



New Approaches to Comprehensive Neighborhood Change: Replicating and Adapting LISC's Building Sustainable Communities Program

Executive Summary

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EXECUTIVE SUMMARY

LISC's *Building Sustainable Communities* approach to comprehensive community development is now underway in 63 distressed neighborhoods nationwide. Based on groundbreaking work in the South Bronx and, subsequently, in Chicago, *Building Sustainable Communities* creates a systemic framework for developing cohesive plans, leveraging new funds and implementing projects and programs that help raise standards of living among low-income residents and fuel sustainable, positive change in their communities. This framework is being replicated in LISC program sites across the country.

Many poor households in America's low-income neighborhoods remain isolated from mainstream economic and educational opportunities, despite demonstrable improvements over the past two decades in neighborhood housing and physical conditions. The gains made to date have had a significant impact on the livability of many distressed areas, but many residents are still unable to fully participate in the economic mainstream. This has significant implications for their families, their communities, for regional economies, and for our national growth and prosperity.

Community-based organizations have recognized this persistent isolation and responded with broadened advocacy, programs, and partnerships that address education, workforce development and other anti-poverty efforts. But even innovative programs are often constrained by the silo nature of disconnected funding streams and only episodically supported by the major institutions on which effective neighborhood action depends.

In recent years, LISC local offices and their partners have more actively sought to organize the needed systemic backing. At the same time, national LISC broadened its response to multiple neighborhood challenges by creating programs for community safety, educational facilities finance, workforce development and others. In early 2007, LISC dramatically expanded its commitment to comprehensive change by formally announcing its *Building Sustainable Communities* initiative, in which LISC's national and local staff helps organize the system of supports needed to make new community-based approaches to comprehensive change effective.¹

The Sustainable Communities initiative builds explicitly on the experience of the Comprehensive Community Revitalization Program in the South Bronx as extended by the LISC/Chicago New Communities Program (NCP). Both initiatives have registered impressive results, thought to be due to several distinctive features of the approach, which calls for creation of cross-sectoral neighborhood partnerships led by a strong community agency able to

¹ These efforts have been supported, most prominently, by the MacArthur Foundation, with other critical assistance supplied by the Kresge, Knight, and Citi Foundations, State Farm, and Living Cities.

organize and lead comprehensive programs to improve community quality-of-life. The approach relies heavily on active and continuing community engagement. It also requires LISC to act as “managing intermediary,” responsible for initiating, guiding, investing in, monitoring, and organizing systemic support for comprehensive efforts, building on long-established and productive relationships between local LISC and designated lead agencies.

By late summer of 2009, national LISC had extended the Sustainable Communities approach to 16 sites outside Chicago, covering some 63 neighborhoods.² This roll out was accompanied by relatively modest amounts of new national money, on the belief that the goal of comprehensiveness and the logic of the approach to achieving it would prompt LISC’s traditional local supporters and new funders to ramp up their support.

Over the last 18 months, LISC’s national research office has begun to implement a long-term assessment covering the first 10 “demonstration” sites outside Chicago. This report is the first product of the assessment; it aims to determine whether and how the core approach worked out in the Chicago New Communities Program has been replicated. In the course of the coming months, short evaluative reports will pick apart the core elements of the approach, and based on early experience, suggest how these have been working in practice. On a parallel track, national researchers and consultants have assembled large amounts of baseline statistical information, which will be tracked over time to monitor changing neighborhood conditions and ultimately, find out if the initiative produces the change it intends.

Report findings are based on the LISC research staff’s review of program documents, neighborhood-level statistics, and reports from LISC staff members and technical assistance consultants. The report documents the early stages of replication, ranging from the early start-up sites of Detroit and Indianapolis to Bay Area and Rhode Island, now getting underway in earnest. The variety of local conditions and capacities makes it certain that features of the approach will have to be adapted accordingly. What are those adaptations? How consistently are approach elements as worked

out in Chicago being put in place elsewhere? Are there early signs that the approach elements are working as intended?

OVERVIEW OF FINDINGS

This report concludes that most local LISC offices have in fact introduced the core elements of the Chicago approach, an extremely encouraging result given the wide differences in economic, social, and political conditions across the 10 demonstration sites and their 38 target neighborhoods, as well as the considerable variation in local funding strength. In most targeted neighborhoods, the initiative can take advantage of already-strong relationships among community-based organizations, LISC local offices, and their systemic supporters, substantially boosting prospects for neighborhood improvement. Following each of the major elements of the NCP approach, the report further concludes that:

1. The 38 *target low-income neighborhoods* — places where resources are to be concentrated to maximum effect — are very different from one another in social and economic terms, but tend to share strong connections to LISC and the broader community development system. This should provide an excellent test of whether the approach can be successful in all types of low-income neighborhoods.
2. Most LISC offices followed the NCP community-building approach closely. This calls for *effective community leadership* exercised by a strong community-based agency leading an inclusive partnership among resident leaders, community-based agencies, business groups, clergy, and other stakeholders. LISC’s staff and neighborhood partners most often designated *lead agencies* rather than the alternative form of community collaboratives, which have sometimes been preferred in past comprehensive change efforts. These lead agencies are quite varied — nearly half are not community development corporations — and they tend to have substantial past financial ties to LISC, as do some other members of the community partnerships established in target neighborhoods.

² These sites are, from east to west, *Rhode Island (Providence and Woonsocket)*, New York City, Newark, Philadelphia, *Washington DC*, *Rural Pennsylvania*, *Detroit*, *Indianapolis*, *Milwaukee*, Mid-South Delta, Houston, *Duluth*, *Twin Cities*, *Kansas City (Kansas and Missouri)*, San Diego, and *Bay Area (San Francisco and Richmond)*. The 10 demonstration sites are italicized.

3. Neighborhood quality-of-life plans typically include a *comprehensive slate of strategies and programs* across domains of housing, economic development, income and wealth-building, education, and health. Initially, these are supported by small confidence-building grants. More than two-thirds of neighborhoods created or will create full quality-of-life plans, nearly all of which included workforce, education, health or other areas outside traditional community development concerns of housing and land-use. (Wishing to avoid an exhausting and sometimes duplicative planning process, the remaining neighborhoods created action plans based on these earlier efforts.) LISC's own supporting investments are similarly diverse.
4. *Intermediated systemic support* is provided by local LISC offices, which take responsibility for organizing external backing for community-level action across multiple domains, and make supporting investments in community organizations, programs, and projects. As programs unfold, LISC support extends beyond capacity-building funding, such as funding for community organizer positions, to include more highly leveraged project investments and programs that have attracted foundation and other funding. Local LISC offices have made substantial staffing and organizational changes to enable them to manage Sustainable Communities efforts effectively.

The Sustainable Communities approach holds that these elements of community partnership, comprehensive programming, and intermediated support are interdependent: each works better if the other elements are present. This critical hypothesis will be tested as the analysis proceeds. Each of the following sub-sections contains more detailed findings from the report.

TARGET NEIGHBORHOODS AND THEIR CHALLENGES

Because of the scale of investment required and the difficulty of reforming citywide institutions, comprehensive change efforts must pick their spots. In the New Communities Program, the LISC/Chicago staff chose 16 neighborhoods based on their levels of need, unique development opportunities, and perhaps most importantly, the capacity of community leaders to take an active and effective role in change. Following similar criteria, the LISC staff in the 10 demonstration sites assembled a portfolio of 38 target neighborhoods that:

- Display levels of neighborhood distress typical in LISC community development work, such as very low-incomes and high percentages of single-parent households, but which also reflect different trajectories of change based on trends in population and poverty; some places appear to be undergoing gentrification, others immigration of foreign-born residents, and still others continuing long-term disinvestment.
- Strike a balance between neighborhood need and the potential strength available in the surrounding city and metropolitan area: in cities where markets function reasonably well — cities with positive scores on LISC's index of market strength — Sustainable Communities target neighborhoods tend to be among the weakest markets — with strong negative index scores; in cities where markets are weak, target neighborhoods tend to be those that are distressed, but not the most distressed, areas.
- Have funding ties to LISC, indicating the presence of local organizations able to access resources from the broader community development system: over one-half of target neighborhoods — 21 of 38 — have such previous project funding ties, and these ties are substantial, averaging \$620,000 per neighborhood and \$14.6 million in total project costs.

APPROACHES TO SUPPORTING EFFECTIVE COMMUNITY LEADERSHIP

Previous comprehensive community revitalization approaches have been plagued by scarce resources, fragmented responses across specialized agencies, and lack of accountability. One core tenet of the New Communities Program approach is that only a well-constructed platform for community action can overcome these chronic concerns. This platform consists of a strong lead agency, engaged resident leaders, and committed community agency partners able to attract new funding, elicit cooperation of citywide institutions, and sustain high levels of program performance.

This approach places considerable demands on lead agencies as the cornerstone of effective community leadership. They are called upon to take lead responsibility for achieving concrete results by organizing their communities, brokering relationships among community partners, and carrying out their quality-of-life plan responsibilities effectively. Strong execution is expected to provide an essential counter-weight to the delaying effects of collaborative consensus-building, which often undermined previous comprehensive approaches. Early experience in demonstration sites shows that:

- The LISC staff in most places — 26 of the 31 target neighborhoods where leadership has been declared — opted to designate a lead agency along the lines of the Chicago approach. In the five remaining neighborhoods, communities opted for collaborative forms, although stronger members within these have sometimes emerged to occupy pre-eminent positions.
- Organizations best able to carry out lead agency responsibilities are not always the community development organizations with which LISC has been long associated. In Chicago, where community development corporations are notably strong, 12 of the 14 lead agencies are, in fact, CDCs. In the demonstration sites outside Chicago, nearly half of lead agencies are not CDCs at all, and include neighborhood associations, settlement houses, community centers, and social service agencies.

- Two-thirds of lead agencies (17 of 26) had financial ties to LISC prior to designation, and these tended to be extensive, averaging \$662,000 in capacity-building and program investments, and \$822,000 in project investments from 1999 to the inception of the local program. These working relationships between lead agencies and LISC, as managing intermediary, are an important source of strength in the Sustainable Communities initiative, typically unavailable in the past to foundations funding comprehensive change efforts.

Engaged resident leaders contribute ideas, volunteer time, and political support that helps bring needed scale to the comprehensive program, identify gaps and inconsistencies in services provided by multiple agencies, and help keep community organizations and agencies accountable for results. The Sustainable Communities approach calls for extensive one-on-one organizing, involving dozens of local leaders, to lay the groundwork for sustained resident involvement in quality-of-life planning and implementation. In the 10 demonstration sites:

- The depth and breadth of community organizing turned out to be the Sustainable Communities element with the most variation across sites. Four of the 10 sites carried out (or have underway) the extensive organizing called for in the approach, in some cases using specialized community organizing agencies working in partnership with lead agencies and their neighborhood collaborators. The remaining sites omitted or downplayed this step, sometimes in view of the organizing work carried out in the past and active continuing participation by community leaders.

Community partnerships consisting of community-based nonprofits, business groups, and public agencies have been formed in each target neighborhood, often managed by steering committees or other forms of community governance. Early experience shows that, as in Chicago, local LISC and foundation support has broadened from a focus on lead agencies at the outset of initiatives to include these cooperating partners. This broadening of Sustainable Communities support takes advantage of previous LISC investments in target neighborhoods, a substantial share of which went to organizations other than lead agencies.

QUALITY OF LIFE PLANNING AND COMPREHENSIVE PROGRAMS

Lead agencies and their partners are charged with mounting a comprehensive program across five domains of neighborhood quality specified in the Sustainable Communities initiative: housing and real estate, economic activity, income and assets, education, and healthy and safe communities. In the Chicago NCP, the community engagement process led to development of quality-of-life plans involving dozens of leaders who helped articulate a community vision; staff committees responsible for plan development in specific content areas, such as workforce development or education; and a program for strategy implementation, supported by confidence-building, early-action projects funded by LISC.

- Early results from Chicago demonstrate the considerable value quality-of-life plans have if given life by actions of the community partnership. Lead agencies and their partners have attracted substantial amounts of follow-on funding — \$69 million leveraged by \$24 million in LISC grant and loan support — as foundations in particular find that capable and well-organized communities represent optimal places for investment.
- Because many target neighborhoods have existing plans, some communities are loath to open up a wholly new planning process. From among the 38 neighborhoods in the 10 demonstration sites, 10 created action plans based on these earlier documents, as amended through new community organizing and partnership formation.
- Sites and neighborhoods have generally followed the NCP lead by developing plans that touch on most Sustainable Communities domains of real estate, economic activity, family income and wealth, education, and community health (including public safety). Although plans appear strongest in the traditional community development areas of real estate and economic activity, 17 out of the 20 plans reviewed for this analysis cover at least three of the five Sustainable Communities domains.

- Building on LISC’s increasingly diverse investments in community projects, new support for projects in the plans go well beyond real estate, to include such areas as community safety, workforce development, and school-based services for parents. The approach takes advantage of LISC’s ability to provide multiple kinds of support — for organizational staffing, program delivery expenses, and project funding — extended at various funding levels and responsive to evolving opportunities.

INTERMEDIATION AND SYSTEMIC SUPPORT

Most of what happens in neighborhoods depends on decisions made by leaders and institutions located downtown, at the state capital, and even in Washington, D.C. This is why comprehensive approaches to change require systemic backing. In traditional community development areas, such as affordable housing development, LISC has long taken on the task of organizing this support through its traditional function of intermediation — mobilizing finance, technical aid, and political support from systemic sources and channeling it to community groups. In the Sustainable Communities demonstration sites, as in the Chicago New Communities Program, local LISC offices have accepted responsibility for brokering support for community action outside their traditional community development role. The substantial scale of previous LISC investments in comprehensive programming has positioned it to take on this considerable challenge.

- In most sites, LISC support for organizations, programs, and projects is the initial financial driver of the Sustainable Communities effort. For programs in their early stages, such as Twin Cities and Bay Area, this support amounted to \$100,000 to \$200,000 in the summer of 2009. In contrast, LISC/Chicago, since 2003, has invested some \$40 million; Detroit, which began organizing in 2005, about \$4.5 million.

- As programs unfold, LISC support expands beyond capacity-building money for neighborhood organizations — especially community organizer positions — to include support for quality-of-life projects and programs. For example, in Rhode Island, where neighborhood planning has not yet been completed, \$278,000 of a total \$378,000 was for capacity-building. In Indianapolis, where plans were completed in early 2008, less than half — \$774,000 of a total \$1.6 million — has gone to core staff support, with the remainder going into specific community programs or real estate projects.
- LISC offices have adopted a variety of strategies to begin assembling the supporting civic partnerships. In several instances, notably Indianapolis, Duluth, and Rhode Island, LISC offices convened community summits attended by civic leaders to roll out their Sustainable Communities efforts and galvanize public support. In others, LISC expanded membership in its Local Advisory Committees to include representatives of sectors not commonly directly involved in community development.
- As in Chicago, foundation support has been prominent in the early stages of the initiative, although this is not universally true. Initiatives in Milwaukee and Indianapolis depend on strong financial support from single foundation funders, whereas Duluth has been very successful in assembling support from multiple small local funders.
- As managing intermediary, LISC takes advantage of its critical funding relationships and its track record of performance-based funding to ensure accountability for results. This emphasis on accountability includes a willingness to back community-initiated changes in lead agency designations; in two instances, new and more suitable lead agencies have replaced those originally designated.

LISC's own local staffing and organizational structures have had to change to meet the considerable demands the Sustainable Communities initiative places on them. Every local office in the demonstration sites has designated staff specifically to manage the initiative, requiring new hires in many cases, and at a minimum, realignment of existing staff responsibilities. Further, LISC's national programs, such as community safety, workforce development, green development, and others, have been directed to accord priority to Sustainable Communities sites and neighborhoods.

It is clear that despite the very different community development environments, variation in financial support and local capacity, and the need for communities to take ownership of their own initiatives, the Chicago New Communities Program is, in fact, being replicated in recognizable form in nearly every site. Further, early evidence suggests that the mobilization of resources needed to fuel comprehensive efforts is proceeding apace. But although early results are promising, considerable challenges remain. One goal of research going forward is to assess whether and how these challenges will be met.

For a copy of the full report, "New Approaches to Comprehensive Neighborhood Change: Replicating and Adapting LISC's Building Sustainable Communities Program," please visit the research section of our web site, www.lisc.org.



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