In addition, some CDCs have in-house development capacity and staff—Slavic Village, Detroit Shoreway, Famicos, and Bell Burten Carr being the most notable. Others, like Tremont and Ohio City, were better able to set the development agenda and recruit private partners for joint venture agreements, design, and market issues.

Neighborhood change is not a short-term fix. It requires commitment, skills, and a willingness to stay the course. Reliable operating support is critical to recruiting and retaining qualified staff by providing decent salary, benefits and long- term prospects. Community development corporations are particularly challenged because of uncertain funding, community dynamics, and the vagaries of councilpersons.

As population and markets have continued to erode, adjustments are needed to expand the agenda beyond City Council Ward boundaries to adapt to market realities while sustaining operations. Re-enforcing neighborhood alliances through a community plan and neighborhood congress is also key; so is bringing stakeholders and anchor institutions to the table to break down silo thinking.

Cleveland Neighborhood Progress

All organizations go through different phases: creation, consolidation, and maturity. As conditions change, the organization either needs to adapt or go out of business. CNP is no longer a foundation intermediary. It has evolved, and its role in the CDC system and its relationship to the governing coalition has changed. It is now a mature system with all the associated problems and a legacy of achievement.

Cleveland Neighborhood Progress engaged the accounting firm Ernst and Young to develop a strategic plan in 2021, Whether CDP can remain an effective advocate or another civic gatekeeper remains to be seen.

The reader should form their own judgements about the new direction contained in the plan. (See www.clevelandnp.org).

Neighborhood Re-development 3.0

The need for inclusive and sustainable re-development is key to Cleveland's recovery. Based on what we've learned, this means continuing to focus on assets within an over-all vision for the city and local neighborhood support and participation. The following are places and themes on which to build.

Historic Districts

There are thirteen districts, each of which has been effective in leveraging bank financing for home improvement and neighborhood stability.

Arts and Entertainment

This is a vital part of the city where energy and creativity are at a premium. As described earlier, these districts have emerged from Covid 19 weakened but still viable.

Metro Health Community District

Metro is a leading example of a Public-Private partnership for a healthy community that combines physical and economic development aspects in the Clark Fulton neighborhood, a major Latino community adjoining Metro Hospital's campus. Formation of CCH Development Corporation, focusing on a 585-acre Eco District along West 25th is a transformative example of inclusive placemaking.

Buckeye, St. Lukes, Woodhill, Shaker Square

A comprehensive redevelopment plan for the Buckeye, Shaker, neighborhood is emerging. The St. Lukes campus investment is an anchor. A community-wide plan for Shaker Square is underway despite challenges. The recent $35 million HUD Choice Neighborhood grant for rebuilding Woodhill CMHA's Woodhill Estates is moving forward. Market-rate development has expanded from University Circle and is now coming up the hill with new residential rental projects along a lively retail district on Larchmere Blvd. A comprehensive redevelopment plan for Buckeye Road commercial corridor and the multi-family buildings adjoining Shaker Square is underway. Of particular importance is dealing with the issue of absentee owners of sub-standard properties which are an emerging health and safety issue for residents but threaten to undermine the redevelopment agenda for the area.

Woodhill Station

Burten Bell Carr, a first-tier CDC, is working with Shaker Area Alliance and others to rebuild the network of block clubs. With the conviction of long- term Ward 4 Councilman Ken Johnson for corruption and new ward leadership there is opening for a Buckeye/Shaker/Larchmere/Woodhill alliance to create a shared agenda for the neighborhood that connects to the revitalization of SE Cleveland. Coordinating these various initiatives for synergistic impact is essential while overcoming ward parochialism and the challenges of race and class in a divided community where narrows ward politics have re-emerged. Leadership from the Mayor's office and the local City Councilpersons is essential.

Shaker Square

Cleveland Foundation and Hough

The Foundation is embarking on a comprehensive planning and development effort to construct a new office complex for their operations in the Hough neighborhood and connect to the ongoing redevelopment of the Mid-Town business corridor and a yet to be defined new housing agenda. Attracting private investment and an African-American, middle- income housing market will be key to anchor a broader community revitalization process extending over several years.

New Cleveland Foundation – Office in Hough/Mid-Town, under construction

SE Cleveland Neighborhoods

Ground zero for the foreclosure crisis: poverty, race and disinvestment all come together here. The Slavic Village, Union-Miles, and Mt. Pleasant neighborhoods were severely affected by the foreclosure crisis and have high levels of housing abandonment and vacant land as a result. Mayor Bibb announced a German Marshall Plan for the SE side. To date there is no plan, budget or community process, though a task force supported by Bloomberg Philanthropy has been going to Harvard to devise a solution. There is no indication that Congresswoman Brown, HUD director Fudge, Senator Brown or Mayor Bibb, all of whom have deep roots in the community are working together to provide the resources that could make a difference.

In the meantime, there is a network of capable CDCs and social service agencies, but they are resource challenged. Except for Third Federal Savings, there is little private-sector investment. While continuing to address basic needs and services, such as youth employment, home repair, community gardens, and tree planting, new capacity is needed for redevelopment of scale. One possibility is to create a new umbrella organization, the Southeast Cleveland Redevelopment Authority, with a board consisting of local agency leadership. The Authority would work with the Cuyahoga Land Bank and the City to create a community land trust that would explore new models for green development and home ownership. A stakeholder transparent planning process is needed.

Flats/Oxbow

Through the combined efforts of local government, environmental organizations and neighborhood CDCs, a long-term plan is emerging for development of a park, greenfield recovery and new housing along the Cuyahoga riverfront adjacent to downtown. Prospects are further enhanced by the announcement of the Rocket/Bedrock development organization's "Vision for the Valley", a 25-year redevelopment agenda to increase Cleveland's population by 30,000 residents. The plan to be developed by the noted London architect Sir David Adjaye has potential to be truly transformative. Dan Gilbert's Detroit behemoth real estate operation which has remade downtown Detroit, committing $250 million to the effort brings significant private sector resources to the table. As exciting as these plans appear on paper, in a resource scarce environment, the danger is that available public subsidy could be reduced for struggling communities and undermine the potential for re-building the City's economic infrastructure while advancing equity, social justice, and inclusive placemaking.

West Side Market

The iconic West side Market is both a major regional draw and an anchor for the Ohio City market district. Its potential has not been realized due in part to the public owned facility being managed like a city agency – think sanitation and parks and recreation – not a festival food market like Seattle's Pike Street Market. Creating a non-profit management company with a diverse merchant/civic leadership board along with an infusion of new public/private resources would make a big difference and should be pursued.

Edge Communities

Finding a way to bridge the divide between outer ring Cleveland neighborhoods and the Inner ring suburbs consortium around a shared agenda to address problems and market dynamics with a common strategy is vital. The work of the Vacant and Abandoned Property Action Council and the effort to address multi-family housing and the redevelopment of Shaker Square are examples of the type of collaboration that needs to be encouraged and supported.

An essential resource to be supported and built upon is the Cuyahoga Land Bank which has been essential to reclaiming and redeveloping vacant and abandoned properties.

Blue Sky Agenda – Themes to be Developed

Here is my list of "blue sky" ideas and approaches that if adequately resourced would improve the situation. It's not the definitive list, of course, nor is it clear who would take ownership and how one would develop the necessary synergy. The reader could/should come up with their own list of big ideas, but these suggestions push the boundaries and encourage us to think about what could be.

The Internet of Things

Reclaim Cleveland's industrial heritage for the 21st Century. Build a human capital agenda around green smart innovation and the workforce to make and design the machines and devices that will fuel the new economy. Move beyond sports stadiums, tourism and block chain fantasies.

Think Big and Build New Capacity

Reverse decline by going to scale. Build 20,000 new homes in the next decade in disinvested east side neighborhoods. Key to this effort in one of the poorest cities in the country is to address the need for affordable housing production. Creation of a Cuyahoga Housing Trust fund with a dedicated income stream would be key to this effort. (See above)

Cleveland Works

This program could employ young people to plant trees, do repairs and yard work for seniors, as well as other activities related to infrastructure. Jobs should provide decent wages ($15 an hour, Social Security, and health insurance) and links to training programs at Tri-C that could provide a bridge.

Green and Sustainable

A Green City on a Blue Lake and the Sustainable Cleveland 2019 Summit are themes that should inform all work. Reclaim the Cleveland Forest City moniker along with an inner- city version of the Emerald Necklace (Parkland). The agenda would include going solar, cleaning up Lake Erie, planting trees (20,000 a year), and supporting community gardens and green infrastructure as envisioned in ***Re-imaging a More Sustainable Cleveland* (2010)**. New town planning and green building, as well as infrastructure for the 21st century, a municipal broadband network, and Cleveland Public Power expansion would also be integral parts of this agenda. Looking globally for best practices. One example: German Ruhr/Emscher Canal re-development with world class architect and planners that repurposed an older industrial landscape with a mix of green design, new economy clusters, recreation, culture, and housing. There are others.

Cleveland, the Rust Belt Mondragon

Cleveland has laid the groundwork for an alternative approach to economic development based on the Mondragon worker cooperative model in the Basque region of Spain. The Ohio Employee Ownership Center at Kent State University and the Democracy Collaborative have incubated a range of initiatives including the Evergreen Cooperative in Cleveland. Evergreen, with support from the Cleveland Foundation, has developed a series of worker-owned businesses providing services for area hospitals. Though not to scale, or yet economically viable, new financial tools and potential links to local businesses in transition show promise through support organizations like WIRENET and Mid-Town.

Legalize Marijuana

There are now sixteen states and counting that have legalized and decriminalized recreational and medical marijuana. When I lived in Oregon, cannabis was no big deal and contributed to the local economy. New York State predicts a $45 billion windfall from legalization. The punitive impact of marijuana laws on African

American males is well known. Cleveland has vacant land for cultivation, and untapped potential for medical research with the Clinic and UH that should be explored. Another related issue is rebranding Cleveland as a progressive, forward – looking city attractive to the creative class. Having lived in Oregon and the West Coast, Ohio's draconian drug laws are a big life style disincentive.

The Cleveland Lab

As a Legacy city that has a community development system with a successful track record of innovation and program development, Cleveland is well positioned to be a lab to beta test solutions, strategies, and programs. Applied R&D linking a university partnership along with a non-profit such as Cleveland Neighborhood Progress would be important, both for research (NEO Cando) and to design and implement strategies that could be taken to scale. If this becomes more than an idea and an attitude, it might locate at the Cleveland Foundation's headquarter building in Hough.

Other possibilities include developing a Rust Belt Manifesto with policy and advocacy groups, i.e., Policy Matters, Policy Bridge, and Community Solutions. Partnering with other legacy cities (Pittsburgh and Detroit) could also offer fresh insights and approaches to shared problems.

History Lessons

This is a retrospective account of a participant observer describing how a community development system arose in a struggling mid-west industrial city: its accomplishments, strengths, limitations, and future prospects. I have tried my best to reflect what was going on at the time accurately and to separate fact from opinion, but in the end, this is one person's interpretation not an academic research project, and others might disagree.

I don't endorse the narrative of Cleveland as a "Comeback City "rescued from the brink of insolvency and collapse by a visionary public-private partnership. For this laudatory perspective, I refer the reader to former mayor and senator George Voinovich's tome about Cleveland in the early 1980s. My account is more prosaic and focuses on the grass roots efforts of those in the trenches and their allies who made the best of what they had to work with, and what was achieved. There was no silver bullet, no market magic that drove neighborhood renewal.

As we devise new and hopefully effective approaches that engage those who are most affected by the choices made, keep in mind the words of George Santayana, the Spanish philosopher, "Those who cannot remember the past are condemned to repeat it." Of course, the flip side of this perspective is the dead hand of history where quantum leaps don't occur, only more of the same.

A new generation of leadership is emerging that hopefully will build on the infrastructure and lessons of past efforts. Looking at the future through rose tinted glasses is not likely to be very productive. I prefer the view of the Italian political activist Antonio Gramsci who coined the phrase "pessimism of the intellect, optimism of the will." Like Cleveland's own Norm Krumholz, I remain a "possibilist".

Appendix: The Role of Foundation Intermediaries—The NPI Experience

An Evolving Organization

As described earlier, there was not a grand plan for NPI tied to long- term outcomes for neighborhood improvement – progress, rather than transformation was the goal. Growth of NPI's operations from operating support for a select number of CDCs to include two subsidiaries (Village Capital Corporation and New Village Corporation) and various special projects and initiatives was opportunity- and need-driven. It led to a more complex organizational structure that evolved over time within the overall budget constraints and our mission of supporting CDCs within the City of Cleveland. Progress and improvement not catalytic change continued to be the goal.

Leadership and Staff

Essential to NPI's success were upward of two hundred volunteer lay leaders that served on the NPI board, its subsidiaries and committees: corporate CEO's, bankers, foundations, the City, and neighborhood activists. They, along with staff, combined private-sector expertise, neighborhood smarts, and commitment to mission. As Mort Mandel claimed, "It's all about the people."

The Board

NPI was an outcome-oriented organization representing four classes of membership: Foundation, Corporate, City and Neighborhood. The Board's role evolved from one that met quarterly to review foundation proposals and evaluate performance to a complex operation with multiple subsidiaries, partnerships and committees chaired by NPI Board members. As the organization became increasingly complex and technical, explaining NPI's role and importance in supporting and advocating for CDCs and their projects was a challenge.

The NPI Board chairs were crucial to keeping NPI as a major player in the community development system and maintaining a level of gravitas in Board deliberations. They included James Ross and Steve Percy from BP America, Henry Meyer III and Beth Mooney from Key Bank, Bud Koch from Charter One, David Goldberg from Ohio Savings and Paul Clark from PNC, While the chairpersons set the tone and the standard for engagement, several other Board members through the years contributed to success of the organization. Among them were Mel Pye, formerly chair of the Cleveland Roundtable and CEO of Fairfax Place, who served as Vice-Chair and kept NPI focused and productive during leadership transitions; John Shields CEO of First National Supermarkets and Cleveland Tomorrow rep and long standing Board member; Mark Nasca, a real estate finance professional who served on both the VCC Board and NPI as did Michael Taylor from PNC bank and Tom Coyne a partner in the law firm of Thompson Hine and Flory (later NPI Board chair) and Lee Chilcott whose family foundation helped keep the CDC operating support and capacity building program on track; Bob Kaye who chaired New Village Corporation and encouraged us to do deals that mattered and do them well; Mikelann Rensel, director of the neighborhood coalition (CNDC), and along with other community reps such as Peggy Zone Fisher who made sure that NPI stayed true to its mission of supporting CDCs.

NPI Board members 1985-2010

Tanya Allmond	Ned Handy	Michael Polensek
John Anoliefo	Karen Horn	Melvin Pye
Gloria Aron	Mayor Frank Jackson	Reynard Ramsey
Rev. Elmo Bean	Kathryn Jaksic	Mikelann Rensel
Richard Bogomolny	Ron Jaksic	Edward Richard
Anita Brindza	Jerry Jarrett	Joseph D. Roman
Robert Broadbent	Chris Johnson	James Ross (Past Chair)
Ter52pxri Hamilton Brown	Robert Kaye	Daryl R. Rush
Geri Burns	Inez Killingsworth	Clinton Sampson
Kelly Cartales	Charles J. Koch (Past Chair)	Joseph M. Scaminace
Lee Chilcotte	Barbara Langhenry	Michael Schoop
J. William Christ	India Pierce Lee	Richard Shatten
Zeddie Coley	Adrian Maldonado	John Shields
Tom Coyne	Rev. Charles Mathews	Helen Smith
Fred Cox	Timothy Melena	Rev. Hilton Smith
David Daberko	Emily Lipovan	Michael Taylor

James Delaney	Mark McDermott	Bernard Thomkins
Paul Feinberg	Henry L. Meyer III (Past Chair)	Lou Tisler
Collen Gilson	Peggy Zone Fisher	Timothy L. Tramble
David Goldberg (Past Chair)	Beth E. Mooney (Past Chair)	Chris Warren
Louise Gissendaner	Mark Nasca	Linda Warren
Rev. Sterling Glover	Tom Newland	Jay Westbrook
Merle Gordon	Steve Percy (Past Chair)	T. Wilson
Richard Hammond	Judge Raymond Pianka	Henry Zucker

Staff

NPIs small, talented professional staff were a mix of neighborhood activists and professionals with advanced degrees from prestige universities in business, planning, law, and organizational development. They were diverse, mission focused, and expected to multi-task and work as a team. Given the range of functions (grant administration, planning, human capital and leadership development, real estate finance and development, R&D, policy advocacy, fund development and general traffic cop), staff were either very efficient or over extended–sometimes both. The challenge for NPI was that since we were a lean organization with few redundancies when key staff left, we were always hard pressed to maintain momentum.

Several staff members went on to play senior roles with local foundations, city government, and the private sector. This mobility between sectors broke down silos and kept the big picture in focus making it easier to work as a team. Staff that went on to play leadership roles include: two City CD directors (Warren and Rush), Vice president for Programs for the Cleveland Foundation (Pierce-Lee), Chief of Staff for Mayor Campbell (Janik), Case Western University VP for real estate (Berusch), Director Community Stabilization of the Cuyahoga Land Bank (Kimlin), President ShoreBank Cleveland (Christensen), and Director of the Campus District at CSU (Reichtell).

In addition to senior staff an important factor in NPI's success was the contribution of NPI's long time office manager, Rae Shea, who maintained the institutional memory, made sure that deadlines were met, personnel issues and last-minute screw ups were handled effectively and to many was the face of the organization. Most successful organizations have someone who keeps things together and does the necessary work well, often without public recognition. Rae was that person for NPI.

NPI has evolved and developed new approaches to community building in response to the changed environment, but whether it's viewed as a central address for neighborhood reinvestment or one of many sources, is unclear.

Cleveland Neighborhood Progress engaged the accounting firm Ernst and Young to develop a strategic plan in 2021, Whether CDP can remain an effective advocate or another civic gatekeeper remains to be seen.

The reader should form their own judgements about the new direction contained in the plan. (See www.clevelandnp.org)

Programs

The Cleveland Neighborhood Partnership and Quantum Leap

Over a 22-year period, the Cleveland Neighborhood Partnership Program provided $34 million in multi-year operating support to 25 CDCs. A competitive application process encouraged strategic planning, identification of neighborhood assets, and community engagement. The agreement with NPI specified outcomes and priorities, as well as how NPI would help the CDC achieve its goals. This memorandum of understanding helped NPI align its staff and financial resources. Performance based operating support was coupled with a comprehensive HR program for both Board and staff which built neighborhood capacity and the human capital necessary for success. Only two NPI-supported CDCs encountered significant organizational/financial problems, and one of those was related to a complex real estate transaction.

Over time, mature CDCs with successful track records didn't need NPI for oversight and capacity building. Funding was another matter. We were never able to develop a "graduate" program for higher performing CDCs to sustain robust operations without NPI support.

CDC capacity-building and training became more diluted and was less a core function as the CDC system matured. The human capital agenda and supporting CDC staff and boards did not keep pace with challenges of a less favorable environment; in part this was due to national trends and declining interest of foundations in the CDC agenda. As a result, the Human Capital Development Initiative ceased funding the Quantum Leap program and other similar efforts nationally.

Our relationship with the local universities for training and professional development never evolved into the equivalent of the Mel King Institute for Community Building in Boston, partly because the State of Ohio eliminated financial support for CSU's Center for Neighborhood Development. There is currently a renewed interest and commitment to CDC capacity building. How that evolves remains to be seen.

Finance and Real Estate Development

With a small, talented staff and a volunteer Board of senior bankers and real estate development professionals both **VCC** and **NVC** provided needed resources and support to a range of neighborhood projects in ways that enhanced the CDC agenda and NPI's core mission.

In joint ventures with CDCs and with **VCC** pre-development financing, **New Village Corporation** successfully developed eleven projects throughout the city valued at over $200 million including 355 units of market rate housing, 130 elderly rental apartments, 75,000 square feet of commercial office space, two shopping centers, and three supermarkets.

For a non-profit subsidiary doing deals in distressed Cleveland neighborhoods with a CDC partner, the margins were always tight. NVC could not make a profit, but it could lose its shirt in a bad deal or with poor performance**.** This limited opportunity for fee-generating activity, growth, and risk mitigation. NVC by design was a niche operation that operated at the edge of the private market doing high risk deals. Whether it could have become a more robust operation with an expanded portfolio was never tested.

The NPI parent did not backstop NVC deals, with the exception of St. Lukes and the early stages of the Fries and Schuele block even though NVC partnerships would appear on year-end financial audits. VCC provided pre-development and financial support, NPI administrative and accounting services. NVC often pushed the foundations' comfort levels by introducing new demands for support and warnings of potential risk in projects which might not have figured in their long-term priorities (See St. Lukes). Despite the dire effects of the sub-prime meltdown on the real estate market none of NVC projects cratered and it continues to operate as a viable neighborhood developer.

Village Capital Corporation played a central role in the neighborhood real estate finance system. Between 1992 and 2010, VCC funded 310 neighborhood projects with $74 million in loans, resulting in 6,597 residential units, 1,079,000 square feet of retail and more than $790 million in total project investment. Village Capital's flexible financing tools and hands-on approach to project finance essential components of the layered Cleveland "Baklava" financial system. Given the volume of transactions, many in distressed neighborhoods involving "hero deals", the fact that VCC weathered the sub-prime melt down and retained a favorable credit rating from the US Treasury as a Community Development Finance Institution speaks to quality and commitment of professional staff and Board. Another contributing factor was the decision of the Cleveland Foundation to convert a $1 Million PRI loan to equity triggering another grant infusion from CDFI and substantially improving VCC's debt to equity ratio. As a result, VCC was in the words of one Board member able to provide project life support for projects on the brink.

VCC was never able to go to "scale," in part due to its narrowly drawn mission, its level of capitalization and increased competition from formerly aligned corporate investment pools for additional sources of federal funding.

Policy Research and Development

As an intermediary and a 501c3, NPI stayed out of politics by not supporting candidates and legislation. Its R&D function and potential policy role were never fully realized and were gradually ceded to others with good results in case of the Vacant Property Action Council.

That said, the range of R&D studies and initiatives described earlier addressed real issues and proposed viable solutions from a practitioner perspective. This work, however, did not translate into a core function or priority for either NPI or the foundation community. There was no support for creating a C-4 sister organization that could engage in political activity. We never developed a working relationship with the non-profit policy organizations in town, Policy Matters, Policy Bridge, and Community Solutions, nor did we work closely with the universities on a public-sector agenda. Enterprise and LISC, both nationally and state wide, were active in this area. The question of local political capacity to advocate for candidates and policies that would make a difference was never addressed.

As mentioned previously, for a more detailed account, see the compilation of reports and studies assembled by Bob Jaquay at the Western Reserve Historical Society.

Appendix: Timeline—Community Development in Cleveland

1967

Carl Stokes elected Mayor

Hough Area Development Corporation formed.

1969

Commission on Catholic Community Action supports community organizing.

1973

Detroit Shoreway Community Development established.

1974

Congress passes the Community Development Block Grant program the leading source of federal funding for community development corporations and neighborhood projects.

1976

Federal judge Frank Battisti orders the Cleveland School District to desegregate leading to mixed improvements in academic opportunities but contributing to massive white flight to the suburbs.

Congress creates Community Development Block Grant program.

1977

Jimmy Carter elected President.

Community Reinvestment Act passed by Congress holding banks accountable for their mortgage lending activity.

Dennis Kucinich elected Mayor.

1978

Cleveland Municipal loan default.

1979

George Voinovich elected Mayor.

1980

Cleveland Municipal Housing Court established by the Ohio General Assembly.

1981

Cleveland Housing Network formed.

Ronald Reagan elected President.

1981

Cleveland Tomorrow, a private civic organization made up of CEOs of the largest companies in the Cleveland area is created.

1982

Reclaim America brings 600 demonstrators to the Chagrin Valley Hunt Club to protest neighborhood disinvestment. Action leads to a shift in support for community organizing by funders.

1983

Richard Celeste elected Governor of Ohio.

1984

Ohio legislature passes Housing receivership legislation allowing CDCs to repair abandoned properties.

1986

Lexington Village Housing project in Hough – the first large scale development in Cleveland since the Stokes era.

The Low Income Housing Tax Credit Program is established by Congress.

1988

Neighborhood Progress Inc. created.

1990

Michael White elected as Mayor. Emphasis on new market rate housing construction at scale, Gateway Sports and Entertainment district, support for CDCs, and ending court ordered school desegregation.

1991

George Voinovich elected as Ohio Governor

Shore Bank Cleveland established.

Village Capital incorporated as wholly owned subsidiary of NPI.

1993

Bill Clinton elected President.

Congress passes Empowerment Zone initiative. Cleveland awarded a supplemental designation in 1994.

De-regulation of US banking industry with repeal of Glass-Steagall Act.

1996

Congress passes the Personal Responsibility and Work Opportunity Reconciliation Act (TANF) to “end welfare as we know it”

1996-2006

NPI and its CDC partners initiative a range of major projects beginning with Nehemiah Homes, the Fries and Schuele bloc, Dave’s Super Markets and redevelopment of the St. Lukes Hospital campus.

2001

George W. Bush elected President.

Jane Campbell elected as Cleveland Mayor.

2004

Greater Cleveland Partnership is formed through the merger of Cleveland Tomorrow, Greater Cleveland Growth Association, the Greater Cleveland Roundtable, and the Council of Smaller Enterprises.

Vacant Property Action Council formed.

2005

Frank Jackson elected Cleveland mayor pledging to make city government work for those who have less.

2007

Mortgage foreclosure crisis and the Great Recession.

2008

The federal Neighborhood Stabilization Program established by Congress to restore housing markets through selective demolition and housing rehab.

2009

Barak Obama is elected President.

Cuyahoga Land Bank is created.

2010

Voters approve new Cuyahoga County governance structure with 11 County Council members and a Chief executive officer following the conviction of more than 3 dozen public officials and private contractors for public corruption.

Leadership transition at NPI.

Further Reading

The following is a partial list of articles and books that have either informed my account or may be of interest for those interested in further detail or alternative viewpoints. I have chosen not to respond to the details and arguments raised by the various authors since much of what is described in this account was not driven by the literature but the practice of community development as it evolved in Cleveland.

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Other

Bob Jaquay's compilation of NPI and related material at the Western Reserve Historical Society, Cleveland, Ohio.

About the Author

Eric Hoddersen is a thirty-year Cleveland resident who dedicated much of his career to Cleveland's community development and strengthening its neighborhoods. He was formerly a Job Corps Counselor; Teamster Union organizer; Founding Director of Union-Miles Development Corporation; Project Manager of Gordon Square Arcade; Director, Cleveland Neighborhood Partnership Program, and most notably, CEO and President of the Neighborhood Progress, Inc., Village Capital, and New Village Corporation, where he retired after 21 years in 2010. Mr. Hoddersen was also the Vice Chair of the Ohio CDC Association and of the Community Development Partnership Network (national). He served as a Board member on St. Luke's Foundation, ShoreBank Cleveland, and the Cleveland School Board Bond Accountability Commission.

He received his BA in anthropology from the University of Washington. He studied political economy at the New School for Social Research and earned a CMN in Non-Profit Management at Case Western Reserve University. His Fellowships include: Fannie Mae Fellow at Harvard Kennedy School; and Senior Urban Planning Fellow at the German Marshall Fund, MIT School of Urban Planning, and Cleveland State University's Levin College (now known as Maxine Goodman Levin School of Urban Affairs).

The author lives with his wife Carolyn Platt in the Buckeye-Shaker neighborhood.