

JOINT CENTER FOR HOUSING STUDIES OF HARVARD UNIVERSITY

THE INGREDIENTS OF EQUITABLE DEVELOPMENT PLANNING

A Cross-case Analysis of Equitable
Development Planning and CDFIs





JOINT CENTER FOR HOUSING STUDIES OF HARVARD UNIVERSITY

HARVARD GRADUATE SCHOOL OF DESIGN
HARVARD KENNEDY SCHOOL

Principal funding for this report was provided by JPMorgan Chase & Co.

Cover photo credit: Destination DC

Inside front cover photo credit: Becky Harlan

©2019 by the President and Fellows of Harvard College.

The opinions expressed in this PRO Neighborhoods report do not necessarily represent the views of Harvard University or JPMorgan Chase & Co.

AUTHOR

Alexander von Hoffman is a senior research fellow at the Joint Center for Housing Studies and lecturer at the Harvard Graduate School of Design.

ACKNOWLEDGEMENTS

The author is indebted to all the practitioners and experts for sharing their experiences and views; to Matthew Arck for data and graphics research, photographs, and descriptions of awardees; to Mary Bogle for thoughtful comments about a draft version of this report, to David Luberoff for editorial insights, and to Christopher Herbert and Mary Lancaster for their advice and guidance.

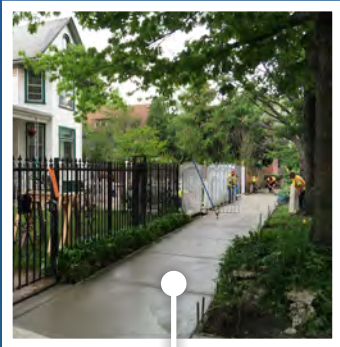


TABLE OF CONTENTS

EXECUTIVE SUMMARY	5
INTRODUCTION	7
EMERGENCE OF THE EQUITABLE DEVELOPMENT CONCEPT	8
Historical Roots	8
Collective Impact	12
Cases of Equitable Development Planning with CDFIs	13
LARGE-SCALE EQUITABLE DEVELOPMENT PRO NEIGHBORHOODS AWARDEES	14
PRO NEIGHBORHOODS AWARDEES WITH EQUITABLE DEVELOPMENT FEATURES	15
TO BEGIN EQUITABLE DEVELOPMENT	16
Urban Environments	16
Origins	18
Leadership	19
Target Geographies	20
SETTING THE AGENDA	23
Different Routes to the Plan	23
Technical Expertise and Community Knowledge	24
Acquiring Knowledge through Data	26
FINANCING EQUITABLE DEVELOPMENT	29
The Incremental Model	29
The Civic Consortium Model	30
MODES OF IMPLEMENTATION	33
The Necessity of Collaborations	33
Quarterbacks to Run the Team	33
Experienced Partners	34
CDFIs - Deploying Capital for Equitable Development	35
LESSONS FOR THE FUTURE OF EQUITABLE DEVELOPMENT	38

In the growing Sunbelt, the revitalizing Rustbelt, and on the booming coasts, local communities and governments are working together to ensure that development benefits residents of all backgrounds and incomes.

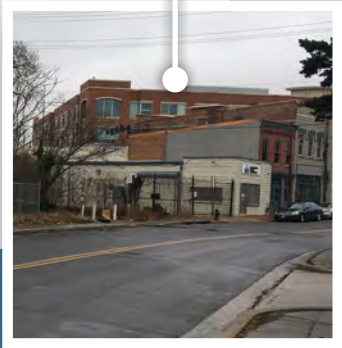
Photo credits: Valley Metro Regional Public Transportation Authority; Matthew Arck



DETROIT, MICHIGAN



PHOENIX, ARIZONA



WASHINGTON, D.C.

EXECUTIVE SUMMARY

Equitable development is a new form of community development and urban planning aimed at revitalizing disinvested communities and ensuring that all residents of urban places can shape urban development and benefit from economic growth in an equitable fashion.

This report analyzes three current equitable development campaigns – in Washington, D.C.; Detroit, Michigan; and Phoenix, Arizona – involving nonprofit community development financial institutions (CDFIs) that received awards from JPMorgan Chase & Co. as part of its Partnerships for Raising Opportunity in Neighborhoods (PRO Neighborhoods) program.

The recent experiences of these efforts offer key preliminary lessons, including the following:

- The form that equitable development takes must reflect the prevailing social and economic conditions in each locale.
- Opportunity to start an equitable development project may arise from a catalytic event – such as the undertaking of a large infrastructure project – or a broad civic campaign.
- Leaders of equitable development campaigns should possess great enthusiasm for pursuing equitable development goals, the ability to adapt to circumstances, a willingness to consult with experts, and great patience.
- Equitable development planners should draw target-area boundaries by first studying and assessing local conditions.
- Setting an agenda of general and specific goals must begin with learning the wishes and needs of community residents.
- Equitable development planners should engage the community as early as possible.
- Equitable development requires accurate and relevant data from the first to the last – what gets measured gets done!
- Obtaining seed capital is critical to an equitable development effort in its infancy.
- To find funding for equitable development, leaders may take the
 - incremental approach of gradually building support and acquiring backers, or
 - the civic consortium approach, of partnering within an existing network of funders and agencies in a large-scale civic campaign.
- The diverse nature of equitable development requires different types of organizations to collaborate with one another to achieve complementary goals.
- Organizations that have worked with each other in the past are more likely to form effective collaborations.
- One organization with the capacity to do so should lead and coordinate the effort.
- In an equitable development campaign, CDFIs can play the roles of quarterback organization, lead financier, and/or community partner, as well as fill valuable transactional niches.

Although a relatively new concept, equitable development holds great promise as a form of planning and community development that can make communities of low- and moderate-income and minority people into places that provide economic opportunities, affordable living, and cultural expression for all residents.

Bringing about equitable development, however, is a complicated endeavor. Equitable development efforts have absorbed the techniques of several important past movements for social improvement, including equity planning, place-based and comprehensive community development, people-based asset building, smart growth and sustainable schools of regional planning, and the collective impact collaborative model of social action.

Applying the panoply of such techniques requires extraordinary commitment, persistence, flexibility, and organizational sophistication. The elements for successfully mobilizing forces for equitable development, this study shows, include seizing opportunities from

large civic endeavors, choosing skilled leaders, tapping sympathetic experts, utilizing relevant data, and systematically engaging community residents. Successful efforts entail creating a collaboration of organizations and government agencies and then coordinating these entities to function effectively for a wide range of equitable development goals.

Given the newness of the equitable development movement, it will be critical for its practitioners to continue to use data to assess the accomplishments and shortcomings of their projects and programs in the years to come.

For the present, it is worth noting that despite the daunting challenges faced by their leaders, current equitable development projects reveal an exciting potential for shaping living environments that benefit people of all backgrounds and conditions.



BRIDGE PARK COMMUNITY GARDENS

In 2017 Building Bridges Across the River in Washington, D. C., worked with local communities of faith and nonprofit organizations and some 250 volunteers to build and cultivate six Bridge Park Plots for growing healthy food.

Photo credit: Becky Harlan



INTRODUCTION

At a time of extreme inequality of income in the United States, many leaders in the nonprofit, public, and philanthropic sectors are looking to “equitable development” as a way to revitalize disinvested communities and help their low-income residents, especially in places where soaring real estate values threaten to displace existing low-income households and/or prevent new ones from moving in. While there are many definitions, the basic principles of this relatively new approach urge the adoption of projects, programs, and policies that low-income and minority people shape and that enable them to benefit from economic growth, social activities, and cultural life in their communities.

Yet because it is a relatively new idea, community development practitioners are still working out ways to achieve equitable development. They face three interrelated questions: What is equitable development? What does it look like in practice? And what do early efforts suggest are the best ways to carry it out?

This report attempts to answer these questions. It begins by examining the definition of equitable development and exploring the ways in which a variety of earlier approaches to planning and community development have informed the equitable development concept. The following sections draw on the recent

experiences of several entities that are putting this new approach into practice today. These sections examine the origins and first steps of equitable development efforts; the essential keys to setting an agenda to change an urban environment; approaches to financing equitable development; and modes of organizational implementation. Within each section are sub-sections devoted to different aspects of the main topic, which are followed by a set of preliminary lessons or “take-aways” for practitioners.

The report is based on interviews with practitioners, publications on planning and equitable development, and reviews of scholarly articles, reports, and other accounts. In particular, the report draws on three current and ongoing campaigns for equitable development, including collaborative efforts that received awards from the Partnerships for Raising Opportunity in Neighborhoods (PRO Neighborhoods) program. This program, which was launched by JPMorgan Chase & Co. in 2013, awards three-year grants to groups of community development financial institutions (CDFIs) that form innovative partnerships to enhance opportunities for low- and moderate-income Americans and to revitalize distressed neighborhoods. As such, the cases examined here involve CDFIs, and the report addresses the potential of these nonprofit lending organizations to deploy capital in the cause of equitable development.



MOVING FOR EQUITABLE DEVELOPMENT

In Detroit's West Village neighborhood, a mixed-use development will arise on the site of this house and the empty land around it.

EMERGENCE OF THE EQUITABLE DEVELOPMENT CONCEPT

HISTORICAL ROOTS

The definitions of equitable development vary, although they have much in common. To the urban planner Carlton Eley, equitable development is “an approach to meet the needs of underserved communities and individuals through projects, programs, and/or policies that reduce disparities while fostering places that are healthy, vibrant, and diverse.”¹

Other definitions of equitable development include these goals but emphasize the participatory process, while specifying the types of people who should gain from the effort. Community leaders in Pittsburgh, in meetings convened by PolicyLink and other organizations, elaborated that it was a “development strategy that ensures everyone participates in and benefits from the region’s economic transformation – especially low-income residents, communities of color, immigrants, and others at risk of being left behind.” They added that equitable development efforts should strive to eliminate racial inequities, allow lower-wealth residents to live in healthy, safe neighborhoods that reflect their culture, provide them with economic opportunities, and enable the residents to influence decisions that affect their neighborhoods.²

To meet the goals equitable development, leading practitioners feel, requires analytical investigation,

1. Carlton C. Eley, “Equitable Development: Untangling the Web of Urban Development through Collaborative Problem Solving,” *Sustain* 21 (Fall/Winter 2009/2010), 5. A recent EPA definition closely follows Eley’s definition: <https://www.epa.gov/environmentaljustice/equitable-development-and-environmental-justice>.

2. Sarah Treuhaft, *Equitable Development: The Path to an All-In Pittsburgh* (PolicyLink, 2016), 4.

adaptable strategies, and varied methods of implementation. Noel Poyo, the executive director of National Association for Latino Community Asset Builders (NALCAB), explains that the approach of equitable development is first, to comprehend the important economic and social factors; second, to be flexible and perspicacious in devising ways to help residents of low-income communities; and third, to use a wide array of financing tools, development instruments, and organizational techniques to create “outcomes that people want in their neighborhood.”³

However it is defined, the concept of equitable development inherits and extends ideas and approaches developed over the last 50 years in the fields of urban planning and community development.

Equitable development is a type of community development, a field that emerged in the 1960s when locally organized agencies, usually nonprofit community development corporations, began to carry out programs aimed at improving inner-city low-income neighborhoods – then referred to as “slums” and “racial ghettos” – and the lives of the people who lived in them.⁴ In its ideal form, this “place-based” approach dealt with many issues, a legacy of many urban improvement efforts including the “comprehensive community action programs” of Lyndon Johnson’s War on Poverty.⁵ A key component of the community action program was “maximum feasible participation” of low-income people in any programs affecting them, a principle that later became fundamental to equity planning and, more recently, equitable development.⁶

Beginning in the 1990s, the community development field went in two directions, toward “people-based”

and “place-based” programs, both of which influenced equitable development planning. People-based programs would build individuals’ financial assets or move people to well-to-do neighborhoods with high-quality schools and good jobs. In the other direction, “place-based” community development adopted a specifically “comprehensive” approach: reaching beyond a single type of program, such as housing, the comprehensive initiatives took on projects dealing with a wide-range of issues, which could include safety, education, health, social services, employment, and community organizing, albeit usually some but not all of these.⁷ Equitable development advocates have embraced both individual opportunity programs and comprehensive community development schemes.

Equitable development is also a form of urban planning. The concept descends from what has been called variously advocacy, equity, or equitable planning, which professional planners adopted in reaction to postwar urban renewal and highway policies that disproportionately destroyed low-income and minority neighborhoods. Starting in the 1970s, city officials in cities such as Cleveland began representing the interests of low-income and minority city dwellers in their city’s plans, a radical departure from the earlier practice of considering only the welfare of downtown businesses and affluent taxpayers. Foreshadowing the practice and language of equitable development, planners such as Norman Krumholz called for “equity planning” in American cities.⁸

By the early 2000s, the term “equitable development” was being used to describe a type of regional planning aimed specifically at furthering social justice. In 2001

3. Noel Poyo, telephone interview with author, San Antonio, Texas, March 5, 2018.

4. The term “slum” was ubiquitous; for use of the term “racial ghetto” (later shortened in common usage to “ghetto”), see Chapter 6, “The Formation of the Racial Ghettos,” in *Report of the National Advisory Commission on Civil Disorders* (New York: E.P. Dutton, 1968).

5. Lyndon B. Johnson, “Remarks Upon Signing the Economic Opportunity Act,” August 20, 1964.

6. Economic Opportunity Act of 1964, P.L. 88-452, Title II, Part A, Section 202.

7. Alexander von Hoffman, “The Past, Present, and Future of Community Development,” in Nancy O. Andrews and David J. Erickson, eds., *Investing in What Works for America’s Communities* (San Francisco: Federal Reserve Bank of San Francisco and Low Income Investment Fund, 2012), 10-54.

8. Norman Krumholz and John Forester, *Making Equity Planning Work* (Philadelphia: Temple University Press, 1989); Robert Mier, *Social Justice and Local Development* (Beverly Hills: Sage, 1993); Pierre Clavel, “The Evolution of Advocacy Planning,” *Journal of the American Planning Association* 60, no. 2 (Spring 1994): 146-49; Karilyn Crockett, *People before Highways: Boston Activists, Urban Planners, and a New Movement for City Making* (Amherst, MA: University of Massachusetts Press, 2018).

Angela Glover Blackwell, the founder of the research and advocacy organization PolicyLink, deployed the phrase apparently for the first time in the currently understood sense. Blackwell proposed equitable development as a more socially conscious version of the school of “smart growth” planning, which aimed to reverse suburban sprawl and the distribution of wealth that favored affluent white suburbs over disinvested inner-city minority neighborhoods. She defined equitable development as a strategy for balanced economic growth throughout metropolitan areas. “Regions,” Blackwell asserted, “rather than cities or inner cities, are the arenas in which to address equitable development.”⁹ PolicyLink has produced numerous reports and descriptions of programs that promote equity in regions.

By 2004, PolicyLink had devised a working definition for regional equitable development. “Equitable development,” wrote the authors of a manual for advocates of social and economic fairness, “seeks to ensure that residents in all communities in a region can participate in and benefit from economic growth and activity.” To do this, the manual recommended, advocates should build coalitions following four guiding principles:

- Promote policies and programs to help both places and the people who live in them;
- Adopt strategies to reduce local and regional disparities in income, wealth, and access to opportunity;
- Channel investments to generate the “double-bottom line” of economic returns and community benefits; and
- Enable community residents and leaders to participate meaningfully in decisions pertaining to their communities.¹⁰

9. Angela Glover Blackwell, “Promoting Equitable Development,” *Indiana Law Review* 34 (2001): 1276 and 1282 (quotation).

10. The principles are paraphrased from PolicyLink, *Advocating for Equitable Development* (2004); the quotation appears on page 5.

The advocates of equitable development thought regionally but acted locally to help residents of disinvested low-income neighborhoods. To achieve their goals, advocates of equitable development looked to local governments and community development corporations and other local nonprofit groups that pursued “economic inclusion” by such means as targeted hiring practices, minority-owned small business development, and improving minimum wages and benefits for workers. Advocates also recommended using community development tools such as community land trusts, vacant property acquisition for affordable housing development, and individual development accounts.

An essential step in bringing equity to regions is collecting data on their demographics, economies, employment, education, housing, and transportation, with an eye to the disparities between different population groups. PolicyLink, for example, has published a series of “equity profiles” that compiled such data for different regions ranging from the Detroit metropolitan area to Fairfax County, Virginia.¹¹

Although equitable development planning was meant to correct the imbalance in wealth and opportunity between suburbs and the inner city, the movement also came to be seen as a way to protect the low- and moderate-income residents of urban neighborhoods from the effects brought about by the influx of the well-to-do and

11. *Community Based Initiatives Promoting Regional Equity: Profiles of Innovative Programs from Across the Country* (PolicyLink, 2000), <http://www.policylink.org/resources-tools/community-based-initiatives-promoting-regional-equity>; Sarah Treuhhaft and Victor Rubin, “Economic Inclusion: Advancing an Equity-Driven Growth Model” (Big Ideas for Job Creation Project, PolicyLink, 2010), https://www.policylink.org/sites/default/files/4A_TREUHAFTRUBIN_POLICYLINKREPORT_SECTORAL_INDUSTRY.PDF; *An Equity Profile of the Detroit Region* (PolicyLink, 2015), <http://www.policylink.org/resources-tools/an-equity-profile-of-detroit>; *An Equitable Growth Profile of Fairfax County* (PolicyLink, 2015), <https://www.fairfaxcounty.gov/topics/sites/topics/files/assets/documents/pdf/equitable-growth-profile-report.pdf>; Blackwell, “Promoting Equitable Development,” 1278-79, 1284-89; Janis Bowdler, Henry Cisneros, and Jeffrey Lubell, *Building Equitable Cities: How To Drive Economic Mobility and Regional Growth* (Washington, DC: Urban Land Institute, 2017).



DIVERSE URBAN REVIVAL

Detroit developer Clifford Brown at the construction site of The Coe, a mixed-use mixed-income building completed in November 2017. It was the first new project to be built in the West Village neighborhood in decades.

steep increases in real estate values. Generally known as gentrification, the nature and effect of such changes are complex and debated, but many people believe that gentrification threatens to displace existing residents, prevent people of modest incomes from moving to certain neighborhoods, and deprive minority residents of their cultural communities.¹² Equitable development efforts have aimed to prevent these effects of gentrification by helping low-income and minority residents to remain and thrive in changing neighborhoods, first and foremost by enabling the residents to participate fully in the planning for their communities.

Despite the early aspirations to transform entire regions, there have been few attempts to do so. The social and economic complexity of regions and the lack of strong regional planning authorities in the United States militate against metropolitan-wide drives. In addition, although many low-income housing developers work across regions or even in different parts of the nation, community development agencies have tended to be place-based, that is, focused on one or more neighborhoods.

Thus, most equitable development campaigns so far have operated in smaller territories within metropolitan areas. Some have been city-wide efforts, such as the Atlanta Belt Line Equitable Development Plan in Georgia, started in 2009, and the City of Seattle's ambitious Equitable Development Implementation Plan of 2016. Describing what he considered equitable development at the neighborhood level, Carlton Eley pointed to specific projects as examples: Bethel Center, a multi-purpose

community facility in the West Garfield neighborhood of Chicago; Fruitvale Village, a mixed-use development of retail spaces, offices, and apartments in Oakland, California; and Fall Creek Place, a once largely abandoned neighborhood in Indianapolis that was rebuilt with high proportions of affordable housing.¹³ Reflecting this focus, the National Association for Latino Community Asset Builders (NALCAB) in 2018 published a useful guide to help nonprofit practitioners carry out different types of equitable development projects in neighborhoods and cities.¹⁴

COLLECTIVE IMPACT

Whether pursued in regions, cities, or neighborhoods, equitable development generally entails carrying out multiple projects simultaneously. In this regard, it shares certain features with "collective impact," the latest incarnation of the comprehensive approach to community development. Both equitable development and collective impact are based on the idea that since social problems, particularly those associated with low-income neighborhoods, have many causes, their solution requires a multifaceted cross-sector approach. The best-known examples of "Collective Impact Initiatives," explain John Kania and Mark Kramer, managing directors of FSG Social Impact Advisors, are defined by "long-term commitments by a group of important actors from different sectors to a common agenda for solving a specific social problem." By definition, collective impact efforts are collaborations among many parties – nonprofit organizations, for-profit firms, and government agencies. Ideally the cross-sector collaborators take on different, mutually reinforcing

12. Research on gentrification is voluminous, but one recent salient finding is that while some urban neighborhoods gentrify, others in the same city remain poor. Recent discussions include Rachel Bogardus Drew, "Gentrification: Framing Our Perceptions" (Enterprise Community Partners, 2018), <https://www.enterprisecommunity.org/resources/gentrification-framing-our-perceptions-7602>; Miriam Zuk, Ariel H. Bierbaum, Karen Chapple, Karolina Gorska, and Anastasia Loukaitou-Sideris, "Gentrification, Displacement, and the Role of Public Investment," *Journal of Planning Literature* 33, no. 1 (2018): 31-44; Jackelyn Hwang and Robert J. Sampson, "Divergent Pathways of Gentrification: Racial Inequality and the Social Order of Renewal in Chicago Neighborhoods," *American Sociological Review* 79, no. 4 (2014): 726-51.

13. Atlanta BeltLine Partnership, "An Atlanta Beltline for All: Equitable Development Assessment" (2013); City of Seattle Office of Planning and Community Development, "Equitable Development Implementation Plan" (2016); Eley, "Equitable Development," 3-12.

14. National Association for Latino Community Asset Builders (NALCAB), *Guide to Equitable Neighborhood Development* (NALCAB, 2018), available at <https://3ggt5b182jne4bbuo822a8hi-wpengine.netdna-ssl.com/wp-content/uploads/2018/02/END-Toolkit-2.pdf>.

activities, coordinating and communicating constantly. Nonetheless, a single “backbone” or “quarterback” type of organization is necessary to guide and support a collective impact initiative. During the entire operation, Kania and Kramer stress, funders and participants must collect data to understand the problem and measure the results.¹⁵

Like the collective impact approach, equitable development planning, both in theory and practice, takes a multifaceted approach based on data to social problems. It too is comprised of diverse collaborators led by a quarterback-type of organization, all of whom are committed to a common agenda.

The equitable development collaborations we examined combined public and private sectors by including nonprofit groups and government agencies. Directed by a lead organization, the participating groups fashioned and pursued a common agenda. The agenda of equitable development collaborations, however, goes beyond the collective impact theory’s targeting a “specific social problem” to attack several problems, albeit occurring in specific places.¹⁶

15. FSG is a “mission-driven consulting firm,” which advises “corporate, foundation, and nonprofit/NGO leaders.” John Kania, and Mark Kramer, “Collective Impact,” *Stanford Social Innovation Review* 9, no. 1 (Winter 2011): 36–41, esp. 39; for FSG, <https://www.fsg.org/about>.

16. Kania and Kramer, “Collective Impact,” 36.

CASES OF EQUITABLE DEVELOPMENT PLANNING WITH CDFIS

To better understand the ingredients of successful equitable development planning we examined and compared three current and ongoing campaigns that included collaborations of CDFIs that received PRO Neighborhoods awards from JPMorgan Chase & Co. These awardees are Equitable Development at the 11th Street Bridge Park in Washington, D.C.; the Detroit Strategic Neighborhood Initiative in Detroit, Michigan; and Adelante Phoenix in Arizona. In addition, we supplemented these cases with information from two other PRO Neighborhoods awardees, which were smaller in scale but whose collaborations offered relevant comparisons to larger efforts. These are the Chicago CDFI Collaborative in Chicago, Illinois, and the Urban-Rural Kentucky Collaborative, carried out in Lexington, Louisville, and Millersburg, Kentucky. (See pages 14 and 15 for a description of each of these collaborations.)

The following sections draw on these cases to analyze

- first, the beginnings of equitable development efforts, focusing on urban environments, origins of the campaign, qualities of leadership, and choice of target geographies;
- second, agenda setting, including the need to acquire knowledge through data and utilize technical expertise and community knowledge;
- third, financing equitable development, using the incremental and civic consortium models; and
- fourth, modes of implementation, including the role of organizational collaborations, lead organizations or “quarterbacks” to coordinate the collaboration, the value of working with experienced partners, and the special ways that CDFIs can deploy capital for equitable development.

LARGE-SCALE EQUITABLE DEVELOPMENT PRO NEIGHBORHOODS AWARDEES

EQUITABLE DEVELOPMENT AT THE 11TH STREET BRIDGE PARK

- The Equitable Development at the 11th Street Bridge Park collaboration is one part of a broad-based civic campaign to build a new park on the pylons of the old 11th Street Bridge in Washington, D.C. The partners hope to build connections between DC residents on opposing sides of the river, and to lift up the disadvantaged Anacostia neighborhood. \$5 million award, 2017 awardee cohort.
- **Building Bridges Across the River (BBAR)**, which is not itself a CDFI, is the lead partner and houses as a subsidiary the 11th Street Bridge Park organization, which coordinates the various efforts of its many equitable development partners. Skyland Workforce Center, another BBAR project, provides workforce training.
- **Washington Area Community Investment Fund, Inc. (WACIF)** provides loans and training for small businesses.
- **City First Enterprises, Inc.** is creating a community land trust to prevent displacement.

DETROIT STRATEGIC NEIGHBORHOOD INITIATIVE

- Following on the successful revitalization of a depressed area adjacent to downtown Detroit, the Detroit Strategic Neighborhood Initiative is taking some of the same strategies to three of Detroit's challenged "tipping point" neighborhoods: Southwest Detroit, Livernois-McNichols, and West Village. \$5 million award, 2016 cohort.
- **Invest Detroit** has led the initiative, engaging with community groups and residents to identify priorities and projects and working with the City of Detroit to coordinate infrastructure improvements and land acquisition.

- **Detroit Development Fund** assists small businesses with both loans and technical assistance.
- **Opportunity Resource Fund (OppFund)** provides nontraditional mortgages, which can include funds for home rehabilitation, to potential homeowners who do not qualify for a traditional mortgage.

ADELANTE PHOENIX

- Adelante Phoenix pursues equitable transit-oriented development that aims to support the low-income people and places situated along metropolitan Phoenix's new light rail transit system. \$6 million award, 2013 cohort.
- **Raza Development Fund (RDF)** leads the collaboration and provides the largest loans, including real estate development loans, and offers financial support and loan guarantees to partner CDFIs.
- **Neighborhood Economic Development Corporation (NEDCO)** supports small businesses with loans and technical assistance, including intensive training for very small-scale entrepreneurs.
- **MariSol Federal Credit Union (MariSol)** provides consumer loans, including a short-term credit alternative to payday loans.
- **Trellis** collaborates with MariSol on a mortgage product that includes mandatory – and free – home ownership counseling.

PRO NEIGHBORHOODS AWARDEES WITH EQUITABLE DEVELOPMENT FEATURES

CHICAGO CDFI COLLABORATIVE

- To address the shortage of affordable housing that exists amid an excess of derelict and abandoned residences, the Chicago CDFI Collaborative launched a campaign to foster the acquisition, rehabilitation, and sale of distressed 1-4 unit residential buildings. Working with small-scale investors, members of the collaborative offer multiple types of financing in selected low-income neighborhoods. \$5 million award, 2014 cohort.
- **Community Investment Corporation (CIC)** is the lead partner; it acquires distressed properties and finds potential investors to rehabilitate the buildings.
- **Chicago Community Loan Fund (CCLF)** provides purchase and rehabilitation loans to investors. Once an investor has done several of these deals, CIC can also offer take-out financing.
- **Neighborhood Lending Services, Inc. (NLS)** provides purchase and rehabilitation loans to owner-occupants.

URBAN-RURAL KENTUCKY COLLABORATIVE

- The members of the Urban-Rural Kentucky Collaborative are fighting economic and physical deterioration in targeted neighborhoods in the cities of Lexington and Louisville, Kentucky, as well as across two rural counties and the small town of Millersburg, Kentucky. \$2.6 million award, 2015 cohort.
- **Community Ventures Corporation** serves as the lead partner, making mortgage and small business loans, and leading residential and commercial development projects.
- **Kentucky Highlands Investment Corporation (KHIC)** operates in rural areas, where it offers small business loans and helps owners of mobile homes to purchase the land under their homes and/or build new single-family houses.
- **Federation of Appalachian Housing Enterprises (Fahe)** provides mortgages in rural areas and outreach on affordable housing options.



○ A DREAM COME TRUE

Grace and Chris McKenzie grew up in impoverished rural Kentucky, but with the help of Fahe, a partner in the Urban-Rural Kentucky Collaborative, have realized their long-time dream of homeownership.

Photo credit: Fahe

TO BEGIN EQUITABLE DEVELOPMENT

URBAN ENVIRONMENTS

Any approach to equitable development must at the outset consider the socio-economic character of the place in which it will be carried out. The circumstances of a city or region affect not only the goals of the plan but the opportunities available for carrying it out. Hence, it is worth noting that the locations of equitable development campaigns vary in important ways.

With a roaring economy and high-end development, Washington, D.C. would serve well as a poster-child of a gentrifying city, which fits one model of equitable development. It was the hope of harnessing economic and physical growth that inspired the idea of equitable

development planning so as to benefit, not harm, low-income residents of booming areas. In the 11th Street Bridge Park plan for equitable development, the goal has been to channel benefits from economic growth to historically marginalized populations while preserving the culture and history of low-income neighborhoods.

Although most urban centers in the United States seem to be thriving, many are not. In contrast with Washington, numerous neighborhoods in Detroit and on the South Side of Chicago, where equitable development projects have occurred, are economically depressed areas with high rates of abandoned or empty properties and relatively little upscale development. When they began, the

A HOME RESTORED

On the South Side of Chicago, a tenant stands in front of her new home, with the members of the Chicago CDFI Collaborative who helped acquire and rehabilitate it (left to right) Andre Collins, Community Investment Corporation, Scott Allbright, investor and rehab specialist, and Steve Schaffer, federal Neighborhood Stabilization Initiative program.

Photo credit: Gordon Walek



architects of the Detroit Strategic Neighborhood Initiative felt it was less necessary to protect disadvantaged people from runaway growth than to generate development – redeveloping deteriorated buildings and filling in empty spaces with buildings and activities that would benefit low-income residents of the community.¹⁷ According to NALCAB, such places need revitalization, meaning new public and private investment, as opposed to gentrification, high-end development that renders it difficult for existing residents to remain or for people who resemble them in income or cultural background to move in. The trick, of course, is to anticipate and react to a shift from revitalization to gentrification.¹⁸

Economically dynamic regions leave large portions of their population lagging behind. The Phoenix metropolitan area is flourishing, generating jobs and attracting new residents faster than many other areas of the country, but it also has a high concentration of low-wage jobs and rates of poverty higher than the national average. Within the dispersed Phoenix metropolitan area, the Adelante Phoenix collaboration varied its strategies widely, from providing low-income people with short-term loans to helping small businesses by promoting place-making campaigns and offering financial consulting.¹⁹

Any equitable development effort must consider and act upon fundamental issues of race and ethnicity. From the earliest days, racial attitudes and behaviors have shaped and defined – one might say distorted – the physical, economic, and social environment of American cities. The nation’s capital has a long history of racial oppression and discrimination, even though it has also offered economic

opportunities to some African Americans. Under the banner of urban renewal, the District of Columbia (and the U.S. Congress) demolished the homes and businesses of countless black Washingtonians. The effects of urban renewal, the dispersion of African Americans over the last several decades from the city of Washington to its metropolitan area, and the gentrification of formerly working-class neighborhoods has raised fears that once again whites will displace blacks from their homes and neighborhoods. Detroit also has a deeply troubled racial history, punctuated by extremely violent disorders, and racial and class discrimination has contributed to both the collapse of investment in much of the city and the devastating out-migration first of whites and then of blacks. In the Phoenix metropolitan area as well as the American Southwest generally, bigoted and discriminatory actions have been aimed at those of Mexican or other Hispanic backgrounds. As a result, low-income neighborhoods, or *barrios*, lack the services, good housing, and financial investment found in more white and prosperous areas. In attempting to better places and help people, equitable development efforts must confront the problems created by racial prejudice and discrimination. As the equitable development cases demonstrate, this means specifically targeting the population groups who bear the burden of past and present discrimination.

KEY LESSONS

- The form that equitable development takes must reflect the prevailing social and economic conditions in each locale.
- Equitable development planners should take the time and effort to understand their communities well and devise their goals and strategies accordingly.

17. In 2018, the city government unveiled an Affordable Housing Leverage Fund to preserve and build housing affordable to low-income people both to help revitalize neighborhoods and to ensure the availability of such housing as housing markets recover in the future.

18. NALCAB, *Guide to Equitable Neighborhood Development*, 5-6.

19. Joint Center for Housing Studies of Harvard University, *PRO Neighborhoods Case Study: Adelante Phoenix!* (Cambridge, MA: Harvard University, 2017).

ORIGINS

How does an equitable development program begin?

In the projects we studied, either a catalytic event – such as the undertaking of a major infrastructure project – or an ongoing civic campaign sparked an effort for equitable development. In Washington the catalytic event was the District of Columbia’s Department of Transportation’s 2009 decision to replace the 11th Street Bridge, which then led to a further decision by the city’s planning department to create a park around the bridge. In Detroit, in contrast, equitable development planning arose from long-term efforts by philanthropic foundation officers, government officials, and others to revive a city that had been in economic, political, and demographic crisis. More immediately, the city government – including the Mayor’s office and the Housing and Revitalization and Planning and Development Departments – joined forces with the Invest Detroit Foundation (Invest Detroit) to create the Strategic Neighborhood Fund, which enlisted public, private, and philanthropic entities to revitalize eight-to-fifteen-block sections of three selected neighborhoods. In the case of Phoenix, Arizona, both a civic campaign and a catalyst of a large infrastructure project gave rise to equitable development. In Arizona numerous government, educational, and philanthropic institutions launched a civic campaign for “smart growth” regional planning, which then spun off an equitable development effort focused on the development possibilities created by the construction of a 20-mile-long light rail transit line.

These are cases of large-scale efforts, but other community development projects suggest that equitable development is or could be pursued on a smaller scale. In the Russell neighborhood in the West End of Louisville, for example, Community Ventures of Kentucky, a CDFI, after observing conditions and listening to neighborhood residents’ concerns about employment and the need for a community gathering place, sought to generate jobs as well as replace the neighborhood’s only restaurant, a popular community haunt that had recently closed, by developing a commercial building as a food industry incubator with a restaurant. Yet it has also been partnering with the city and alongside a local nonprofit

housing organization to stabilize the neighborhood by building single-family homes for moderate-income buyers. In addition, Community Ventures has worked with the Louisville city government on policies ranging from land use to stopping crime. Such small efforts that closely reflect community wishes and accurate market data, NALCAB director Noel Poyo believes, will be more durable than a large project whose main attribute is popularity with philanthropic funders.²⁰

Indeed, strong community development corporations around the country pursue wide-ranging agendas that often coincide with equitable development goals. To take just one example, the New Kensington Community Development Corporation in Philadelphia, Pennsylvania mobilizes residents of the area in which it works to help set its agenda. This CDC provides not only housing services, but also financial literacy training; business assistance that includes promoting the arts; real estate development including the conversion of former factories; and neighborhood planning, in which residents and businesses create plans that the community then works with the city government and developers to realize.²¹

KEY LESSONS

- Opportunity for starting an equitable development project may arise from a catalytic event – such as the undertaking of a large infrastructure project – or a civic campaign.
- Leaders of nonprofit community development organizations and other agencies who want to pursue a full equitable development plan should join or start large-scale campaigns of the sort that are likely to attract government departments, nonprofit groups, and philanthropic foundations.
- That said, the lack of a large-scale campaign need not deter would-be equitable development planners. Numerous community development efforts in the past and present have pursued all or some of the goals of the equitable development movement on a small scale.

20. Kevin Smith, telephone interview with author, Lexington, Kentucky, March 6, 2018; Poyo, interview.

21. <http://www.nkcfdc.org/>.



A BRIDGE TO EQUITABLE DEVELOPMENT

In Washington, D.C., piers built off the new 11th Street Bridge will support a multi-feature community-oriented park facility.

LEADERSHIP

The mere occurrence of an event or campaign was not sufficient to create a movement for equitable development: far-sighted leaders were necessary to take advantage of the opportunities.

In the case of the 11th Street Bridge Park, the resourceful head of the District's planning department, Harriet Tregoning, imagined the area of the bridge as a publicly owned park that would provide a place for active and environmental recreation and the arts for citizens on both sides of the Anacostia River, and during a purely happenstance conversation encouraged Scott Kratz, then vice president of education at the National Building Museum, to take on the project. After exploring the possibilities, Kratz became an indefatigable leader of the effort. No less important, though operating behind the scenes, was the leadership of Oramenta Newsome, who as executive director of the Local Initiatives Support Corporation (LISC) Washington, D.C., advised and supported the effort from the start.²²

In Phoenix, Mark van Brunt, the chief operating officer of the Raza Development Fund (RDF), and Teresa Brice, executive director of LISC Phoenix, envisioned the possibilities of promoting development along the metropolitan area's new light rail that would include affordable housing, health clinics, and cultural centers.²³

In Detroit, Invest Detroit, under its president David Blaszkiwicz, hoped to build on the successes it and partner organizations had in stimulating investments and businesses in Midtown, an area located north of downtown and including Wayne State University. To coordinate revitalization efforts in different low-income neighborhoods, Invest Detroit hired a seemingly unlikely candidate for such a job, the former director of baseball

22. Mary Bogle, Somala Diby, Eric Burnstein, with Maia Woluchem and Jay Dev, "Equitable Development Planning and Urban Park Space" (Urban Institute, 2016), 6-7; Scott Kratz, "D.C.'s 11th Street Bridge Park: Transforming Infrastructure into Civic Space," *The Planning Report* (October 2014), "<https://www.planningreport.com/2014/10/02/dcs-11th-street-bridge-park-transforming-infrastructure-civic-space>."

23. Teresa Brice-Heames, Loeb Fellowship presentation, Harvard University, October 24, 2015, <https://www.youtube.com/watch?v=mZSoOUtbClU&feature=youtu.be>.



operations for the Detroit Tigers major league baseball team. Mike Smith, however, brought to the position of director of neighborhood strategies a Detroiters passion for rebuilding the city – he and his wife purchased a fixer-upper home in one of Invest Detroit’s target-area neighborhoods – exceptional social skills, and an ability to listen to and work with community members and organizations.²⁴

KEY LESSONS

Successful equitable development campaigns require resourceful leaders. In the cases studied here, the leaders had these characteristics in common:

- a strong conception of equitable development;
- boundless energy and enthusiasm for pursuing equitable development goals;
- flexibility – the ability to adapt to circumstances and the wishes of residents, even if these were unexpected;
- willingness to consult with experts, including staff members of local nonprofit organizations; and
- great patience, as it may take years to see elements of the campaign come to fruition.

24. Invest Detroit, “About Us,” <https://investdetroit.com/about-us/>; Michael Smith, interview with author, Detroit, Michigan, May 25, 2018; Kathi Kucharski, interview with author, Detroit, Michigan, May 25, 2018; Timothy Thorland, interview with author, Detroit, Michigan, May 25, 2018.



TARGET GEOGRAPHIES

With an understanding of the overall terrain, equitable development planners must decide what will be their specific area or areas of operations.

Although the early proponents of equitable development conceived of planning throughout a metropolitan region, the equitable development efforts we examined operated in comparatively small- to medium-sized geographic territories within regions. In the District of Columbia, the 11th Street Bridge Park Impact Area fell within the city limits and was relatively compact. First delineated as an area to study to understand local conditions, the impact area consisted of the territory on both sides of the Anacostia River within a one-mile radius of the bridge crossing.²⁵

Other equitable development plans covered not a contiguous territory but multiple scattered areas. The Detroit Strategic Neighborhood Initiative started with three neighborhoods – Southwest Detroit, Livernois-McNichols, and West Village – located several miles from one another, and is now expanding to seven other dispersed neighborhoods. At a still larger scale, Adelante

25. Bogle et al., “Equitable Development Planning and Urban Park Space,” 11.

HAVING FUN, BUILDING COMMUNITY

T'Chaka Sapp, Deputy Director of Constituent Services for the Ward 8 member District of Columbia City Council, has a laugh at the 11th Street Bridge Park's Harvest Festival in October 2017.

Photo credit: Becky Harlan

Phoenix organized its efforts along a five-mile stretch of a newly built light rail line, carrying out programs in three different cities, Phoenix, Tempe, and Mesa. Yet the Adelante Phoenix programs largely focused on particular sections within the territory adjoining the new light rail line.

In drawing the boundaries of their target areas, the leaders of equitable development efforts take particular circumstances into account. The 11th Street Bridge Park principals decided, after researching the demographics and housing in the impact area, to use the development of the adjacent park to connect the affluent and less-well-off communities west and east of the river, respectively. In order to reinforce their revitalization efforts on Chicago's South and West Sides, the members of the CDFI Collaborative chose to acquire and restore financially troubled residential properties in or near the 13 neighborhoods where the City of Chicago operates an anti-foreclosure project (the Micro-Market Recovery Program).²⁶

Equitable development planners, however, do not feel obliged to adhere rigidly to draw target-area boundaries they create. Instead they may let opportunity influence where they carry out their programs, especially those involving real estate development. In the booming District of Columbia, for example, one of the 11th Street Bridge Park partners, City First Homes, the workforce housing branch of City First Enterprises, jumped at the opportunity to work with the National Housing Trust to help the tenants of Savannah Apartments purchase their privately owned 65-unit building, even though it was located just outside the 11th Street Bridge Park Impact Area. Because the Savannah was near a metro station in Congress Heights and a massive redevelopment project, if private for-profit owners were to purchase it, they would likely hike rents drastically

or convert the apartments to expensive condominiums, which would put them out of reach of most east-of-the-river residents. Hence, ensuring that this property, even after renovations, will continue to be affordable to low- and moderate-income tenants fulfilled the equitable development mission of the 11th Street Bridge Park.²⁷

Indeed, some program activities by necessity spill out of the target area. Job training, for example, might begin with residents of the target area, but to enroll enough people to make a program practical may require pulling in participants from a wider area. The jobs themselves may be located some distance away, and access to them may depend on regional transportation systems.²⁸

KEY LESSONS

To draw target-area boundaries for equitable development, then, planners should study and assess local conditions including:

- demography, economy, geography, and available transportation
- the location of complementary community development programs, and
- the location of economic, education, housing, and other opportunities to help low-income residents.

27. A consortium of the National Housing Trust Community Development Fund – City First Enterprises, Housing Partnership Fund, The Reinvestment Fund – made an acquisition bridge loan of \$7.1 million, and a local foundation provided a grant of \$500,000. James Steck, telephone interview with author, March 2, 2018; “NHT-Enterprise Acquires Savannah Apartments,” NHT-Enterprise Spring Update: Acquisitions and Awards, May 21, 2018, <http://www.nationalhousingtrust.org/news-article/nht-enterprise-spring-update-acquisitions-and-awards>.

28. The author is indebted to Mary Bogle for this insight. Personal communication with author.

26. Joint Center for Housing Studies, *PRO Neighborhoods Case Study: Chicago CDFI Collaborative* (Cambridge, MA: Harvard University, 2017), 10, <http://www.jchs.harvard.edu/research-areas/working-papers/pro-neighborhoods-case-study-chicago-cdfi-collaborative>.



ARTS AND CULTURE HELP MAKE DEVELOPMENT EQUITABLE

Anika Hobbs, owner of the Nubian Hueman boutique in Washington's Anacostia neighborhood, helps plan equitable development at an arts and cultural community meeting, Anacostia Arts Center, summer 2018.

Photo credit: LISC DC



SETTING THE AGENDA

DIFFERENT ROUTES TO THE PLAN

Setting the agenda for an equitable development campaign is a many-layered and an ongoing process as the planners adjust to circumstances. It requires establishing the overall goals of the effort, determining the areas of activity that will advance the campaign toward those goals, and then deciding what specific steps – such as programs or projects – to take in the different areas.

The 11th Street Bridge Park effort provides the most complete example of the cases studied here. After a two-year period of discussions with community residents and leaders about the concept of the park, in 2014 the Bridge Park staff conducted a nation-wide competition for a design that would incorporate the local community's program ideas into a park. The overall goals for the park were to:

- create a healthy community by establishing a safe place for residents to exercise and play
- connect the community with the Anacostia River
- reconnect the neighborhoods of Anacostia / Fairlawn and Capitol Hill / Navy Yard and
- generate new jobs and economic activity.

To meet the first three goals of creating the actual Bridge Park, the project's staff consulted and coordinated with residents, architects, and city officials to develop a program for the park that would stimulate interest and meet the needs and desires of the people.

To meet the fourth economic goal, the Bridge Park leaders – after substantial deliberation – identified three areas of activity that would benefit the residents of the surrounding neighborhoods: workforce development, small business enterprise, and housing. For each of these, the plan then proposed specific “strategies,” such

as ensuring that residents of neighboring wards received priority in hiring for the Bridge Park's construction jobs; encouraging small businesses to operate in the Bridge Park; and working with city agencies and nonprofit groups to preserve existing affordable housing. Then the plan called for specific programs, specifying in several cases by name the entities that would execute them.²⁹

Using a different route, Invest Detroit reached a similarly layered agenda. It began by planning, for more than a year, with neighborhood residents to revitalize their commercial corridors, improve nearby streetscapes, resuscitate adjacent public parks, and renovate vacant single-family housing. Then, like the Bridge Park team, Invest Detroit decided to pursue four overall long-term goals: workforce and skilled job development, education, health and human services, and transportation or mobility. Each of these goals has spawned numerous activities, including diverse real estate projects and small business development.

Of course, to compose such a multi-dimensional agenda required several steps. An essential early step is listening and observing. Listening well is a trait of all good community developers. “The first thing that we do when we go into the community,” notes Kevin Smith of Community Ventures of Kentucky, “is we talk to the people that live in the community.” In the case of the Bridge Park, Scott Kratz on his own time spent two years attending more than 200 community meetings with civic associations, advisory neighborhood commissions, nonprofit directors, ministers, and business owners to secure approval of the concept of the bridge park and then solicit programming ideas, such as a performance space

29. Building Bridges Across the River, *11th St Bridge Equitable Development Plan* (Building Bridges Across the River, 2016), 5-14, <https://bridgepark.org/sites/default/files/Resources/EDP%20Final%20-%20UPDATED.pdf>

and an environmental education center. In the process Kratz also learned about the local leaders' thoughts, concerns, and hopes and dreams for their communities. The next step, played out over many months, was to respond to those community desires and incorporate them as much as possible into the equitable development agenda. Of course, leaders like Kratz continue to listen, observe, and respond throughout the later phases of planning and implementation.³⁰

KEY LESSONS

- To tackle complex and deep-seated problems, equitable development planners will have to create an agenda with different levels of goals ranging from large overall areas of activity to specific programs.
- This will take time and thought, but planners should begin by simply observing the community, engaging with its members, and learning their wishes and needs.

TECHNICAL EXPERTISE AND COMMUNITY KNOWLEDGE

Successful equitable development depends on having both technical expertise and community knowledge. The expertise is important, according to Noel Poyo of NALCAB, because without it practitioners cannot achieve community goals. "If you don't know how to get from A to B technically," he explains, "it's frustrating." But it is just as important that the effort reflect the wishes of the residents of the target areas. "You can have the most technically expert folks in the world, but if they're not connected into what that community is, who those people are, and why they're going in a direction, as we say in Spanish, *'para qué vale?'* What's the point?"³¹

In the cities where equitable development plans are being carried out, local experts provided technical knowledge of specific programs and the methods for running them.

On the Equitable Development Task Force instituted by the 11th Street Bridge Park, an array of community organization staff members and government officials with experience in running programs participated in the task force's three working groups on housing, workforce development, and small business enterprises, which developed an extensive list of specific actions to fulfill the overall goals. It was extremely helpful, Kratz recalls, that MANNA, Inc., an accomplished local nonprofit housing developer, and Washington Area Community Investment Fund, Inc. (WACIF), a nonprofit small-business lender, and City First Enterprises, a nonprofit bank holding company and mission-driven financier, helped create the Equitable Development Plan and devise the strategies that they would later carry out in partnership with Building Bridges Across the River. The task force also benefited from the participation of the Ward 8 Workforce Development Council, a network of organizations that promotes employment of southeastern Washington residents. Similarly, in Detroit, experienced nonprofit partners, such as Southwest Housing Solutions, helped inform Invest Detroit's equitable development strategy and carry out programs in neighborhoods where they worked.

The participation of the members of the local community in planning and implementing the agenda is a key component of setting an equitable development agenda. In the efforts studied here, the mode of community engagement varied. Invest Detroit has followed the lead of the City of Detroit's planning department, which in the planning phase of a project spends nine months to a year working with neighborhood leaders and residents to learn about their local culture, assets, and needs. Meanwhile, Invest Detroit also established contacts with the major local community organizations. In Southwest Detroit, one of its three target areas, for example, it has built relationships with Southwest Solutions, Southwest Detroit Business Association, Congress of Communities, and the Hubbard Farms Neighborhood Association.³²

30. Kevin Smith, interview; Bogle et al., "Equitable Development Planning," 6; Scott Kratz, interview with author, Washington, D.C., February 23, 2018.

31. Poyo, interview.

32. Michael Smith, interview, May 25, 2018; Public Sector Consultants, *Detroit Strategic Neighborhood Initiative Evaluation*, 8.

Out of the relationships with these groups, in particular with the Hubbard Farms Neighborhood Association, came a request to choose neighborhood improvements for Southwest Detroit through a participatory budgeting process instead of the usual planning procedures (in which the planning and public works departments alone decide). Invest Detroit then took charge of this community-based planning effort, hiring a full-time organizer who helped convene a local steering committee. To ensure the committee fully represented the community, the organizer recruited from the area's large high school and tapped into the informal block clubs in the Latino and African American residential areas. From the invited list of 60 individuals most active in community affairs, 20 joined the steering committee. To get the residents' ideas, steering committee members held three large community meetings as well as visiting neighborhood associations, block clubs, and even bars. They collected more than 500 ideas and culled the 16 most popular ideas to put to a community vote. The community-wide election lasted two weeks and included extensive canvassing to provide the opportunity to engage a wide spectrum of residents. The winning projects were all located in the community's largest recreation space, Clark Park: Sit, Sip, Eat, Listen (new benches, picnic tables, drinking fountains, and speakers), The Chill Zone, restoring a gazebo to students to safely gather after school; and the Inclusive Play Park, a new play area accessible to and useable for children with disabilities.³³

The 11th Street Bridge Park effort has always been based on community engagement. To begin, a Bridge Park design committee, composed of planners, community advocates, architects, and representatives of nonprofit groups, held a competition for the best park design by means of formal design charrettes conducted with neighborhood residents. With the resulting ideas in mind, the design committee and a selection jury chose the final bridge park's design, which included public art reflecting the history of the region and local communities. Then, in response to

residents' concerns about the impact of the park, the Bridge Park leaders solicited community opinions on ways to help the existing community. The Bridge Park's Equitable Development Task Force held two rounds of "stakeholder" meetings, in which more than 120 local community group leaders, experts, and government officials formulated proposals and specific programmatic recommendations. The Bridge Park then organized and advertised extensively – including through door-to-door canvassing – to get residents to review the recommendations at two mass meetings held on each side of the river.³⁴

Nonetheless, both the Bridge Park and the Detroit Strategic Neighborhood Initiative had to overcome distrust of residents who were used to being let down by planners and officials. In Washington, many people were convinced the 11th Street Bridge Park would bring gentrification to their neighborhoods. It did not help when a partner organization on its own created a one-page flyer displaying on one side images of and information about Bridge Park and, on the other side, an advertisement for services to help renters stay in their homes: the juxtaposition inadvertently suggested that the Bridge Park was going to displace current residents. On the other hand, the Bridge Park leaders found that early demonstrable accomplishments ("early wins") for existing residents, such as setting up homebuyers' clubs in Ward 8, earned the Bridge Park project credibility with local residents.

In both Washington and Detroit, consulting with residents altered the agenda. In Washington, residents convinced the Bridge Park planners first to broaden their vision to address issues of housing and unemployment in surrounding communities and then later to add cultural preservation to the list of major goals. In Southwest Detroit, local residents and organizational leaders were adamant that their highest priority was the rehabilitation of a long vacant seven-unit apartment building located near the local high school, which led Detroit Strategic Neighborhood Initiative to take it on first even though it was a smaller-scale project than Invest Detroit usually supports.

33. Maureen Anway, telephone interview with author, Detroit, Michigan, July 13, 2018; We Decide Detroit, Facebook page, https://www.facebook.com/wedecidedetroitSW/?fref=mentions&tn_s-R.

34. Bogle et al., "Equitable Development Planning," 7, 13-14.

In a sense, the ultimate form of local participation occurs when residents of the community in question are employed as leaders of the effort itself. At the least, such participation demonstrates to other residents the commitment of the equitable development effort to the local community. Hence it is important to the 11th Street Bridge Park that its equitable development manager, Vaughn Perry, is a long-time Ward 8 resident.

KEY LESSONS

- Both experts and community members are necessary to produce a meaningful and practical plan.
- Community engagement takes time, effort, and creativity, so equitable development planners should start as early as possible and assign staff to work on it.
- Practitioners should also expect residents' distrust, so to overcome it they should actively strive to demonstrate effectiveness on the community's behalf – “early wins!”
- From holding conversations to hiring residents as managers, there are many ways to engage community residents and their leaders and incorporate them into the plans and projects, according to circumstances, and they should all be pursued.

ACQUIRING KNOWLEDGE THROUGH DATA

Besides listening and observing, equitable development planners shaped their agendas by pursuing a number of different processes, which sometimes overlapped with one another.

One such process was acquiring through research extensive knowledge of local conditions, which is a central tenet of the equitable development planning movement. This knowledge is essential to identifying the needs of a given community and formulating a plan of action to answer those needs. It also allows local organizations to anticipate and counter negative changes to local communities, such as rapid price appreciation.

In order to devise strategies for equitable revitalization, Alan Mallach argues, nonprofit groups must research the local housing market, categorize it by type of housing market features, and follow the changes in housing conditions. Broadening this method beyond housing, NALCAB's Guide to Equitable Neighborhood Development emphasizes the need to devise strategies by first learning about local history and culture and collecting and analyzing socioeconomic, demographic, housing, and investment data, all with an eye to tracking changes in the local community. The guide provides community residents and organizations with tools for tracing and mapping real estate price appreciation, demographic changes, and local investment, and for calculating the financial burdens on residents.³⁵

Data collection was a key component of the equitable development phase of the 11th Street Bridge Park. In the Bridge Park's third year, its leaders recruited scholars and planners from the District's Office of Planning, the Urban Institute, LISC, and the DC Fiscal Policy Institute to form the Equitable Development Task Force (EDTF) to determine realistic goals for the Bridge Park's larger equitable development agenda. The EDTF first collected data on local demographic trends, land uses, property ownership, and taxation rates. They revealed a stark contrast between the two sides of the river. For example, the median home value west of the Anacostia was \$654,000, almost three times higher than it was east of the river.³⁶

But the great value of this data for Scott Kratz and the other leaders of the 11th Street Bridge Park was that they could make recommendations to the community based on accurate information. Understanding, for example, that on one side of the river half the households were homeowners whereas on the other side almost 75 percent of dwellings were rented shaped the Bridge Park's housing strategy of preserving rental units and facilitating purchase of homes affordable to current east-of-the-river residents.

35. Alan Mallach, “Managing Neighborhood Change: A Framework for Sustainable and Equitable Revitalization” (National Housing Institute, 2008); NALCAB, *Guide to Equitable Neighborhood Development*, 20-32.

36. Bogle et al., “Equitable Development Planning,” 11.

However, in conjunction with the Kratz's myriad meetings with residents, the economic data showed the Bridge Park leaders that they would need to think much more broadly than housing. Unemployment, for example, in the area west of the Anacostia River sat just a percentage point above the national average of 6.6 percent, but on the east side of the river it soared to Great Depression levels of 21 percent. Contemplating this and similar data led the EDTF to conclude that they would need to look at ways to increase employment by creating living-wage jobs and providing pathways for lifetime careers. In the end, the discussions of the statistics helped lead the EDTF to propose that the Bridge Park focus on three areas: affordable housing, workforce development, and promotion of small business enterprises.³⁷

The NALCAB guide to equitable development also recommends assessing and mapping the assets of a community, including amenities such as parks and/or recreational facilities, institutions, and businesses. Utilizing consultants such as Data Driven Detroit and Motor City Mapping, Invest Detroit in 2016 collected data to identify the assets and needs of three Detroit neighborhoods. It charted local organizations including potential partners, analyzed population statistics, and assessed the existing infrastructure for such public uses as recreational space and safety. To better determine how to target its efforts in the next group of city neighborhoods, the following year Invest Detroit and members of the JPMorgan Chase Service Corps devised a method for compiling 32 unique data measurements in five categories: civic, leadership, neighborhood assets, neighborhood demand, and partnership. The resulting scorecard gave Invest Detroit “a data-driven approach to understanding and prioritizing neighborhood interventions.”³⁸

37. Ibid; Adam Kent, interview with author, Washington, D.C., December 2, 2018.

38. In 2018, the City of Detroit agreed to a four-year partnership with the Poverty Solutions Institute at the University of Michigan to measure the effectiveness of the Detroit Strategic Neighborhood Initiative and other city programs in promoting economic mobility and reducing poverty. NALCAB, *Guide to Equitable Neighborhood Development*, 34-36; M1/DTW, *Strategic Neighborhood Fund* (Invest Detroit, 2016); Public Sector Consultants, *Detroit Strategic Neighborhood Initiative - Year One Evaluation* (Invest Detroit, 2017), 9; Greta Guest, “U-M, Detroit Work to Boost Economic Mobility, Fight Poverty,” *University Record*, March 19, 2018.

Following the best community development practices, equitable development organizations collected and analyzed data even while they carried out their projects. In Washington, for example, the Urban Institute has not only helped the 11th Street Bridge Park to set numerical targets for their programs such as affordable housing and job training but also is monitoring whether those programs are meeting their goals. The Urban Institute also continues to collect data on the community to track how well the Equitable Development Plan is working and how the target-area communities are changing. Yet setting goals within given neighborhoods and for particular population groups and tracking progress toward meeting those goals remains a challenge for evaluators.³⁹

KEY LESSONS

- To embark on an equitable development effort, collect information early and consider it carefully when setting an agenda. If possible, utilize experienced researchers for numerical data collection and analysis.
- For mapping community assets, equitable development campaigners can complement the work of researchers by tapping the expertise of local community professionals and residents and directly observing conditions themselves.
- Equitable development requires accurate and relevant data from the first brainstorming sessions to the final execution of programs. Practitioners should plan for data collection over the long haul to track both conditions and their own progress. What gets measured gets done!

39. Peter Tatien and Mary Bogle, telephone interview with author, Washington, D.C., May 21, 2018; Mary Bogle, personal communication with author.



A COMMUNITY ENGAGED

Lorraine Richardson makes a point at an 11th Street Bridge Park Equitable Development community meeting, RISE Demonstration Center in Washington D.C., 2015.

Photo credit: Becky Harlan

FINANCING EQUITABLE DEVELOPMENT

The many tasks and projects involved in a comprehensive effort to achieve equitable development require substantial amounts of funds, generally raised from multiple sources. The cases studied here present two different models for the necessary task of finding funds, which correspond and are part of the basic approaches to building the overall campaign. One could be labeled the incremental model; the other, the civic consortium model. In both models, large-scale equitable development efforts began with seed capital that enabled the entire effort to start and begin to grow.

THE INCREMENTAL MODEL

The incremental model, exemplified by Equitable Development at the 11th Street Bridge Park, is to start small and build up, gradually obtaining financial support through institutional alliances and organizational partnerships. The Bridge Park project began *without* any funding as such, when Scott Kratz volunteered to take part in hundreds of conversations to ascertain whether District residents and institutions would support a bridge park endeavor. Although these discussions laid the groundwork for the community's participation in planning the bridge park and the related equitable development campaign, they did not by themselves provide the wherewithal to realize the projects.

To launch, the project needed starter capital, analogous to pre-development financing in a construction project. In late 2013, the late Oramenta Newsome, executive director of DC LISC, provided that crucial support. Impressed by Kratz's commitment to working hand-in-hand with residents, Newsome arranged for LISC to pay part of Kratz's salary during the first year of the Bridge Park project – which helped make it possible for him to quit his previous job – and designated a DC LISC program officer to help design and manage the equitable development planning process of the bridge park.⁴⁰

A network of contacts is essential to building a large-scale project and raising funds for it. The District's planning director, Harriet Tregoning, pointed Kratz in the direction of Building Bridges Across the River, which provides educational, health, cultural, recreation, and social service programs to children and adults living in the distressed communities east of the Anacostia River. This nonprofit organization, which DC LISC has helped support, had received wide acclaim for developing the remarkable Town Hall Education Arts Recreation Campus (THEARC), a multi-purpose center located in Congress Heights but serving all east-of-the-river neighborhoods.⁴¹ After learning about the effort, the executive director of Building Bridges Across the River, Edmund Fleet, took Kratz and the Bridge Park project into his organization, which enhanced the project's reputation among residents, activists, and funders.

With its new standing as part of Building Bridges Across the River, Kratz's extensive outreach efforts of the previous three years began to pay off. In 2014, the project won the support of the District of Columbia's government, and the mayor and city council agreed to fund a significant portion of the cost of the Bridge Park. That year, the Bridge Park raised more than \$1 million, enough to pay the salaries of two full-time staff members, including Kratz. Over the next two years, the JPB Foundation, the Kresge Foundation, the Education Foundation of America, and DC LISC contributed the bulk of funding for the development of the 11th Street Bridge Park Equitable Development Plan, which was finalized in the winter of 2015-2016.⁴²

As it has facilitated the creation of the plan and the implementation of related programs, the Bridge Park has continued to raise funds, often by leveraging initial grants. A grant from JPMorgan Chase enabled the Bridge

41. <http://www.thearc.org/partners-programs/building-bridges-across-river-bbar>; <https://www.thearc.org>.

42. Bogle et al., "Equitable Development Planning," 6-7; Amanda Kolson Hurley, "Bridging D.C.'s Starkest Divide," *Next City*, November 21, 2016, <https://nextcity.org/features/view/washington-dc-anacostia-11th-street-bridge-park-plans>; DC LISC, "Elevating Equity," <http://www.liscdc.org/elevatingequity/>.

40. Bogle et al., "Equitable Development Planning," 10; Kent, interview.

Park and City First Enterprises to take the first steps toward establishing a community land trust. The project started to snowball from there. “It’s amazing how people start taking you a little more seriously when you have \$3 million in the bank for acquiring property,” observes Kratz. “That attracts additional resources: ‘wow, so now you have a plan, now you have community engagement, you have an advisory committee, you’re setting up a 501(c) (3), and you have dollars?’ That’s a very different conversation to have with a city council member or another philanthropic endeavor.”⁴³

THE CIVIC CONSORTIUM MODEL

The civic consortium model of financing an equitable development project differs from the incremental model in origins and form. The civic consortium model begins with a large civic campaign that is aimed at transforming the city or metropolitan area, which then provides a runway from which equitable development lifts off. Unlike in the incremental model, in the civic consortium model government and philanthropic institutions come together at the outset to capitalize a large-scale campaign. With the engagement and financial commitment of the major funders, well considered proposals for equitable development can find financing and government support.

In both Phoenix and Detroit, the civic campaign preceded the equitable development push by several years. The roots of the transit-oriented equitable development movement in Arizona go back to 2007, when 25 entities – including state government cabinet agencies, the regional transit authority, philanthropic foundations, educational institutions, and civic organizations – founded the Sustainable Communities Collaborative to foster environmentally sound transportation systems and promote housing, public health, and community services for people living near the transportation routes. Since its founding, the Sustainable Communities Collaborative continued to grow, attracting new members and funds.

In 2010 Raza Development Fund (RDF) and LISC Phoenix joined the Collaborative, investing \$10 million each to create, along with the mayors of Phoenix, Tempe, and Mesa, a Sustainable Communities Fund to realize the community development goals by issuing below-market-rate loans and gap financing in areas where formal lending is scarce. In 2014, JPMorgan Chase awarded a PRO Neighborhoods grant of \$6 million to Adelante Phoenix, composed of RDF and three other CDFIs, to carry out community development projects and programs to help the low- and moderate-income residents of neighborhoods along the city’s new light rail line. In 2015, LISC Phoenix and RDF redoubled their financial commitments, creating a \$30-million revolving-loan fund for developing mixed-income residential projects along the transit line. So far, the Sustainable Communities Fund has attracted more than \$375 million in additional private investment for 24 developments, including 16 housing projects, two health care facilities, and two commercial buildings.⁴⁴

In Detroit, local institutions formed a consortium similar to that of Phoenix, but one aimed at reversing the depopulation, disinvestment, and stagnation that has so devastated the city. In 2008 the Kresge Foundation, under its chief officer, Rip Rapson, started the Detroit Neighborhood Forum, a large group of representatives of foundations, financial institutions, intermediaries, and also city, state, and federal governments. From the monthly meetings of this group have come several city-wide endeavors, including the Detroit Future City Strategic Framework (December 2012), citywide renewal

44. Joint Center for Housing Studies, *Adelante Phoenix!*, 5; Sustainable Communities Collaborative, “Our Story,” <http://www.sustainablecommunitiescollaborative.com/ourstory/>; Sustainable Communities Collaborative, “Our Accomplishments,” <http://www.sustainablecommunitiescollaborative.com/our-accomplishments/>.

43. Kratz, interview.

planning guidelines based on extensive canvassing of thousands of Detroiters, and the Woodward Corridor Initiative, a successful revitalization project along the city's major thoroughfare.⁴⁵

Although the Kresge Foundation has been the lead philanthropy in Detroit, numerous others helped boost the renewal efforts. In 2014 JPMorgan Chase committed to investing \$100 million in loans and grants over five years in Detroit's economic recovery by financing community development, small business growth, workforce readiness, neighborhood revitalization, and transportation projects. At the same time, Detroit-area community foundations; national foundations, such as the W.K. Kellogg and the Ford Foundations; and large nonprofit CDFIs and intermediaries, such as LISC and Capital Impact Partners, supported an array of development projects and community programs ranging from the arts to public safety.⁴⁶

With the solid underpinning of engaged philanthropies, civic institutions, and governmental bodies, Invest Detroit and the City of Detroit in March 2016 confidently launched the Strategic Neighborhood Fund. Their original goal was to raise \$30 million over three years, but, with large contributions from several foundations, within two years they exceeded this goal by \$12 million. In October 2016, JPMorgan Chase made the largest philanthropic

45. Wendy Jackson, "Rebuilding from Strength as a Strategy to Safeguard Middle Neighborhoods in Detroit: A Philanthropic Perspective," *Community Development Investment Review* (Federal Reserve Bank of San Francisco, 2016), 142; Detroit Works Project - Long-Term Planning Committee, *Detroit Future City: 2012 Detroit Strategic Framework Plan* (Detroit, MI: Inland Press, 2013), 5, https://detroitfuturecity.com/wp-content/uploads/2017/07/DFC_Full_2nd.pdf; Toni L. Griffin, Dan Cramer, and Megan Powers, "Detroit Works Long-Term Planning Project: Engagement Strategies for Blending Community and Technical Expertise," *Buildings 4* (2014): 711-36.

46. Wendy Jackson, "Rebuilding from Strength," 143-44; Jim Tankersley, "JPMorgan Is Betting \$100 Million on Detroit," *Washington Post*, August 15, 2014; JPMorgan Chase & Co., "JPMorgan Chase's Investment in Detroit to Reach \$150 Million," press release, May 10, 2017.



WAITING TO BE REBORN

In Southwest Detroit and other sections of the city, the Detroit Strategic Neighborhoods Initiative is working to rebuild homes and spark redevelopment.

grant in this period, a PRO Neighborhoods award of \$5 million, which Invest Detroit has leveraged to obtain an additional \$11 million for the Strategic Neighborhood Fund and the redevelopment projects of the Detroit Strategic Neighborhood Initiative.⁴⁷

Of critical importance to the overall equitable development approach, the City of Detroit put about \$26 million into the Strategic Neighborhood Fund and related ventures, which Invest Detroit has helped shepherd. The city government subsidized redevelopment projects through tax incentive and state revitalization programs and carried out public infrastructure improvements, rebuilding streetscapes and renovating public parks.⁴⁸

Like the incremental campaign in Washington and the civic consortium approach in Phoenix, tangible achievements in Detroit have stimulated further funding for similar efforts. In 2017 JPMorgan Chase expanded its commitment to Detroit, raising the amount to \$150 million by 2019. In 2018 Invest Detroit and the City of Detroit expanded the Strategic Neighborhood Fund to cover seven new areas of the city, with a goal of raising \$130 million from philanthropic and public sources, which could be used to attract additional private financing. The Kresge Foundation immediately responded with a \$15

million award. To complement this effort and ensure that neighborhood revitalization includes Detroiters of all incomes, the City of Detroit has created an Affordable Housing Leverage Fund, to be started with \$50 million of federal and city funds, aimed at preserving 10,000 low-income residences and developing 2,000 new affordable housing units.⁴⁹

KEY LESSONS

- It is important to win over at least one funder that can provide the seed capital that will nurture the equitable development effort in its infancy.
- It is important to tap into and/or create a network of contacts to build and raise funds for a large-scale equitable development project.
- The incremental approach to funding equitable development work requires extensive grass-roots organizing and education, gradually building public support, and finding financial backers.
- The civic consortium approach builds on a large-scale civic campaign by partnering within an existing network of funders and agencies.
- In either case, a record of tangible achievements stimulates further funding.
- For equitable development to flourish, foundations and government should work together to support worthwhile projects.

47. According to Invest Detroit, the contributing philanthropies through December 2017 were Kresge, John S. and James L. Knight, Rockefeller, and JPB (combining as the Reimagining the Civic Commons); Knight, Hudson-Webber, Ford, Kresge, Ralph C. Wilson Jr. foundations. Christine Ferretti and Ian Thibodeau, "Detroit Wins National \$4M Grant for Fitzgerald Project," *Detroit News*, September 8, 2016; Michael Smith, written communication, November 2, 2018.

48. Michael Smith, interview, March 20, 2018.

49. JPMorgan Chase & Co., "JPMorgan Chase's Investment in Detroit to Reach \$150 Million"; City of Detroit, "City to Expand Strategic Neighborhood Fund, Raise \$130 Million for Seven Additional Neighborhoods," press release, May 7, 2018; City of Detroit, "City to Establish \$250M Fund to Preserve 10,000 Affordable Housing Units, Build 2,000 More," press release, March 12, 2018.

MODES OF IMPLEMENTATION

THE NECESSITY OF COLLABORATIONS

Because equitable development is comprehensive both in concept and implementation, it requires that multiple organizations carry out a wide variety of programs and projects. The activities of the members of the Detroit Strategic Neighborhood Initiative, to take one example, ranged from supporting commercial and residential real estate development to promoting infrastructure improvements, such as historic lighting, bike sharing facilities, and new parks. The organizations that make up Adelante Phoenix, for another example, have worked to enhance “entrepreneurship and small business development, housing, healthcare, and education in all the Phoenix metro area along the light rail, with special focus on South Phoenix.”⁵⁰

The complexity of the process of equitable development planning requires harnessing diverse business lines, skills, and experience in the pursuit of common complementary goals. A collaboration of many agencies is better positioned than a single organization to mobilize the participation of residents, collect pertinent data, and deliver the kinds of financial and social services that define equitable development. Many of the partners in joint ventures in equitable development campaigns are nonprofit organizations, including CDFIs, which figure prominently in the cases studied here.

Yet the cooperation of and partnership with government agencies were no less important to the cause. Of all the groups studied here, Invest Detroit works most closely with local government. It has a formal partnership with the City of Detroit, the Strategic Neighborhood Fund (described above), which supports and complements the agenda of the Strategic Neighborhood Initiative in originally three but now ten selected neighborhoods. Invest Detroit has worked extensively with city government agencies to bring about neighborhood infrastructure improvements, such as those mentioned

above, and new bus transportation routes for school children and neighborhood commuters. In Washington, the 11th Street Bridge Park by its very nature is involved with planning, transportation, and parks departments, among others. In Phoenix, several government agencies are founding and active members of the Sustainable Communities Collaborative, out of which Adelante Phoenix emerged, and members of Adelante Phoenix and different government officials meet regularly to discuss matters such as transit service, real estate development, and encouraging small businesses.⁵¹

QUARTERBACKS TO RUN THE TEAM

In the cases studied here, the complexity of the equitable development has required one organization to act as the leader or “quarterback” of the overall campaign. Generally, the organization that serves as coordinator is the initiator of the campaign or specific collaborations within it. The chief role of the lead organization is to envision the equitable development plan and then facilitate its implementation, acting as the nerve center of the operation. The organization will help develop and then map all activities related to equitable development, identify and engage partners to carry out different aspects of the agenda, monitor the progress of the programs, and find funds to support the effort. Not all organizations can perform the lead role in such a campaign, as it requires the staff and budget capacity to undertake the required activities over an extended period of time.⁵²

What the quarterback organization does to manage an equitable development effort varies from one effort to another. In the Detroit Strategic Neighborhood Initiative, Invest Detroit has been the lead CDFI organization,

51. Michael Smith, interview, May 25, 2018; Joint Center, *Adelante Phoenix!*, 5, 11, 16.

52. Nathalie Janson, “It Takes a Village – But the Village Needs a Vision: The Role of the ‘Quarterback’ Organization in Comprehensive Community Development” (Joint Center for Housing Studies of Harvard University and NeighborWorks America, 2016).

50. Public Sector Consultants, *Detroit Strategic Neighborhood Initiative Evaluation*, 13-14; Michael Smith, interview, May 25, 2018; Joint Center for Housing Studies, *Adelante Phoenix!*, 5.

which actively ran or helped coordinate the activities of the CDFIs in the collaboration. Although it is now trying to reduce its leadership role in favor of the city government and other entities, Invest Detroit began and has until recently largely steered the overall campaign, at times participating in deals directly and other times encouraging others, including government agencies, to offer services for the benefit of local residents. Invest Detroit invited its two CDFI partners, Detroit Development Fund and Opportunity Resource Fund, to join the Neighborhoods Initiative, and has initiated collaborations with other local nonprofit organizations, such as Southwest Housing Solutions.

In comparison, the 11th Street Bridge Park has functioned as a convener, community sounding board, and coordinator, directly and indirectly supporting the work of multiple partners with various degrees of involvement. The Bridge Park provided seed money to help Housing Counseling Services start and expand tenants' rights workshops, but since then has reduced its role to helping to market the workshops and coordinating other equitable development strategies. In contrast, the Bridge Park has had a formal and continuing relationship (courtesy of a memorandum of understanding) with MANNA, Inc., a well-known housing nonprofit in Washington, to set up and run homebuyers' clubs in Ward 8, the southeastern district that includes the Bridge Park's target area east of the Anacostia River. Since MANNA started the homebuyers' clubs in February 2016, the Bridge Park has funded the program, provided physical space for the clubs, and helped MANNA advertise them.⁵³

53. Vaughn Perry, interview with author, Washington, D.C., February 23, 2018.

KEY LESSONS

- Equitable development takes collaboration. Anyone looking to undertake equitable development planning should recruit or join forces with different types of organizations and agencies to achieve complementary goals.
- The complexity of equitable development, however, requires that one organization with the capacity to do so should coordinate as well as participate in the effort.

EXPERIENCED PARTNERS

As with all organizational collaborations, joint activities for equitable development require that the partners trust and coordinate easily with one another. Hence, it is perhaps not surprising that several of the groups studied here had worked together previously. The Adelante Phoenix collaboration grew out of the projects that Raza Development Fund (RDF) and three other local CDFIs had previously undertaken together. Within the Detroit CDFI collaboration, the Detroit Development Fund had often worked with the other partners, Invest Detroit and the Opportunity Resource Fund.⁵⁴

In contrast, the 11th Street Bridge Park was a new project, whose director had previously worked outside the community development sector at the National Building Museum. Because of the organization's recent birth, all of its partnerships were new. Because its core purpose was restricted to producing the bridge park itself, Bridge Park leaders chose to meet their equitable development goals by finding appropriate experienced organizations to take on particular community development tasks. Although Bridge Park was itself a new organization, it chose to work with established nonprofit and government networks. Edmund Fleet and the staff of its home organization, Building Bridges Across the River, helped connect 11th Street Bridge Park to local agencies – such as MANNA – with which it had worked or was familiar.

54. The three CDFIs were MariSol Federal Credit Union, Neighborhood Economic Development Corporation (NEDCO), and Arizona MultiBank Community Development Corporation (Arizona MultiBank). Joint Center, *Adelante Phoenix!*, 5.

Experienced organizations, moreover, can be more than just competent partners. They also provided 11th Street Bridge Park, Scott Kratz explains, with trusted liaisons to the community. In neighborhoods where government agencies and nonprofits have undertaken programs or revitalization efforts that either did not materialize or produced far less than promised, residents are naturally skeptical of new schemes, especially if unfamiliar outsiders sponsor them. The partnership with MANNA, a mainstay of Washington's community development scene, gave local residents a reason to trust the Bridge Park organization – a trust which it needed, since some of its projects were long-term efforts.⁵⁵

On a practical level, equitable development partners have found that memoranda of understanding are helpful tools. Writing them allows partners to identify their goals precisely and lay out what each group will do to meet them. It also provides a written record so that they can keep track of their progress in meeting the mutually-agreed-upon goals and make any adjustments that are needed.⁵⁶

KEY LESSONS

- In equitable development partnerships as in other types of collaborations, trust is essential, so it is desirable to form collaborations of organizations that have worked with each other in the past.
- Nonetheless, it is helpful for collaborators to spell out the goals and respective roles in a memorandum of understanding or similar document.

55. Conversely, the nonprofit Southwest Housing Solutions' role as partner with Invest Detroit allowed it to rebuild its relationship with the neighbors, who had been unhappy with the results of a rehabilitated apartment house. Kratz, interview.

56. Kratz, interview.

CDFIS - DEPLOYING CAPITAL FOR EQUITABLE DEVELOPMENT

As institutions dedicated to lending in areas that lack ready access to capital, community development financial institutions are well suited to support efforts at equitable development. Working with other nonprofit organizations, government bodies, and even for-profit firms, CDFIs, our research shows, can play numerous roles in equitable development campaigns.

In the early stages, CDFIs can share their expertise with target-area residents and other participating entities and help plan relevant aspects of equitable development. In Washington, representatives from two CDFIs, City First Enterprises and WACIF, took part in the stakeholder meetings to plan equitable development projects related to the 11th Street Bridge Park. This was useful because the CDFIs specialized in housing and small business development, two of the three topic areas that residents had identified as priorities, and so their representatives were able to help shape the methods and goals in those areas.

Within an equitable development campaign, a CDFI, especially a large one, can function as the lead organization. As we have seen, Invest Detroit took on the quarterback role in the Detroit Strategic Neighborhood Initiative by mapping strategy, initiating projects, and inviting and coordinating with partners to carry out complementary activities. In addition, as mentioned above, Invest Detroit encouraged civic engagement in the overall effort by helping to organize and coordinate a participatory budget process for the Southwest neighborhood.

A CDFI with sufficient capital can also play the crucial role of financier to equitable development, as the work of RDF, the lead organization of the Adelante Phoenix group, vividly illustrates. As part of the Sustainable Communities Collaborative to foster equitable development along the new light rail line running through metropolitan Phoenix, RDF invested \$10 million into a Sustainable Communities Fund, more than half of which it channeled into the development of affordable housing, a community health

clinic, and a commercial building used by local nonprofit organizations. RDF and LISC Phoenix created a \$30 million revolving-loan fund, which financed more than 2,000 residences and 200,000 square-feet of commercial space. A large CDFI with a national reach, RDF can offer acquisition, predevelopment, construction, or renovation loans, as well as permanent loans for housing. As of 2017, it had financed along the light rail corridor nine housing projects providing 1,700 units of affordable housing, as well as the planned redevelopment of an 85-acre industrial site into Plaza de las Culturas, a community educational and cultural center.⁵⁷

RDF also formed financial partnerships with numerous community-based and nonprofit organizations. As part of the PRO Neighborhoods Adelante Phoenix collaboration, RDF partially guaranteed loans offered by MariSol, a Federal Credit Union operating in the Phoenix metropolitan area, and invested \$300,000 in another partner, Neighborhood Economic Development Corporation (NEDCO), to facilitate its NEDCO's support for small businesses. In addition, RDF helped its Adelante Phoenix partners by connecting them to other organizations.⁵⁸

Even when they are not lead organizations, CDFIs can contribute in many significant ways to equitable development efforts. In an unusual role for a CDFI, City First Enterprises in the District of Columbia worked with the Bridge Park staff and took charge of setting up a community land trust, a fundamental part of the 11th Street Bridge Park's Equitable Development Plan, which will acquire land and residential properties and ensure their affordability for low- and moderate-income people. To get ahead of the appreciating real estate market, City First began by acquiring properties even before the Douglass Community Land Trust was established.

With its extensive experience in financing affordable housing across the District, City First will continue to partner with the land trust and Building Bridges Across the River to promote and preserve affordable housing and prevent displacement of current residents.⁵⁹

As nonprofit lenders, CDFIs can occupy valuable niches within an overall equitable development campaign. In Detroit, where revitalization of underutilized and vacant spaces is a priority, the Detroit Development Fund has a track record of financing small businesses that help build a sense of community. DDF's Loan Fund Manager, John Schoeniger, observes that "loan committees don't like restaurant and coffee shop deals, but ...communities can knit more tightly by having a gathering place where people can socialize and get to know one another.... We've seen tavern businesses and coffee shops do wonderful things for certain neighborhoods." As part of the Detroit Strategic Neighborhood Initiative, DDF recently made a \$100,000 equipment loan to Gabriel Hall, a Cajun-style restaurant and New Orleans music venue, which is projected to open on a once forlorn corner in West Village. Since at least 2013, DDF has provided financing to other new establishments in this neighborhood, which Invest Detroit's Mike Smith credits for helping to start the area's revitalization.⁶⁰

Besides real estate and small business loans, CDFIs can also pursue a people-based lending strategy to further equitable development. In metropolitan Phoenix, for example, MariSol offers a wide range of consumer loans to a largely Hispanic and working-class clientele. As an alternative to predatory short-term loans (where borrowers pay back only the interest and remain in debt after many months), MariSol developed a "Quick Loan," an amortized four-month loan, with a savings requirement that helps borrowers build up savings accounts.⁶¹

57. Joint Center for Housing Studies, *Adelante Phoenix!*, 5, 10.

58. Joint Center for Housing Studies, *Adelante Phoenix!*, 7.

59. Kratz, interview; City First Enterprises, "Douglass Community Land Trust Names Executive Director," press release, August 2, 2018; Thomas Roberts, *Bridge Park Community Land Trust Action Plan* (Blacksburg, VA: Virginia Polytechnic Institute and State University, 2016).

60. John Schoeniger, interview with author, Detroit, Michigan, May 25, 2018; Mike Smith, interview, May 25, 2018.

61. Joint Center for Housing Studies, *Adelante Phoenix!*, 13.

CDFIs, especially smaller ones, participating in a community or equitable development campaign may have to work to find the number and type of transactions best suited to the particular size of their target area. The PRO Neighborhoods awardee Chicago CDFI Collaborative at first planned to rehabilitate many abandoned or deteriorated properties on single blocks, so as to begin to reverse the disinvestment pattern, but found it next to impossible to acquire several properties in such a small target area. The Detroit Strategic Neighborhood Initiative, drawing on national studies, targeted eight-to-fifteen-block areas to make the most impact while mitigating the risk for each partner, in part by working together on projects in multiple neighborhoods simultaneously.⁶² To reduce risks on particular projects, PRO Neighborhoods CDFI collaborations employed various forms of co-financing, including loan guarantees – such as RDF provided to its partners in metropolitan Phoenix – loan participation by partners, and lending for the same project.⁶³

Even within a target area of limited size, CDFIs have to offer a variety of products, either by themselves or with partners. “When you offer products as a CDFI statewide, it really doesn’t matter much about your product,” explains Kevin Smith of Kentucky Ventures, “you’ll always find enough people to take it. When you go into a neighborhood, they may need fifteen different products to meet their needs and there may only be ten people that need that particular product.” Creating new products can be demanding, so equitable development efforts in Detroit, the District of Columbia, and Phoenix have sought partners to offer complementary loan products and services.⁶⁴

KEY LESSONS

- CDFIs should look to see what roles they can play in an equitable development campaign: quarterback organization, lead financier, and/or community partner.
- Within an overall equitable development campaign, CDFIs of all sizes can fill valuable transactional niches, deploying their capital to revitalize underserved places as well as to promote the financial well-being of the people who live in them.
- CDFIs have to delineate a target area that is small enough to create a measurable change but large enough to offer a sufficient volume of transactions.
- CDFIs should seek suitable partners to mitigate financial risk while meeting the demands in disinvested neighborhoods.

62. Joint Center for Housing Studies, *Chicago CDFI Collaborative*, 14; Mike Smith, telephone interview with author, Detroit, Michigan, March 20, 2018.

63. Examples include 2014 PRO Neighborhoods awardees Resident Owned Communities and the Midwest Nonprofit Lenders Alliance. See Joint Center for Housing Studies, *PRO Neighborhoods Progress Report 2017* (Cambridge, MA: Harvard University, 2017), 18, <http://www.jchs.harvard.edu/research-areas/reports/pro-neighborhoods-progress-report-2017>.

64. Kevin Smith, interview.

LESSONS FOR THE FUTURE OF EQUITABLE DEVELOPMENT

Although a relatively new concept, equitable development holds great promise as a form of planning and community development. As the cases reviewed above demonstrate, it can provide an avenue for low- and moderate-income and minority people to work with specialists to make communities places that provide economic opportunities, affordable living, and cultural expression for all residents.

Bringing about equitable development, however, is a complicated endeavor. It is the heir to several important movements for social improvement whose techniques have informed current efforts, including equity planning, place-based and comprehensive community development, people-based asset building, smart growth and sustainable schools of regional planning, and the collective impact collaborative model of social action. Applying the panoply of such techniques requires extraordinary commitment, persistence, flexibility, and organizational sophistication. The elements for successfully mobilizing forces for equitable development, this study shows, include seizing opportunity from large civic endeavors, choosing skilled leaders, tapping sympathetic experts, utilizing relevant data, and systematically engaging community residents. Successful efforts require creating a collaboration of organizations and government agencies and then coordinating these entities to function effectively for a wide range of equitable development goals.

Questions remain, of course, as to what other factors and strategies have been or should be employed in equitable development planning. What is the best vehicle for acquiring land for equitable development – a government agency, a nonprofit, a community land trust, or some combination of these? Which employment programs are most helpful? To answer such questions, it will be critical for equitable development practitioners to continue to use data to assess the accomplishments and shortcomings of their projects and programs in the years to come.

From a larger perspective, it would be useful to determine the effective scales for equitable development campaigns. We have reviewed successful medium- to large-scale campaigns within and across cities. Could equitable development planning be implemented across a metropolitan region? Could small-scale efforts – say, within a single neighborhood – significantly help the prospects of low-income people? It remains for studies of current and future equitable development undertakings to resolve such issues.

For the present, it is worth noting that despite the daunting challenges faced by their leaders, the equitable development projects examined here reveal the exciting potential for shaping living environments that benefit people of all backgrounds and conditions.



HOUSING, WELLNESS, CULTURE

As part of the Adelante Phoenix! collaboration, Raza Development Fund provided financing to Native American Connections to develop Cedar Crossing apartments and the 70-bed Patina Wellness Center, which draws on Native American traditions to serve its clientele.

Photo credit: Mark Lipczynski Photography





FIVE DECADES OF HOUSING RESEARCH
SINCE 1959