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# Living Cities: The Integration Initiative in Cleveland, Ohio - Greater University Circle Community Wealth Building Initiative: Formative and System Change Report, Year 3

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**LIVING CITIES: THE  
INTEGRATION  
INITIATIVE IN  
CLEVELAND, OHIO**

**GREATER UNIVERSITY  
CIRCLE COMMUNITY  
WEALTH BUILDING  
INITIATIVE**

**FORMATIVE AND  
SYSTEM CHANGE  
REPORT,  
YEAR 3**

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## INTRODUCTION

The Living Cities Integration Initiative (TII) began in 2011 as a three-year program to accelerate local initiatives promoting greater economic inclusion in five cities across the country. In Cleveland, Ohio, the TII was known as the GUC Community Wealth Building Initiative and was part of the more comprehensive Greater University Circle Initiative (GUCI) from 2011-2013. The GUCI began in 2005 and will continue beyond the TII. This report will refer to the three-year Living Cities program as the GUCI/TII.

The GUCI combines the economic power of anchor institutions with the resources of philanthropy and government to create economic opportunity, build individual wealth, and strengthen communities in the neighborhoods around University Circle and the Health Tech Corridor. The GUCI is based on the premise that anchor institutions and residents share an interest in revitalizing their neighborhoods and by working together they can create jobs, income, and ownership opportunities for low-income people.

The TII in Cleveland provided grants and loans that were used to accelerate the work of the GUCI. It was administered by the Cleveland Foundation, which also provided leadership for GUCI. The Levin College of Urban Affairs at Cleveland State University served as the local evaluator through two of its research Centers; the Center for Economic Development and the Center for Community Planning and Development.<sup>1</sup> The GUCI/TII involves 20 community organizations that serve on the Economic Inclusion Management Committee and carry out the work.

The GUCI/TII's strength lies in the collaborative work among the partners to achieve four shared economic-inclusion goals: Live Local, Hire Local, Buy Local, and Connect. As a result of these collaborative efforts, stakeholders are on a path toward lasting and substantial community benefit. GUCI/TII has created new ways of working together and invested considerable time, dollars, and ideas to meet their shared goals.

This report is one of two evaluating the third and final year of the GUCI/TII in Cleveland, Ohio. One report methodically describes the programs and projects associated with the initiative, and assesses their progress over time. This report, however, provides a formative evaluation, imparts insights on the lessons learned, offers a narrative about the anchors' and partners' efforts, and interprets observed system changes, while listing challenges still facing the Initiative.

All of the partners have contributed to the significant progress that has been made toward these objectives over the three years of the Living Cities affiliation, which, in some cases, led to measurable systemic change. In its first year, much of the work centered on creating an identity, clarifying goals and objectives, sorting out the appropriate partners that needed to be at the table, and identifying programs

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<sup>1</sup> Year 2 Programs & Projects Report can be found here:

[http://urban.csuohio.edu/publications/center/center\\_for\\_economic\\_development/LC\\_Programs\\_Projects\\_Report\\_Year2\\_final.pdf](http://urban.csuohio.edu/publications/center/center_for_economic_development/LC_Programs_Projects_Report_Year2_final.pdf)

Year 2 Formative Report can be found here:

[http://urban.csuohio.edu/publications/center/center\\_for\\_economic\\_development/LC\\_Formative\\_Report\\_Year2%20\\_Final.pdf](http://urban.csuohio.edu/publications/center/center_for_economic_development/LC_Formative_Report_Year2%20_Final.pdf)

Year 2 System Changes Report can be found here:

[http://urban.csuohio.edu/publications/center/center\\_for\\_economic\\_development/LC\\_System\\_Change\\_Report\\_Year2\\_Final.pdf](http://urban.csuohio.edu/publications/center/center_for_economic_development/LC_System_Change_Report_Year2_Final.pdf)

and projects that could best contribute to enduring system change. This work resulted in refined strategies, clarified stakeholder roles, identified leaders and programmatic gaps, and more closely aligned the goals with those of the GUCI and the Health Tech Corridor. Programmatically, much of the work effort centered around localizing anchor procurement, Evergreen Cooperatives, related business and supply chain attraction, and small business development as vehicles for vibrant economic opportunity. On the evaluation front, data was collected to create a baseline against which to measure progress toward the big goal: economic inclusion with jobs, income, and ownership opportunities for low-income residents of the neighborhoods surrounding University Circle. The 2011 evaluation report helped the EIMC to refine the Initiative's goals and established the work plan for 2012.

In the second year, the goals and strategies continued to be refined and expanded to include workforce issues. The community engagement effort gained momentum, and TII-funded programs and projects were explicitly aligned with state and local business attraction efforts through JobsOhio and the Workforce Investment Board. While this progress was substantial, it was the anchors' shift in thinking that directly contributed to the collective work of the GUCI and TII and resulted in the most measureable progress for the economic inclusion objectives.

During the third year, significant progress was made toward the high-level collective goals in local hiring and resident engagement and the knowledge gained from some of the pilot initiatives undertaken in year two. University Hospitals, the Cleveland Clinic, and Case Western Reserve University continued to develop internal policies and programs to strengthen the surrounding neighborhoods and create opportunities for economic inclusion. This progress derived from the realization that growth is in the long-term best interest of the community and the healthcare and educational institutions. All three anchors are actively working to operationalize this new way of thinking. One healthcare anchor representative described a paradigm shift in her organization that led to an examination of business and healthcare practices as they relate to all four GUCI/TII goals, especially those related to local hiring and local purchasing, to determine how her institution can benefit the communities surrounding its campus.

This shift in thinking is reflected in the formal alignment of four goals (buy local, hire local, live local, and connect) adopted at the end of 2011 by GUCI and the Economic Inclusion Management Committee (EIMC) leadership. On a deeper level, this move reflects the high level of trust that has built up through the GUCI's eight years of collaborative work, including the three-year Living Cities affiliation, and through the EIMC's monthly meetings during the TII's first year.

In addition to the progress toward shared economic inclusion goals, we have observed meaningful internal steps by each of the participating institutions and organizations to advance economic inclusion. This collective and individual work resulted in system changes such as purchasing, hiring, small business development, and capital deployment within each of the anchor institutions and cross-cutting systems.

These system changes are discussed in the context of system attributes: boundaries, relationships, and perspectives. *Boundaries* include everything and everyone that is influencing and influenced by a system, including groups, organizations, and individuals interacting with the local initiative. *Relationships* are connections among local actors within and across system levels, and *perspectives* describe how different actors think and act within and across systems.

The initiative has begun to affect seven systems:

1. Civic infrastructure (“the tables”)
2. Local procurement and small business development
3. Workforce development for entry-level and hard-to-employ individuals
4. Commercial real estate market (in Cleveland)
5. Neighborhood resiliency
6. City of Cleveland government
7. Community development finance

Moreover, the Initiative has benefited the internal systems of The Cleveland Clinic, University Hospitals, the City of Cleveland and Case Western Reserve University. Each of these three participating anchors and the City are considered a system because of their size and complexity.

Midway through the third year, Living Cities (LC) announced its intent to continue the Initiative with any of the five first-round cities that wished to continue, in addition to considering new cities. Cleveland elected to continue its economic inclusion work, but to do so independently of Living Cities. TII helped accelerate the Initiative in Cleveland, especially the economic inclusion piece of GUCI, but now that the work has become a solid part of GUC, the Cleveland Foundation decided to proceed without the financial support of LC. All Initiative partners committed to continue working toward the goals, with the Cleveland Foundation as the primary funder, provided efforts continue to demonstrate progress.

## REFLECTIONS ON PARTICIPATION IN THE GUCI/TII

Information for the formative and system change reports is drawn from key stakeholder interviews, direct observation of all committee and subcommittee meetings, and a review of those meetings' minutes.

Each of the partners interviewed at the conclusion of year three was asked to reflect on the benefits and costs of participating in The Integration Initiative (TII). The partners recognize that there were many benefits to participating in the LC work for three years. Several also mentioned costs, primarily opportunity costs and frustration that the LC loan money could not have been used. There was general agreement that the grant money had a positive influence in accelerating the efforts in local procurement, relationship and trust building, and developing workforce programs. However, reflecting some disappointment, one partner commented that the potential for LC funding was greater than the actual outcome. The following section describes these benefits and costs in greater detail.

### BENEFITS ASSOCIATED WITH THE GUCI/TII

Each of the partners (anchor institutions, city, foundation, others) pointed to things they are doing differently as institutions or organizations. The anchors, for example, began using the lens of economic inclusion and community benefit for low- and moderate-income GUC residents to revisit hiring, purchasing, employee relations, and even, to some extent, health service delivery. The city is using this lens to guide investment decisions. The power, both potential and realized, of the GUCI/TII is best revealed through the commitment to the collective work. For example, even when dealing with the difficult challenge of finding a way to channel the purchasing power of the anchors to benefit local communities, the commitment to finding a workable collective approach kept them at the table and working together.

The multi-anchor, place-based GUCI/TII strategy led to a synergy that would not have been possible with an individual anchor, or if nonlocal anchors were participating. Three neighboring anchors in close proximity working together on an economic inclusion/neighborhood improvement agenda resulted in shared investment in physical, economic, and community development projects and programs.

Living Cities, with its TII, set out to accelerate local efforts in each of the five cities (Baltimore, Detroit, the Twin Cities, Newark and Cleveland), through \$3 million of grant funding and a \$12 million pool of debt capital. The grant funding was the most useful component of Cleveland's program. The money provided staff, fostered innovative new efforts, and leveraged necessary projects. In addition to the \$3 million Living Cities TII grant, Living Cities provided other grant dollars to support efforts related to the TII, such as funding for the city's Department of Economic Development website. In interviews, the partners consistently cited new and/or deepened relationships that strengthened and expanded internal and external networks as the most positive outcomes of the three-year association between the GUCI and Living Cities' TII. Other benefits of the three-year TII cited by the partners include:

- Hiring dedicated program staff to run the TII at The Cleveland Foundation (project director and program assistant).
- Linking the GUCI with the HTC and the acceleration of HTC physical development projects.



- Expanding the role for National Development Council: source of New Market Tax Credits for Green City Growers Cooperative, small business technical support, training for key staff, and the ability to structure complex financial packages for real estate projects in urban areas.
- Encouraging the Mayor to adopt the HTC as a target area for economic development, raising the profile of the HTC, and investing in staff to work on marketing and branding.
- Launching innovative, anchor-based pilot programs in two areas: 1) leveraging local purchasing and 2) improving career pathways for GUC residents. Knowledge gained from these pilots has transferability to the Evergreen Cooperatives, NewBridge, and workforce reform.
- Accelerating workforce initiatives including “Step Up to University Hospital” (a workforce pipeline pilot project) and, more systemically, an agreement among the anchors on a common definition of local hiring and agreement to collect and report comparable data on the residence of new hires and employees. The comparable data agreement, which began in the second half of the Initiative’s third year, accelerates progress toward the Hire Local goal by guiding decisions on increasing and retaining local hires.
- Enhancing Neighborhood Connections’ (NC) community organizing effort, firmly establishing NC as a key partner in community outreach and empowerment. NC also developed a new communications platform to link residents and anchor institutions in GUC through Neighborhood Voice, a publication and a responsive website.
- Evaluation was useful in tracking and improving the programs and their associated goals.

Participants also valued being part of a national initiative, including the opportunities to learn from and share best practices, strategies, and challenges with the other TII cities through regularly scheduled learning community meetings and site visits to the participating cities, both organized by Living Cities. For example, the Live, Buy, and Hire Local goals were adopted from Detroit. Strong relationships were developed with peers at every level among and between cities, and the Cleveland team was exposed to organizations that could help advance goals, such as Interise, whose innovative “Streetwise MBA Program” is coming to Cleveland as NextStep in partnership with University Circle, Inc. The Cambridge and Associates “Adaptive Leadership” model has brought new models of partnership support to Cleveland. According to Project Director, Walter Wright, “Living Cities connected us with new ways of thinking and resources, and helped to raise the bar on our partnership with the city of Cleveland. They challenged us to take on new models of leadership, and always encouraged us to push the envelope.”

Participating in the cross-site Living Cities Learning Communities elevated the work by connecting the anchors and the city with additional opportunities for national exposure. For example, Tracey Nichols, Cleveland’s Director of Economic Development and co-chair of the EIMC, was asked to speak in Florida, Denver, Indianapolis, and South Africa about the Health Tech Corridor’s success in turning a blighted area into a place that could attract young companies.

Participation in the TII also led to the creation of the EIMC table and enabled it to develop as a platform for collective work, knowledge exchange, and network building. The EIMC brought in high-level “implementers” to complement the CEO-level staff of the partner institutions and organizations leading the GUCI table. The EIMC’s work is now embedded within the GUCI. The combined goals of “jobs, income, and ownership opportunities for low-income residents of Cleveland” are fully integrated in the Cleveland Foundation’s GUCI efforts. Consequently, the EIMC established and deepened relationships that will carry the initiative forward. These efforts are delineated in the “Cross-Cutting” section below.

Several of the partners noted the TII evaluation's value to the overall work. The evaluation, helped partners reflect on the successes and challenges of the Initiative, while also suggesting adjustments and improvements for the next phases of the initiative.

### CHALLENGES/OPPORTUNITY COSTS ASSOCIATED WITH TII

A number of partners noted opportunity costs to participating in the TII. The \$3 million in The Cleveland Foundation's Program Related Investment funds required to backstop the Living Cities capital loan fund was considered an opportunity cost because that money could not be used for other program-related investments during the three years of TII. Several expressed disappointment that Living Cities decided to pull its support from the Evergreen Cooperatives after the first year, even though it was a high priority for local partners. Another opportunity cost mentioned was the enormous amount of time spent on Living Cities-specific tasks, to the exclusion of other work benefitting the local programs.

The Evergreen Cooperatives and robust community engagement were central to Cleveland's TII economic-inclusion strategy from the beginning. As the work evolved in Cleveland, these two pieces were not as highly valued by Living Cities as they were by the Cleveland team, signaling a mismatch between these organizations. At the conclusion of the first year, Living Cities pulled back from funding Evergreen despite widespread agreement among the Cleveland team that it was a key component to achieving their goals. Nonetheless, the Cleveland Foundation and anchor partners continued their investment in the Evergreen Cooperatives. At the end of the third year, Living Cities pulled back its support for Neighborhood Connections, a second foundational element of the Cleveland program.

One participant saw the three-year timeframe as too short to bring about meaningful systemic change. By all accounts, the inability to deploy the LC capital loan money was the biggest failure. Development deals were done in the GUC and HTC, but largely without the LC money because local funding sources had better financial terms.

### CONTINUING THE WORK

The Cleveland Foundation's role is highly valued by the partners. It is widely viewed as the central convener and driver of the economic-inclusion work in the GUC. Many partners called the Foundation's role "central" to the Initiative. There is a sense among the partners that as long as the Foundation continues as the convener and funder, work will continue unimpeded.

In early 2014, the Foundation's Board committed to continue this work. The Foundation will fund the program elements that most closely align with the partners' goals, such as local hiring and supply chain attraction, retaining the Project Director and Assistant, and continuing the Initiative's evaluation. The Foundation recognizes the importance of the EIMC as the center of the GUCI work going forward. After more than eight years, the GUCI still enjoys strong anchor, city, and foundation commitment.

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## CROSS-CUTTING

### THE ROLE OF CIVIC INFRASTRUCTURE THROUGH A NESTED SET OF TABLES

#### Structure

The EIMC members have driven the TII's work, while committee chairs are responsible for the strategic direction and successful implementation of the specific projects. The TII Project Director housed at the Cleveland Foundation is the fiscal agent for the Living Cities grant funding and is responsible for allocating it to programs that align with the strategies. The LC funding leverages TCF and anchor funding. EIMC is nested within the Greater University Circle Initiative's (GUCI) Leadership table. GUCI was established in 2005 and is chaired by the President and Chief Executive Officer of the Cleveland Foundation. Many of the same organizations are represented at both tables, but the anchors' top leaders sit on the GUCI leadership committee, and their senior management are among the EIMC members. Another nested table is the Health Tech Corridor (HTC) advisory committee, which coordinates the business attraction strategy of the HTC. Many of the same organizations are represented at this table as well. Membership lists of the three leadership committees are included in Appendices 4, 9, and 10 in the Program report.

The EIMC represents the public, non-profit, private sector, and philanthropic sectors working together. A survey of members conducted by the TII Project Director in 2013 found overwhelming support for continuing the EIMC.

The membership and structure of the EIMC has evolved over the three-year period. The establishment of the three sub-committees in 2012 created a vehicle for many more organizations and individuals to participate. The subcommittees are responsible for achieving organizational goals. As the work has grown more robust, a number of new organizations were brought on to the subcommittees and some also participate on the EIMC. Furthermore, some members of the EIMC have become more active. Those who took on new or expanded roles in 2013 include MidTown, Inc., University Circle, Inc., Cleveland Neighborhood Progress, the City of Cleveland's Community Benefits office, and Fairfax Renaissance Development Corporation. The newly formed EIMC Executive Committee has been charged with setting the overall direction, leading organizational efforts, and managing the work of the sub-committees. All of the organizations that received funding through the TII are represented on one or more of the subcommittees. A list of the subcommittees and their members is included in Appendices 6-8 in the Program report.

Going forward, the EIMC will be co-chaired by representatives from the Cleveland Clinic and University Hospitals, representing an important shift over the three years from leadership by the Foundation to ownership by the partners. The partners and the Cleveland Foundation staff have committed to continuing the "table," which has demonstrated its resilience in the face of leadership changes. For example, at the end of 2012, two of the Clinic's key committee members left to pursue other employment. However, because of institutional commitment, what could have been a setback resulted instead in greater participation from the Clinic on the EIMC. The Clinic's Executive Director of Operations now sits on the Executive Committee and its new Sustainability Director was named as the second co-chair in early 2014.

## New Collective Impact

In addition to the progress that has been made in each of the project areas, as documented in the report on programs and projects, we have observed a number of qualitative changes that have resulted in cross-sector collaborations, intra-sector collaborations (among the anchor partners for example), and vertical collaborations among different departments within each large anchor that are linked to EIMC participation. One example of this cross-fertilization occurred when the Clinic convened an internal meeting of all of its leaders working on some aspect of the GUCI/TII—Kristen Morse, Public Affairs liaison; John Utech, the new Senior Director of the Office of Healthy Environment; as well as leaders of Community Relations, Diversity, Building and Properties, and Supplier Diversity—to better coordinate its community efforts. This new cross-fertilization has been described as a “huge shift” by the Clinic’s Executive Director of Operations, Andrea Grodin Jacobs, one that provides a common language and context for understanding how the Clinic’s work at multiple levels affects its neighbors. A similar effect was mentioned at University Hospitals, where the EIMC lead noted that it has opened up internal avenues of collaboration.

Numerous examples of the benefits of the collective work were noted by the participants. Some examples are highlighted below:

- For the anchor partners, the “table” and subcommittee work enables sharing individual projects and identifying opportunities for change that lie in the “intersections,” that are shared among all the anchors. For example, the anchors’ Human Resource directors agreed to identify common goals and collect data around local hiring.
- For Economic Community Development Institute (ECDI), an organization that expanded to Cleveland from Columbus to invest in and nurture small businesses, participating in the EIMC provided a very effective way to grow the organization. ECDI made new connections with organizations that are focused on small business development such as University Circle, Inc., and CDCs in Tremont and Ohio City. ECDI and Cleveland’s economic development department conducted joint interviews of 60 GUC businesses to assess needs. A \$50,000 grant from LC and participation on the EIMC enabled them to reach out and market their services to businesses in the GUC neighborhoods. If it proves successful in increasing the number of loans, ECDI will continue to focus on meeting the needs in the GUC neighborhoods. Even if the effort is ultimately not successful, ECDI will continue to be part of the EIMC because of the value of the relationships.

ECDI connected with Jim Haviland, Executive Director of MidTown, Inc., which led to the creation and promotion of a kitchen incubator located in a building that MidTown was marketing in the HTC. The incubator has generated several lending opportunities for ECDI as these very small incubator businesses achieve success and seek to expand their operations. ECDI located its Cleveland headquarters in the building and ECDI has been promoting MidTown as a good location for the businesses it funds.

- For place-based organizations such as MidTown, long focused on the HTC, participating in the EIMC elevated its community role and broadened its perspective and connections beyond its service area.

- Neighborhood Connections (NC) has demonstrated its commitment to neighborhood residents and has built strong relationships with the partners. Over the three years, it has become a trusted partner by following through and successfully completing projects with others on the EIMC. The organization is accepted by both the anchor institutions and the residents of the GUC/Cleveland neighborhoods. For NC, the greatest benefit has been the opportunity to be an integral part of workforce development efforts.
- Cleveland Neighborhood Progress's (CNP) role emerged slowly. It was an original member of the GUCI Leadership group, but did not see a clear role beyond the physical development projects, Upper Chester and St. Lukes, until it began to fully participate on the EIMC. CNP is now at the point, following a merger and internal reorganization, of seeking greater involvement, especially in the Live Local and, potentially, Buy Local efforts. CNP's relationships with the anchors are highly valued, as is its relationship with Neighborhood Connections.

## System Change Outcomes

### *Boundaries, Relationships, and Perspectives*

From its initiation in April 2011, the Economic Inclusion Management Committee (EIMC) has functioned as a platform to engage and empower the stakeholders by establishing and/or strengthening relationships among them. The EIMC and its stakeholders also developed mutually agreed-upon goals and triggered new ideas and innovative strategies in the Greater University Circle area. As one interviewee mentioned, "EIMC is what holds the work together and moves it forward." Several mechanisms enabled EIMC to function as a platform for communication, collaboration, and innovation—facilitating or catalyzing progress towards goals.

The extent of EIMC's influence on both forging new relationships and strengthening existing bonds among the stakeholders is considerable. *These relationships indicate an interim system change outcome.* Virtually all of the interviewees have stated the importance of EIMC in relationship creation and reinforcement. Yet, this has affected various stakeholders in different manners. For some (e. g. representatives of the anchor institutions), the larger or stronger network of relationships has brought about opportunities for creative thinking, new knowledge, and, potentially, a changed perspective towards organizational internal goals and interests. For example, one anchor representative stated that although none of the goals initially seemed to be of core interest of their organization, sitting at the EIMC table has changed their perspective. They now believe that they should be evaluated on an overlapping, interdependent dual bottom line: a fiscal bottom line and a social mission bottom line. For others, such as Midtown, Inc. representatives, this relationship network has enhanced their reputation, as well as cross-sector collaboration opportunities. For the Economic Community Development Institute (ECDI), involvement in EIMC has led to a focus on place-based micro-lending—primarily in GUC.

Our observations parallel the findings of "The Integration Initiative Survey" recently conducted by the consulting firm Mathematica Policy Research which is part of the national evaluation team hired by Living Cities, along with Mt. Auburn associates. Evidence from this survey suggests that individuals reported an increase in their "involvement" level, primarily with local organizations (e.g., major

nonprofits and City agencies) sitting at the EIMC table.<sup>2</sup> In contrast, most individuals reported a lack of involvement with stakeholders not present at the EIMC meetings (e.g., State and Federal agency representatives). The survey results show the impact of EIMC on network and collaboration building among stakeholders.<sup>3</sup>

This network of relationships has resulted in *interim system change outcomes*. Specific examples of include the kitchen incubator and ECDI's place-based micro-lending in GUC. The evidence from "The Integration Initiative Survey" strongly supports the assertion that the GUCI/TII has advanced the organizations' practices, deployment of resources, culture, policies, and the way they partner with other stakeholders. In particular, the data offers strong support in favor of transformed partnerships, with 91% of the participants (n=22) indicating that the initiative has influenced how their organization/department partners with other stakeholders.

The network itself can be considered an *enduring system change outcome* as it catalyzes collaboration between public, private, and philanthropic players. The processes are simply "sped up" when "you can reach out and call key people directly, as one interviewee stated. The network remained strong when key individuals left the organization and were replaced with other people. The evidence suggests that, so far, EIMC has successfully kept stakeholders at the table and attracted new players. There is tremendous support for sustaining EIMC under the Cleveland Foundation's leadership, even in the absence of Living Cities.

Other evidence of an *enduring system change* resulting from the network is the excitement created around the Health Tech Corridor (HTC). The HTC partnership was not as strong before the launch of EIMC. As one interviewee claimed, EIMC has caused an "unprecedented collaboration." Moreover, "fundors like strong collaboration," as one respondent remarked, and these relationships have shaped resource allocation by foundations, as well as local and state governments. As a result, banks are now aware of what goes on in HTC and may be willing to invest. Meanwhile, developers and real estate agents see HTC as a destination, and proudly recommend new construction and rehabilitated buildings to their clients. The HTC success story has resulted in a national and international recognition for the city.

Perhaps most importantly, *enduring system change* is manifest in the development of shared goals and agreement on the necessity of monitoring progress toward those goals. Towards the end of the second year, EIMC co-chairs and the Cleveland Initiative Manager agreed to form sub-committees to address the four goals of "Buy Local," "Hire Local," "Live Local," and "Connect Residents." The subcommittees then discussed and refined the objective details, leading them toward mutually agreed-upon goals. In the third year, all three anchors recognized the necessity of systematic monitoring of goal progress after considerable debate of measurement matters. Several anchor representatives stated that although the anchors were not initially internally evaluated on these goals, there is current consensus on the importance of active involvement in GUCI/TII and periodic evaluation of the progress made in surrounding low-income neighborhoods.

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<sup>2</sup> Mathematica defines "involvement" as "working with other organizations in a variety of ways, ranging from exchanging information to sitting on committees to sponsoring joint activities".

<sup>3</sup> For a copy of "The Integration Initiative Survey Round 2 Results: Cleveland Report" conducted by Mathematica Policy Research contact the Center for Economic Development at CSU.

## BUILD MUNICIPAL CAPACITY IN DEVELOPMENT CLUSTER (\$325,000 OVER THREE YEARS; \$100,000 IN YEAR 3)

The City of Cleveland has played a multi-faceted role in the Initiative, along with EIMC leadership between 2012 and the end of 2013, providing job creation, targeted economic development funding, and business attraction and expansion for HTC projects. Living Cities enabled the city to build its development capacity in three critical areas: project development and implementation, on-line permitting, and a business attraction web portal and marketing plan.

- **Special projects staff:** LC funding enabled the city to add a much-needed staff person to work on special projects, and, specifically to further the goals of the HTC/GUCI. The person who was hired for this special assignment resigned his position in October 2013 and took a new position with a developer to work on real estate development projects in the HTC, among other things. Nevertheless, the City determined that the added position was cost effective and wanted to retain the capacity, so the City approved using its own funds to hire a replacement. In addition, the Cleveland Foundation is supporting two additional positions in 2014 to focus on the HTC: one person will be housed at the city working on real estate development, while the second person will be at another organization focusing on marketing the HTC (the second position is partly funded with \$25,000 of carry over funding from LC).
- **Online permitting:** In year one, two interns were hired to assist with streamlining the citywide permit process. In year two, the interns were hired as full-time city staff. A third intern was hired in year three. The process of online permitting is moving forward. Building and Housing has upgraded its software and all permits are expected to be online by January of 2014 (except blueprint submission which will be mid-late 2014). The remaining Living Cities money is budgeted to continue work (\$42,000). The city needs software and hardware upgrades to get other departments on the new system (planning, engineering, health, and fire). The city is exploring income-generating strategies such as fees to provide ongoing upgrades.
- **Citywide business attraction web portal, social media, and marketing strategy:** LC provided \$40,000 in year two for staff training and the development of the website, which will serve as a one-stop shop for businesses wanting to locate in Cleveland. This money supplemented other funding from the Cleveland Citywide Development Corporation that was used to bring on a Strong Cities Strong Communities Fellow to manage the website and marketing strategy.

## System Change Outcomes

### *Boundaries and Relationships*

The grants and enhanced relationships with other organizations resulted in system changes in the city's development cluster. *These enduring system changes caused increased development in the Health Tech Corridor and a more efficient permitting system, both with long-term implications.* As mentioned above, the city of Cleveland has played a multi-faceted role in the Initiative. The Director of the City's Department of Economic Development was an EIMC Co-Chair and played an important role in shaping its agenda and establishing subcommittees. Moreover, the city targeted and focused economic

development funding on job creation and business attraction and expansion for projects in the HTC, which has become a regional marketing strategy.

Other system change outcomes include the city's increased development capacity. *An enduring system change outcome is the city's approval to use its own funds to hire a replacement for the special project staff that was initially hired with LC funds.* The temporary funding led to a determination by the city that a permanent position was warranted. *The new online permitting system is another enduring system change outcome, which could be measured in the future by the time improvement in receiving and authorizing permits under the new system.* The hypothesis behind this system change outcome is that more efficient permitting system leads to more economic development activity. *The launch and operation of this new portal, scheduled for spring 2014 represents another enduring system change outcome.* A more efficient website will attract more developers and businesses to the city, and will thus improve employment and resource opportunities for low-income residents.

Outcomes of system change in Year 3 include the changes in the city's economic development cluster described above, and increased involvement by additional city departments in the GUCI effort. Staff from the city's Public Affairs Department joined the EIMC and the Hire Local Subcommittee was involved in the city's newly adopted Community Benefit Agreement. *Finally, the new Community Benefit Agreement on new construction projects in the city is an important enduring system change outcome.*

## Perspectives

*An enduring system change is the shift in the city leadership's thinking about focusing its real estate investment dollars in the Health Tech Corridor and making it into a regional attraction priority for health science companies.*

## COMMUNITY DEVELOPMENT FINANCE

During the past three years, the capacity of community development financing in Cleveland was enhanced due to the expanding roles of two organizations. The National Development Council (NDC) provides small business and real estate loans and specializes in structuring complex financing, while the Economic Community Development Institute (ECDI) specializes in micro-lending.

### National Development Council (NDC)

The mission of National Development Council (NDC) is to increase capital flow to underserved urban and rural areas. NDC has continued its work in Cleveland as part of GUCI/TII to increase the city's capacity to undertake large development projects. The NDC is an integral part of the Initiative's work and stays connected to the Initiative through the EIMC. In 2013, NDC provided loans for two projects in the HTC area: Ohio Knitting Mills and Contract Transportation Services. All of the Living Cities Catalyst Fund money will be returned so that in early 2014, the Cleveland Foundation and NDC can free up money currently tied to the initiative. The plan is to repay the LC senior lenders by selling off some loans and refinancing others. In addition, The NDC currently oversees the Evergreen Development Fund. At this time, plans are being made for the fund's to switch to the Evergreen Cooperative Corporation in 2014.



## Economic Community Development Institute (ECDI) (\$50,000-allocated in 2012, continued to be expended in 2013)

ECDI, a micro-lender located on the HTC, received \$50,000 in LC funding in late 2012 to provide capital, training, and technical assistance to help start and/or expand very small businesses in the GUC neighborhoods. ECDI received additional funding from the Cleveland Foundation, the City of Cleveland, Cuyahoga County, and local banks in a show of community support for micro-lending. In 2013, the relationship manager hired to do targeted outreach and loan originations in the GUC area in 2012 was let go. For most of 2013, the CEO performed this role. In 2013, they made two loans in the GUC area and 41 loans in the remainder of the county.

### System Change Outcomes for All Cross-Cutting Goals

#### Boundaries

*NDC continues to play an extensive role in effecting enduring system change in Cleveland. Several interviewees suggested that NDC will stay active in Cleveland past the Living Cities grant. Examples include the NDC involvement in financing the Evergreen Green City Growers Cooperative and other real estate projects in the Health Tech Corridor. Also, the Evergreen Development Fund, which was managed by NDC from 2012 through 2014, is expected to move to the Evergreen Cooperatives Corporation (ECC) by mid-2014. It was critical that NDC manage this fund until it could move to it the ECC, which began operations in 2013.*

ECDI, originally started in Columbus Ohio, opened an office in Cleveland in September 2012. With funding from the initiative, ECDI hired a relationship manager to focus on micro-lending to businesses in GUC neighborhoods. *An interim system change outcome is the new focus of ECDI on place-based lending. Until this initiative, ECDI did not focus its lending on specific small geographic areas; and ECDI is still developing the best approaches and the right personnel to achieve this goal. The focus on micro-lending efforts in GUC neighborhoods will continue for the foreseeable future. Micro-lending in GUC neighborhoods will become an enduring outcome change if it becomes part of ECDI's permanent portfolio of activities in the Cleveland area. It is too early to know the ultimate outcome at this time. Another interim system change outcome is the start-up and operation of the HTC kitchen incubator, which was assisted by ECDI.*

#### Relationships

*The new, substantial relationships developing between NDC, ECDI, Midtown, Inc., and the City of Cleveland represent an interim system change. These new relationships led to cross referrals among NDC and ECDI, joint visits with small businesses in GUC neighborhoods by ECDI and the City of Cleveland, and the opening of the kitchen incubator in the Health Tech Corridor through a partnership among ECDI, MidTown, and the City of Cleveland. More small business lending in the target neighborhoods and a continued successful operation of the kitchen incubator would be indicators of enduring system change.*

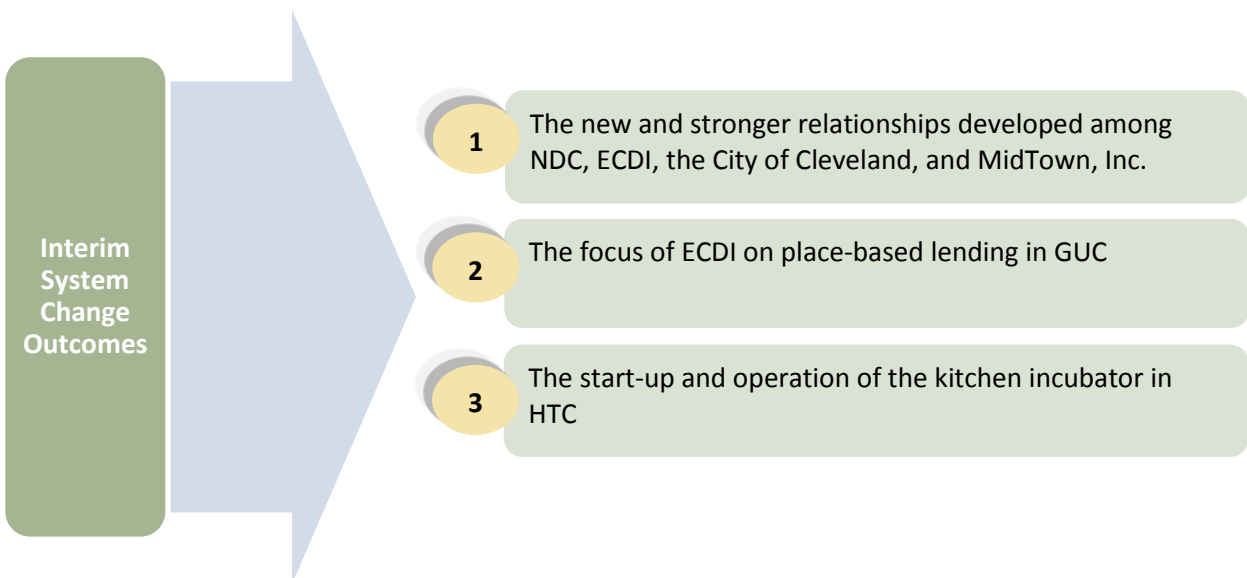
In addition to its economic inclusion programs, the GUCI leadership is heavily involved in several of the large physical development projects in the GUC. While outside the scope of the TII, these projects have

drawn significant investment from the three anchors, the Cleveland Foundation and the city of Cleveland, and have leveraged federal and private investment. The investments fall into four areas: (1) Priority transit-oriented development projects, (2) Uptown Phase I and II, (3) Upper Chester/West Campus District, and (4) the Evergreen Cooperatives.

The overall objective of the physical development agenda is to “catalyze the redevelopment of strategic areas that have the potential to draw new residents and businesses.”<sup>4</sup> The GUCI leadership has had a number of successes, including the completed Uptown Phase I and nearly completed Phase II—a mixed-use complex that has become a new gateway to University Circle. In addition, three priority transit projects were designed and planned. To date, all three have been fully funded, including one road project and two transit projects: The Cedar Hill Rapid Station, the Mayfield Road Rapid Station, and the MLK/E. 105<sup>th</sup> Traffic Circle.

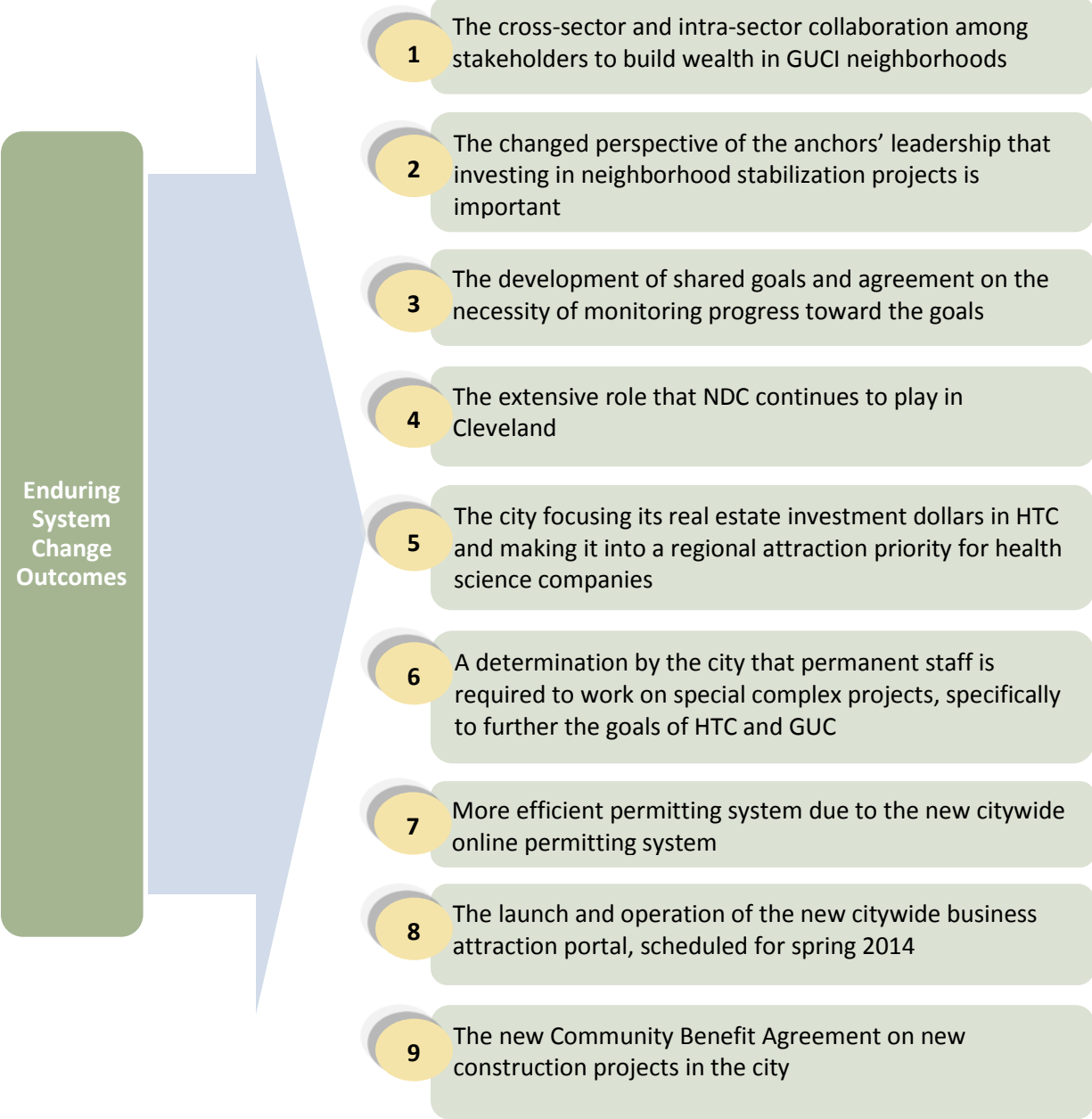
Figures 1 and 2 depict the interim and enduring system change outcomes associated with the three cost-cutting activities: the role of the Tables, building municipal capacity in economic development, and the community development finance.

Figure 1: Interim System Change Outcomes Cutting Across Goals



<sup>4</sup> P. 36 Cleveland’s Greater University Circle Initiative, A Partnership between Philanthropy, Anchor Institutions and the Public Sector, The Cleveland Foundation, 2013.

Figure 2: Enduring System Change Outcomes Cutting Across Goals



## PROGRESS TOWARD GOALS

### ALLOCATION OF LIVING CITIES GRANT DOLLARS IN 2011-2013

Over the three-year period, 2011-2013, Living Cities provided just over \$3 million to fund the TII in Cleveland (Table 1).

Table 1: Living Cities Grant Funding by Goal, 2011-2013

Goal/Organization	Program Area	2011	2012	2013	Total
<b>Cross Cutting</b>					
City of Cleveland	Support for Staff, Training, Electronic Permitting, etc.	\$90,000	\$135,000	\$100,000	\$325,000
<b>Sub-total, Cross Cutting</b>		<b>\$90,000</b>	<b>\$135,000</b>	<b>\$100,000</b>	<b>\$325,000</b>
<b>Buy Local, Small Business</b>					
Evergreen	Evergreen Development Fund, Support for Consultants, Training, Capacity	\$275,000	\$0	\$0	\$275,000
BioEnterprise	Anchor Procurement	\$0	\$50,000	\$50,000	\$100,000
BioEnterprise	Marketing HTC	\$50,000	\$50,000	\$50,000	\$150,000
ECDI	Loan origination in GUC	\$0	\$50,000	\$0	\$50,000
University Circle Inc	Planning & review Interise	\$0	\$25,000	\$100,000	\$125,000
<b>Sub-total, Buy Local</b>		<b>\$325,000</b>	<b>\$175,000</b>	<b>\$200,000</b>	<b>\$700,000</b>
<b>Hire Local</b>					
Towards Employment	UH Incumbent worker and pipeline program	\$0	\$50,000	\$171,000	\$221,000
Workforce Investment Board	Launch of Workforce Alignment Group work	\$0	\$10,000	\$65,000	\$75,000
Cleveland State University	New Bridge Cohort Evaluation	\$0	\$25,000	\$0	\$25,000
<b>Sub-total, Hire Local</b>		<b>\$0</b>	<b>\$85,000</b>	<b>\$236,000</b>	<b>\$321,000</b>
<b>Connect</b>					
Neighborhood Connections/ Neighborhood Voice	Community Engagement and communications	\$122,500	\$300,000	\$262,500	\$685,000
<b>Sub-total, Connect</b>		<b>\$122,500</b>	<b>\$300,000</b>	<b>\$262,500</b>	<b>\$685,000</b>
<b>Other</b>					
Program Administration	The Cleveland Foundation	\$145,000	\$202,600	\$180,000	\$527,600
Evaluation (CSU)		\$77,500	\$100,500	\$70,000	\$248,000
Misc		\$155,000	\$20,200	\$26,500	\$201,700
<b>Sub-total, Other</b>		<b>\$377,500</b>	<b>\$323,300</b>	<b>\$276,500</b>	<b>\$977,300</b>
<b>Total</b>		<b>\$915,000</b>	<b>\$1,018,300</b>	<b>\$1,075,000</b>	<b>\$3,008,300</b>

## BUY LOCAL AND SMALL BUSINESS DEVELOPMENT (\$200,000 IN 2013)

The EIMC and GUCI worked through the anchor partners, the city of Cleveland, ECDI, BioEnterprise, MidTown, Inc. and the Evergreen Cooperatives to systematically increase the share of local goods and services purchased by the anchor institutions to encourage local business growth and create local jobs. In 2011, there was a two-pronged approach: 1) Strengthen local businesses region wide, including the development of small, minority--owned and female-owned businesses to the point that they can compete for anchor procurement, and 2) Identify and attract supply chain companies. These approaches anticipated a correlation between the ability to attract suppliers to locate in the Health Tech Corridor (HTC) and GUC neighborhoods and increased employment and wealth creation opportunities that would more directly benefit GUC residents and businesses in the GUC neighborhoods.

In 2013, as in 2012, LC grant money was deployed to support three strategies: (1) Increase opportunities for Cleveland businesses, including small, minority- and female-owned businesses through increasing the local share of anchor procurement (\$50,000 to BioEnterprise, carried forward from 2012); of the \$50,000, only 25,000 was spent in 2013 and the remaining 25,000 will be spent in 2014; (2) Build a local biomedical hub with incubator and post-incubator start-ups along the HTC (\$50,000 for marketing to BioEnterprise); and (3) Launch Interise (planning begun in 2012) to provide training for small business owners in the University Circle area (\$100,000 to University Circle, Inc. to work with Interise). Although no Living Cities funds were allocated to this, the Cleveland Foundation and the three anchors continued to work with the Evergreen Cooperatives.

### Overview

The Buy Local goal has been the most challenging in terms of figuring out the best approach and identifying opportunities for collaboration. Over the three-year period, a number of approaches were tried to see where it was possible to harness the purchasing power of the anchors. The TII started with a two-pronged strategy that included a shared database of local/small/minority/female businesses and the development of the Evergreen Cooperatives. The shared database proved an unfeasible approach, and in 2012 LC grant money stopped being used for the Evergreen Cooperatives; however, the anchors, the Cleveland Foundation, the city of Cleveland, and other funders continued to fund this core part of the economic-inclusion strategy.

The first approach, the common database of local, minority-, female-owned businesses that individual purchasing departments could use to “buy local” may have been too ambitious and naïve. In 2012, the focus shifted to small business development and exploring other avenues of leveraging anchor purchasing. In addition to building up small business capacity, the strategy shifted to identifying specific companies that supply multiple anchors and may be attracted to the HTC. The priority is to identify suppliers that would benefit from proximity to anchor customers to provide “just-in-time” delivery, especially during natural disasters or national security disruptions. In 2013, BioEnterprise asked each anchor to identify purchasing contracts for goods or services that are coming due in the next 12-18 months. A strategy was developed by BioEnterprise and the anchors to attract suppliers to Cleveland and the GUC that could provide goods and services that are used by more than one institution, such as mailing and postage. The emphasis is on companies that offer a net economic gain to the region.

The second pathway to enhance “Buy Local,” and the one that continues to show success, is the three anchors’ internal work on policies and programs to increase the share of local purchasing in both new

construction projects and annual purchases of goods and services. These efforts are already bearing fruit; all three anchors have set “Buy Local” targets and, as the companion report describes, plan to increase their efforts.

The local purchasing efforts of the anchors are tied to their internal goals of inclusion, diversity, and sustainability. For example, Case Western Reserve University has had an internal buy-local effort, including a supplier diversity council that has been meeting quarterly for ten years. The anchors are the most experienced in diversity around large construction projects. The challenge is in identifying the opportunities for them to coordinate their purchasing power to attract a supplier or to create new jobs. An area in which the anchors have specific “Buy Local” targets is in food purchasing which is tied to their strong sustainability agendas. The three anchor sustainability officers sit on the EIMC. All three continue to push their national food service operators to increase the share of local food purchased and encourage their vendors to set targets.

While progress has been slow, there have been a number of successful outcomes:

- HTC marketing strategy: BioEnterprise is charged with marketing the HTC. Its focus has expanded beyond bio-tech and health-related businesses to include companies that want to locate near downtown to attract young professional employees who are increasingly choosing to live downtown.
- Owens and Minor: A distribution company serving University Hospitals is relocating just outside the GUC area. University Hospitals was willing to shift from a two- year to a ten-year contract for \$750 million to cement the company’s relocation from a suburb in Cuyahoga County to Cleveland, rather than potentially outside of Northeast Ohio. While Owens and Minor is not expected to immediately add jobs, it may do so in the future. The company received a 60% tax abatement from the City of Cleveland, but the land was more expensive than it would have been in the suburbs. The new building, which broke ground in Spring 2013, will be LEED certified.
- Evergreen Cooperative Corporation: One of the areas in which the anchors have consistently worked together is providing leadership and investment funds for the Evergreen Cooperatives. They all have long-term commitments, which have helped to sustain the changes needed to put the co-ops on a path to profitability. A new board for the ECC was put in place in 2013, chaired by Steve Standley of University Hospitals. Each of the anchors is represented on the Board, along with the Cleveland Foundation and local business and other philanthropic leaders. Many of the new board members recently traveled to Mondragon, Spain to learn about the cooperatives there. The ECC is reexamining the structure of the individual companies and their boards (EBS, ECC, individual boards).
- Interise: An LC grant of \$100,000 in 2013, following the \$50,000 planning grant in 2012, was used to bring the Interise “Streetwise MBA” model to Cleveland. The program is housed at University Circle, Inc., and branded locally as NextStep. One of the goals is to help small businesses reach a point where they can compete on anchor contracts, thus increasing the number of companies that can supply goods and services to the anchors. It is projected that 20 small businesses will participate in each round of training with two rounds per year. The Interise manager is working with the anchors to identify a pool of diverse and qualified vendors that would benefit from the training.

- Economic Community Development Institute (ECDI): In 2013, ECDI used the carryover from its 2012 TII grant of \$50,000 to continue targeting GUC businesses for micro-loans and technical assistance. While the person dedicated to GUC businesses left, the organization continued to conduct outreach and qualify loans in the GUC area. A new, dedicated staff person was hired in late 2013. Results to date include funding a kitchen incubator in the MidTown corridor; receiving federal funding (HHS Grant); and lending \$400,000 to Evergreen Green City Growers, of which \$350,000 was for equipment and \$50,000 for working capital.

### Evergreen Cooperative Corporation (ECC)

In 2013, the Evergreen Cooperative Corporation (ECC) and the Evergreen cooperatives continued to be a key strategy for the partners in the GUCI, but as noted in the 2012 report, LC did not provide funding for the Evergreen cooperatives or ECC in 2012 and 2013. The three anchors are making a second round of financial commitments to ECC. During 2013, University Hospitals committed another \$1 million and CWRU committed \$500,000; the Cleveland Clinic has not yet committed a specific amount, although it is expected to continue to support the ECC.

The three Evergreen cooperative companies are in various stages of profitability. The anchors are engaged in varying levels of purchasing from the companies. CWRU has committed all of their solar projects to Evergreen Energy Solutions (E2S). E2S has contracts to provide the solar arrays for the Medical Center Company (the energy supplier for CWRU, University Hospitals, and other University Circle institutions), which is building an MW solar facility near University Circle. In 2013, E2S earned a profit for the first time and is expanding.

The laundry has stabilized its leadership, reduced employee turnover, and is starting to stabilize its customer base. Nonetheless, it has not yet broke even. Recently, University Hospitals extended its long-term contract with its laundry provider in exchange for a carve-out to sub-contract 2 million pounds of laundry with the Evergreen Laundry Cooperative. Green City Growers, the newest of the three co-ops, had some losses and its management is tweaking their market, but it is too soon to quantify results.

A number of changes made in 2013 have better balanced the business and social goals. A new CEO, who had been acting as a consultant, was named, after conducting a national search. The Evergreen Development Fund, managed by NDC since 2012, is expected to move to the ECC by mid-2014. This will allow the ECC to act as a Community Development Finance Institution, making it eligible to receive training dollars.

Additional changes in Evergreen's governance and structure are aimed at achieving self-sufficiency. The ECC board has been restructured with new leadership and funding. The new structure gives each anchor representation on the board. The board also includes five business leaders, the president and CEO of the Cleveland Foundation, and four representatives of other organizations. There are four non-voting founding members who provide continuity. The CEO of the ECC staffs the board. Evergreen Business Services, the ECC's centralized service provider, has been strengthened by making it an LLC with one owner, the ECC.

Efforts are underway to stabilize the cooperative businesses. For example, they now have presidents, not CEOs. The presidents are employed by Evergreen Business Services and are part of the ECC. There has also been a shift in the employee ownership model. Instead of calling the employees “owners” they are called “members.” Consequently, the rights and responsibilities are better defined and expectations about the level of control over policies are clearer. Furthermore, instead of becoming a member (owner) in six months, the process now takes twelve months.

A new training program for employees and supervisors has been implemented to help them understand their rights and responsibilities as part of a cooperative.

As part of a strategy to retain workers, especially those with a criminal record, in June 2012, the ECC created a pilot Evergreen Housing Program (EHP) with funding from The Cleveland Foundation. The program is described in the “Live Local” section later in this report.

It is likely that Evergreen will become part of the EIMC again going forward.

### Lessons Learned

A number of lessons have been learned from the work on the anchor-based supply chain attraction strategy led by BioEnterprise:

- Anchor supply chains are very complex and figuring out how they can be effectively harnessed for community benefit requires time and patience. To date, the participants have gained a better understanding of how the anchors conduct business and realize the need to be flexible and nimble in designing strategies to promote economic development in the HTC. The effort is greatly benefiting from a City champion sitting at the table along with the anchor purchasing officers and BioEnterprise’s professional support. It takes time to identify opportunities; develop a strategy; and then combine the transactional, financial, logistical, and political pieces necessary to change.
- The long-term relationships that have been established and nurtured through GUCI and EIMC are critical to keeping the anchors at the table, continuing to invest the necessary time and effort. Internal systems are slow to change and external common purchasing opportunities as a business attraction model are even more difficult to identify. For example, although University Hospitals had strong Buy Local objectives and supported small, minority- and female-owned business goals for their construction projects, the shift from construction to regular procurement has proven very difficult. Identifying areas where the anchors can work together is even more difficult.
- The Buy Local goals are not core to the anchor interests, which focus on cost reduction. Purchasing agents are not currently evaluated on meeting Buy Local goals. However, one exception is local food procurement, where anchors have set goals and strategies.

Some of the lessons learned from the Evergreen work include:

- The commitment, investment, and leadership provided by the Cleveland Foundation and the anchors have been critical.



- The commitment to being the “greenest” companies in their class is a selling point.
- The experience with Evergreen cooperatives has been a continuous learning process. In fact, Lillian Kuri, program director at The Cleveland Foundation, called her experience with the Evergreen Cooperatives a “journey of learning.” Ted Howard, Steve Minter Fellow at the foundation described it as “an ongoing process of consolidation, refinement, and strengthening the system.”
- There needs to be a better balance between the business and social goals of the cooperatives.
- It is much more challenging to change the suppliers of goods and services to the anchor institutions than initially anticipated. The anchors have long-term contracts and it is difficult to change the supply-chain culture.
- Management of the cooperatives is an ongoing challenge. It is important to hire managers with experience in the industry, and then step back and let him or her run the company.
- Training programs have to include the rights and responsibilities of worker-owners.

## System Change Outcomes

### *Boundaries*

*An interim system change is the continued work of BioEnterprise to market the Health Tech corridor and staffing efforts to attract anchor supply chain companies to the HTC and Cleveland. Marketing focus is shifting from mainly attracting biotech and health-related companies to companies that want to recruit young professionals who prefer to live downtown and work nearby. BioEnterprise is also shifting its strategy to involve developers and take advantage of opportunities presented by anchors to attract companies into the HTC and surrounding neighborhoods.*

*Another interim outcome is the tour of the Health-Tech Corridor, which was recommended by a Cleveland Clinic leader at an EIMC Buy Local subcommittee meeting. The tour, organized by MidTown, Inc., was a great success. Developers and property owners also enjoyed the exposure they received. Based on the positive feedback, the EIMC Buy Local subcommittee has decided to organize another tour in the spring or summer of 2014 and may make the tour an annual event.*

### *Relationships*

Many interviewees revealed that the relationships established and nurtured through GUCI and EIMC are enabling several system changes. *The fact that the anchors’ procurement leaders continue to sit together in meetings and look for ways to jointly attract companies is itself an interim system outcome change.* As one interviewee said “The good thing is that the anchors are sitting around one table.” Although the process has been “painful” and “slow” at times, the anchors persist in their efforts to work together, with BioEnterprise as the intermediary, to achieve their goal of increased procurement from local companies.

*An example of an enduring system change outcome is the establishment and operation of the new Board of the Evergreen Cooperative Corporation (ECC). Evergreen has been institutionalized. The first step was the 501(c)(3) status that was granted in December 2012. A new board comprised of high-level business leaders was established in mid-2013, allowing for the formalization of the anchors’ role in Evergreen. It should be noted that anchors and funders continue to believe in the Evergreen as one*

model of building wealth in low-income neighborhoods. The anchors committed to a third round of funding and are looking for additional ways to use the Evergreen cooperatives in the efforts to increase local procurement. The Evergreen Cooperatives contribute to the Buy Local goal, as well as the Hire Local, Live Local, and Connect Residents goals.

### *Perspectives*

Anchors, the Cleveland Foundation, and others have realized that working jointly on the Buy Local goal is very challenging, particularly when it comes to changing the supply chain culture within each anchor. Although changes in procurement policies are viewed as system change outcomes, new policies do not necessarily change behavior; each anchor needs to change behavior of its own supply-chain leaders, and then educate and train employees who will ultimately implement the new policy. Tracking trends in procurement is also a challenge.

*However, we observed an interim system change in the way anchors are seeing the connection between their procurement and local economic development (especially among the anchors' leadership). Anchor leadership understands that their efforts to increase local purchases have a direct effect on the jobs available to local residents, and, although it is challenging to change the incentives and behavior of procurement people, they need to continue to work on it*

All anchors also agree that some national suppliers provide local impact by hiring of local employees. This is especially true in food services, cleaning services, parking services, and security services. The anchors jointly agreed that these suppliers should not be targets for import substitution, since the entry level jobs—jobs that could be filled by residents of the target neighborhoods—would be filled by local residents whether the vendor would be a local or national company.

*The changed thinking led to another system change outcome, where the anchors shared their lists of purchasing contracts expiring in the next 12-18 months with BioEnterprise. While selecting their candidates for this list, the anchors were thinking about local economic development and agreed to take into account the type of companies that might realistically come to Cleveland. In joint discussions, they have considered whether there will be a net economic gain by bringing these companies to Cleveland. It should be noted that these discussions are difficult because the supply chain professionals are asked to both increase procurement from local, minority- and female-owned businesses and to cut costs, which may conflict with each other.*

*Another example of interim system change outcome includes changing the approach to increasing local procurement. The strategy has shifted to identifying specific companies that supply multiple anchors and that can be attracted to the HTC.*

*One enduring system change outcome is a new procurement policy at University Hospitals. The new transparent sourcing policy, instituted in 2012, requires that any contract over \$50,000 has to go to bid to at least one local, minority-owned, female-owned, or veteran-owned business. University Hospitals also has a new food policy committee, which is multi-department and multi-disciplinary (from supply chain, through nutrition and to clinical menu planning). The committee's goal is to increase local food purchasing. Cleveland Clinic and Case Western Reserve University are also introducing changes in the procurement policies. Another enduring outcome is the Clinic's transparency goals for purchasing from MBEs and FBEs.*

One example of paradigm shifts affecting guidelines and policies on the ground is the lengthy negotiation between University Hospitals and Owens & Minor to relocate the distributor's facilities to a site near the GUC area (*an enduring system change outcome*). University Hospitals was willing to shift from a two-year to a 10-year contract worth \$750 million of purchasing to cement the Owens & Minor relocation from an outer-ring suburb in Cuyahoga County to Cleveland, preventing the move from occurring outside of Northeast Ohio. Following two years of efforts by University Hospitals, the city of Cleveland, and others, Owens & Minor broke ground in Cleveland, with an investment of \$6 million in bricks and mortar. While they are not expected to add jobs immediately, this site allows for future expansion. The company received a 60% tax abatement, but the land was more expensive than it would have been in the suburbs. The new building will be LEED certified. With the merger of University Hospitals with several smaller regional hospitals, more hospitals will now buy from Owens & Minor, which may lead to additional jobs.

*Another recent interim system change is the establishment of the Interise model in Cleveland.* With large subsidies from the LC grant dollars, Interise is bringing its "Streetwise MBA program" to small businesses in Cleveland branded as "NextStep." The grant is covering partial tuition for business owners, as well as administrative costs at University Circle, Inc., which will administer the program and recruit companies for the training. The goal is to have 20 businesses participate in each course, which will be offered twice every year.

Figures 3 and 4 summarize the system change outcomes that are associated with the Buy Local goal.

Figure 3: Interim System Change Outcomes Associated with the “Buy Local” Goal

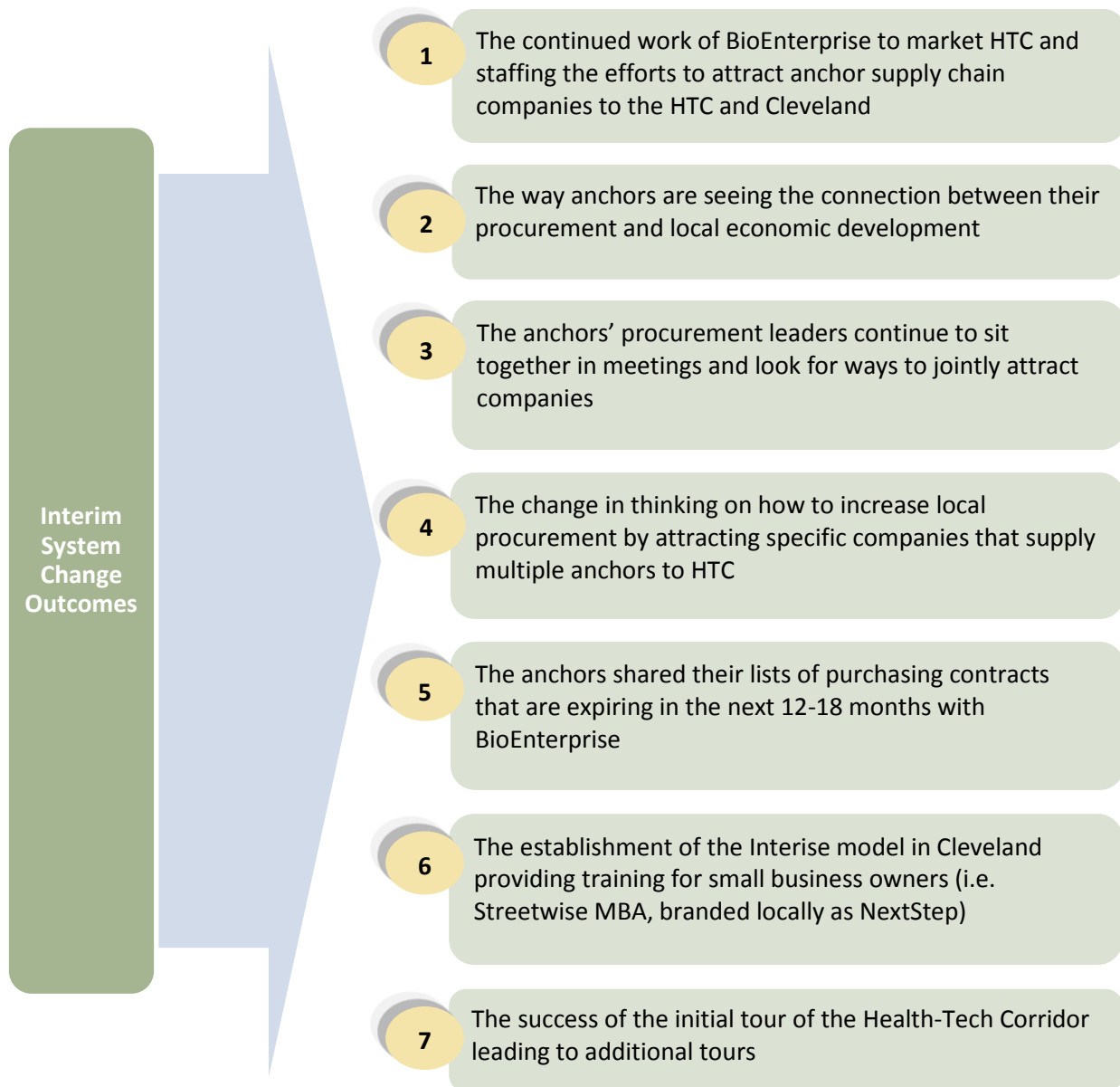
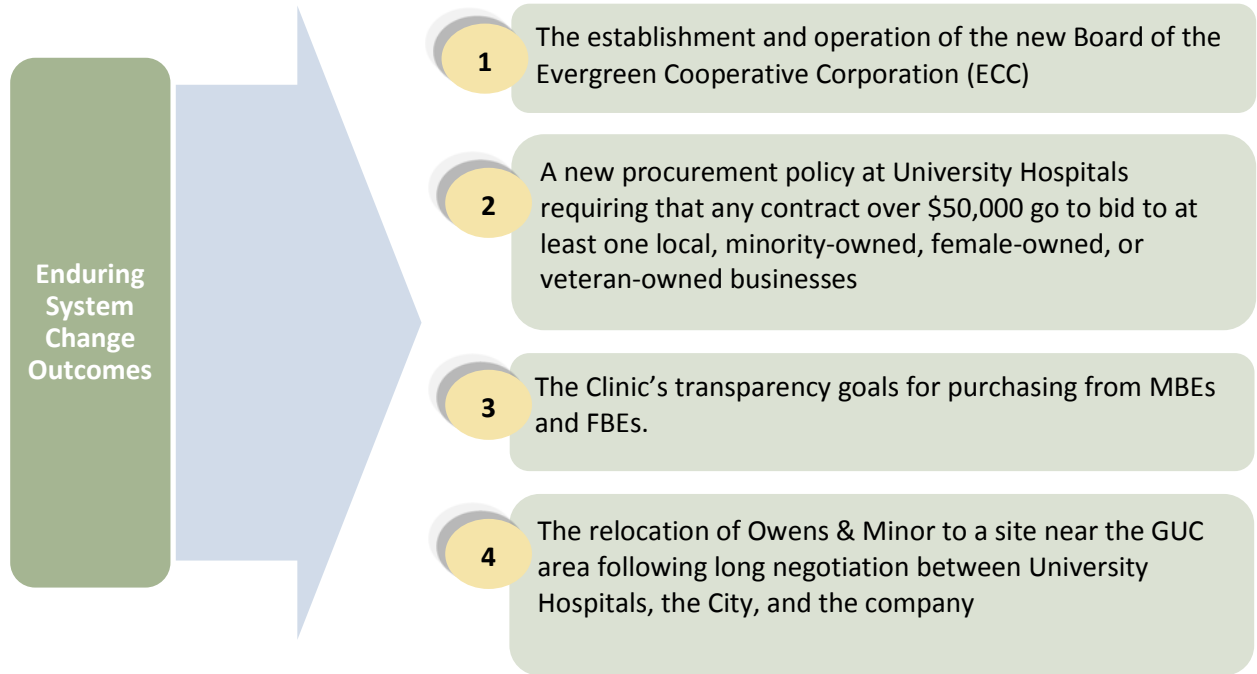


Figure 4: Enduring System Change Outcomes Associated with the “Buy Local” Goal



## **HIRE LOCAL (\$236,000 IN 2013)**

EIMC members identified workforce development as a top priority 2012, a choice strongly suggested and supported by Living Cities' staff. Inspired by the 2012 visit to the Cincinnati Partnership for a Competitive Workforce, organized by the Cleveland Foundation and funded by TII, the anchors set a goal of 500 new hires from the GUC neighborhoods over 10 years. The focus is to build and attract a neighborhood workforce pipeline and to retain and provide career pathways with incumbent worker training for residents.

### **Setting a Baseline and Collecting Data**

One challenge to tracking progress toward the new Hire Local goal was identifying the baseline against which to measure success. All of the anchors have employees who live in the GUC neighborhoods, but lacked a collective means of tracking new hires. The evaluation team has been collecting data from the anchors for the past two years, but each anchor has used different methods to count "local hires," so the numbers were not comparable. The Cleveland Foundation convened the HR directors and HR IT people from all three anchors. Following confidentiality agreements, they agreed to provide CSU with information on employee addresses, including new hires, and to use similar job classifications. CSU implemented stringent methods to protect the confidentiality of the data. The HR committee met three times to determine common job categories and agree on the format and timing for providing this data to CSU for geocoding and analysis. This data revealed that the two health systems have hired 539 new employees from the GUC neighborhoods since January 2013. They quickly realized that the original new hire goal was too modest and needed to be increased. The data analysis is presented in the program report.

It is important to note that in addition to workers directly employed by the anchors, many entry-level jobs are actually jobs offered through contractors that provide security, food service, and parking services to the anchors. Because they are not anchor employees, they are not included in the data provided by the anchors, although they may be living in the GUC neighborhoods.

### **Support Current Employees Living in GUC Neighborhoods**

The anchors use several strategies to meet the Hire Local goals. First, each anchor works internally to identify areas where they can strengthen support for employees residing in GUC neighborhoods. Second, both the Clinic and UH have employee "affinity groups" that offer employees with shared interests an opportunity to meet monthly or quarterly. At a Hire Local Subcommittee meeting, the Cleveland Clinic representative suggested that there could be an affinity group for employees that live in the GUC neighborhoods. Both healthcare anchors are pursuing this strategy with University Hospitals set to hold its first meeting in early 2014.

### **Towards Employment, StepUp to UH Pilot (\$171,000)**

The TII has invested in a pilot initiative to provide opportunities for low-income residents to overcome the historic disconnect between GUC residents and the region's largest employers. This pilot has begun showing some positive results in the large and complex area of workforce. The early results of "Step Up to UH" are promising.

The idea for Step Up to UH emerged from a successful program at University Hospitals with Towards Employment (TE) called “Pathway to PCA.” This program selected ten entry-level employees working in Environmental Services, Patient Transport, and Nutrition Services and provided them with the training and soft skills needed to advance to Patient Care Assistants (PCA) positions. PCA technical training was provided by Cuyahoga Community College. TE provided a one-week job readiness and soft skills training program. The employees were promoted to PCAs in January 2013. TE provided onsite job coaching for them through June 2013. All ten retained employment for the first six months, and nine continued on to the next rung of the ladder, receiving additional training to become Clinical Technical Assistants (CTAs). Eight are still on the job after twelve months.

Pathway to PCA proved that training, coaching and investing in employees could yield positive retention results. It built a new level of trust and deepened the relationship between UH and TE. One result is that University Hospitals’ recruiters are more open to considering ways to fill the newly opened positions created through the program by giving priority to GUC residents. This was a barrier that recruiters previously felt was insurmountable.

Furthermore, Pathway to PCA created an opportunity to develop the “funnel before the funnel”<sup>5</sup> approach to backfill the entry-level jobs with GUC neighborhood residents. TE and NC partnered with University Hospitals on this program. They used the competencies required for each position to design targeted outreach. Potential applicants were then rigorously screened. Those who passed the screening received training. University Hospitals committed to giving “preferred” status to this pool of candidates. Once they were hired, they received on-the-job coaching to help them advance in their careers, thus freeing up additional entry-level jobs for residents. University Hospitals committed to continue to develop the pipeline of candidates from GUC neighborhoods (a significant system change).

EIMC partners, including NC, Fairfax Renaissance Community Development Corporation, Famicos, CMHA, UCI, and Burton Bell Carr, provided outreach assistance identifying potential neighborhood residents to fill the UH positions. In total, 100 people attended the sessions and 75-80 submitted applications. TE conducted phone screening with the applicants, as well as background checks and drug screenings.

The first round had a goal of filling seven positions, and 26 people were accepted into the program for a two-week job readiness workshop. Of these, 21 began the workshop and 20 completed it. Of the workshop graduates, 13 candidates were selected for interviews with hiring managers. All 12 were recommended for hire. Based on the success of the first cohort, two additional cohorts were run in October and December. Currently, 28 GUC residents have gained employment at University Hospitals, and with ongoing support from the TE job coach retention has been high.

To date, the pilot has been supported by LC grant dollars. University Hospitals is conducting a Return on Investment (ROI) analysis on the program to understand the cost savings.

A number of lessons have been learned from the pilot. First, it is important to understand the job-specific qualifications up front so that the outreach partners can perform basic outreach and screening of their stakeholder groups. Customized job readiness programs require sufficient lead-time. The program is getting the right people in the appropriate jobs, and they are keeping those jobs. For individuals that do not meet the basic requirements, other programs should be available for referrals.

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<sup>5</sup> A term coined by UH HR Director Kim Shelnick

However, community partners are key. As one interviewee stated, "...without assistance from NC or TE, these neighborhood residents would not be employed."

The anchors hire numerous entry-level employees each year, so there is potential to scale up, but this process is quite labor-intensive on the front end. NC reported that recruiting residents with the desired capabilities was very time-intensive. The success of the "funnel before the funnel" approach depends heavily on the quality of the outreach. Towards Employment's role was key as well. The approach is also relatively expensive, and while it appears to have potential, it will likely not continue, at least in the short term, without significant levels of grant funding. It should be noted that the Cleveland Foundation has just committed funding in 2014 for two additional rounds of recruitments and training with the goal of hiring 60 new workers from GUC neighborhoods.

On the other hand, if the program is to become sustainable, it cannot depend on grant funding. The ROI analysis will be important in determining the extent to which the program can become self-sustaining, if at all. There is a great deal of pressure on the anchors to cut costs, and the program is unsupported without this outside funding. The Cleveland Clinic, Case Western Reserve University, and Metro Health System (on Cleveland's west side) are following this pilot program with great interest and may consider a similar approach. Further, this may be something that the Cleveland-Cuyahoga County WIB would support or be interested in scaling up. The Human Resource director at University Hospitals is on the WIB and she has introduced the idea.

The initial success of the program was shared at a convening of workforce training stakeholders and the Hire Local subcommittee. It is being used to inform the EIMC/GUCI workforce strategy. As a next step, the partners are exploring how they can align with the city's new Community Benefit Agreement.

Each of the anchors has launched innovative pilot programs aimed at better recruitment from the target neighborhoods and providing career pathways for local residents, in addition to their Evergreen and NewBridge contributions.

While Case Western Reserve University and the Cleveland Clinic are not participating in these particular pilots, each has internal programs to recruit neighborhood residents (and, for the Cleveland Clinic, veterans). For example, the Clinic posts videos on its website showing what working in a hospital and at specific jobs is like. It works closely with community partners such as New Bridge, Guidestone, Employment Connection, and the Fairfax Renaissance Development Corporation to provide a portal for job applicants and educate residents about job requirements and skills. They also work internally with entry-level employees to understand the career ladder and the opportunities available. The Clinic also recruits directly from the Cleveland Metropolitan School District using internships and other programs, including some technology-based training programs.

Case Western Reserve University has an internal career ladder with training and development programs. For example, the university's entry-level career-ladder program for customer service employees offers training in computers, interpersonal communication, and writing improvement skills. The program helps employees with their resumes, interview skills, and applications to other jobs within the university. Each year, CWRU has a new cohort of 35-50 employees that participate in this program; however, this program does not focus on employees from the GUCI target neighborhoods. CWRU will look into outreach efforts after reviewing the data analysis on new hires.



## Strategic Workforce Alignment Group/Workforce Investment Board (\$65,000)

In May 2013, after two years of planning, the Cleveland/Cuyahoga County Workforce Investment Board (WIB) approved creation of the Strategic Workforce Alignment Group (SWAG). SWAG's goal is to address gaps that constrain the alignment of labor supply and demand in the Greater Cleveland area. In July 2013, Living Cities' funds were allocated to hire a consultant for the SWAG to coordinate implementation of SWAG's 15 action strategies. These strategies focus on three areas: training, internships, career, and job related information gaps; the skills gap (soft skills, common competencies, credentials and certifications); and the "location gap" (the jobs, housing, and transportation mismatches.)

The consultant is also working with the WIB to create a Council of Government (COG) which would operate more efficiently than the current structure.

Although this work is "adjacent" to the EIMC, the consultant is now a committee member and participates in the Hire Local conversations, serving as a liaison to this larger workforce restructuring effort.

## System Change Outcomes

### *Boundaries & Relationships*

*There are two types of system change outcomes related to the Hire Local goal. 1) Interim: outcomes related to individual workforce development programs at each of the anchors (as described above) and the continued improvements at NewBridge. 2) Enduring: outcomes related to the shared commitment of providing comparable data on total employment and new hires by the Human Resources Directors from each of the three anchors. The data analysis on new hires by place of residence and occupational category allows the anchors to monitor progress towards goals of local hire, as well as revise the goals by developing new strategies to achieve these goals.*

*If the lessons learned from the "Step Up to UH" pilot, currently an interim system change outcome, can be successfully applied to other workforce programs, it has the potential to become an enduring system change outcome. The Human Resources Director at University Hospitals is on the Workforce Investment Board (WIB), and she has introduced the idea of the "funnel before the funnel" to the WIB. She has shared the results of this pilot with the WIB and others. To date, the pilot has demonstrated that non-traditional, community-based organizations such as NC, Famicos, and others can be effective workforce partners. Additionally, they are well-positioned in the community to identify candidates with a high probability of successful employment, provided the candidates have access to the type of quality training and on-the-job coaching provided by TE and a clear pathway into the hiring anchor institution. Outside funding is critical to this effort. The Cleveland Clinic and Case Western Reserve University are interested in undertaking their own pilot programs, but funding is needed.*

*An enduring system change is that the three anchors not only agreed on the large goal of 500 new hires from the target neighborhoods, and are working to implement that goal within their own institutions, but they also agreed to measure their progress. The anchors now provide quarterly data on their new hires to the evaluators. With geocoding and analysis provided by the CSU evaluators, the anchors now understand the share of their new hires that live in GUC neighborhoods. The data analysis also enables*

grouping of the new hires into broad occupational categories that are similar across institutions. Finally, anchors can use the data to better understand attraction and retention rates by job classification.

There is interest in further analysis during 2014 to determine the retention rate for new hires from the target neighborhoods. Since these jobs are known for their high turnover rate, it is not enough to hire from the target neighborhoods—follow up is necessary to determine whether or not these employees retain these positions. It should be noted that the data sharing is a direct result of a series of meetings with anchor Human Resource directors and Information Technology staff convened by the Cleveland Foundation. These meetings would not have happened without the trust and strong relationships built through the GUCI and EIMC. *The anchors' Human Resource directors' collaborative efforts resulted in shared goals and intercommunication of the data analysis results, which represents an interim system change. The analysis and resulting strategies for increased local hiring is an enduring system change.* The original goal set by the anchors was to hire 500 people from the target neighborhoods. The initial analysis showed that this goal was already met during 2013 and that actual data is needed to set accurate goals and monitor progress. The anchors committed to setting new goals based on the 2013 data analysis.

### *Perspectives*

*All three anchors have a renewed focus on providing additional training to their existing employees, especially those in entry-level positions; this is an interim system change outcome.* Each anchor has individual programs that expose people to available opportunities, help them understand the career ladder offered, and assist employees in becoming better internal candidates for open positions.

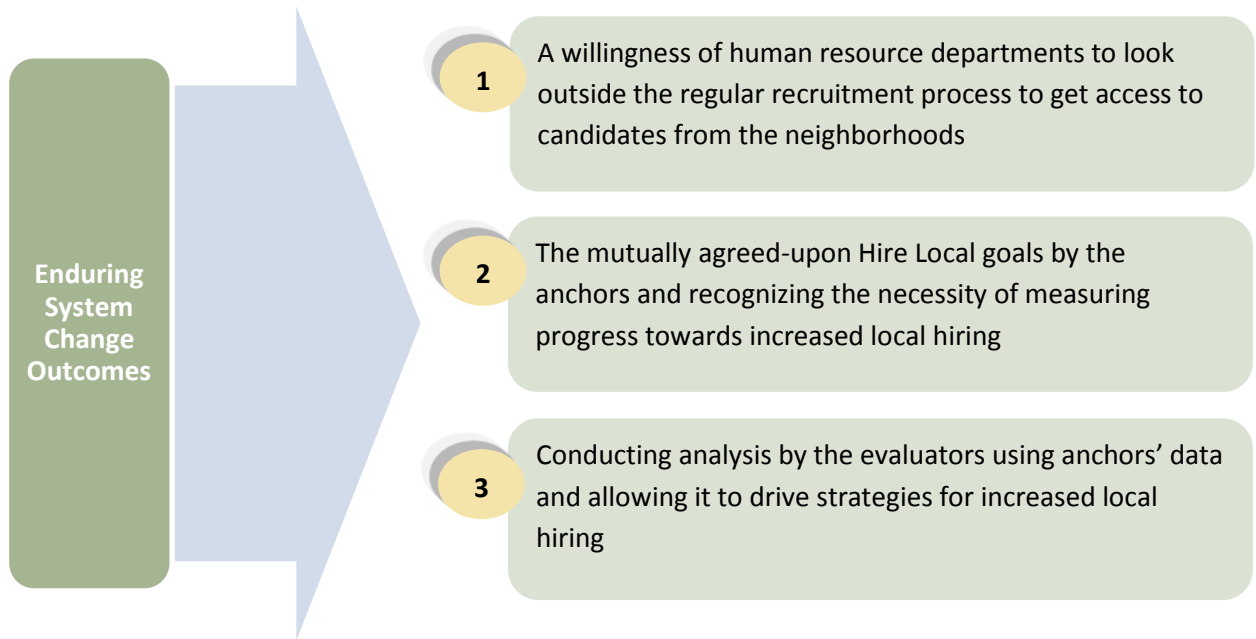
*An enduring system change in local hiring is the result of a culture change in anchor HR departments.* According to some of the interviewees, anchors' senior leadership has recognized that hiring locally is good for their institutions, and the best way to increase local hiring is to partner with community organizations that know local residents. This culture change has emerged organically. Now, at one of the hospital systems, *human resource recruiters are willing to look outside of the regular recruitment process to access qualified candidates from the GUC neighborhoods.* These are not new policies, but rather new practices attributable to EIMC and its subcommittee's participation, including partnering with Neighborhood Connections and Towards Employment.

Figures 5 and 6 portray the interim and system changes associated with the Hire Local goal.

Figure 5: Interim System Change Outcomes Associated with the “Hire Local” Goal



Figure 6: Enduring System Change Outcomes Associated with the “Hire Local” Goal



## LIVE LOCAL

The Live Local goal aims to attract and retain residents in the GUC neighborhoods. Although no Living Cities funding is being used to support the Live Local programs, it remains closely aligned with the initiative, and one of the three EIMC subcommittees is working to make the GUC a neighborhood of choice. It should be noted that the TII has invested substantial funding in Neighborhoods Connection and Neighborhood Voice, which are closely related to Live Local, but are described separately in the next section of the report.

There are two programs supporting the Live Local goal:

- 1) Greater Circle Living (GCL), an employee housing assistance program
- 2) Evergreen Housing Program for Evergreen employees

There is also an effort to promote anchor and city investment in creating greater housing product diversity in the GUC neighborhoods. The subcommittee members have worked together to refine the strategies.

Subcommittee members are also discussing how the large public, anchor, and philanthropic investments in physical development and transportation projects in the GUC area can be tied to the economic-inclusion programs more substantially. For example, University Hospitals and Case Western Reserve University have been working with UCI and the Greater Cleveland Regional Transit Authority on replacing the E. 120<sup>th</sup> Rapid station with a new station in a location that better serves the Little Italy neighborhood. They have only recently made efforts to involve neighborhood residents and organizations. Yet one positive result reflecting greater community input is reflected in the name change, from University Circle/Little Italy to Little Italy/University Circle.

Another strategy is identifying common quality of life indicators that could be agreed upon by all the anchors. Various dashboards are being explored, including connections with the city of Cleveland's sustainability indicators adopting the Democracy Collaborative's dashboard of anchor engagement. The Cleveland Foundation is coordinating this effort.

The programs are described in greater detail below.

### Greater Circle Living

Greater Circle Living is an employer-assisted housing program available to all anchor institution and non-profit employees located in the GUC. The program began offering housing incentives in 2008, and University, Inc. and the Fairfax Renaissance Development Corporation administer it. The program's goal is to increase the number of employees who live in GUC. After several years of low activity, partially due to the housing crisis, but also because of differing requirements among the participating organizations, the housing program was revamped in 2012. Furthermore, the program's management was improved, the benefit per home buyer was increased to a maximum of \$30,000, and barriers to participation for new hires and part-time employees were eliminated. The Manager of Greater Circle Living is now a member of the EIMC and the marketing person from UCI is a member of the Live Local subcommittee. Since the rollout of the revamped program in the fall of 2012 through December 31, 2013, usage has increased significantly and is enticing people outside of the region who are moving to the Cleveland area

to live in the GUC. Details about the program and indicators of success are included in the Programs report.

Going forward, it will be important to maintain the interest and funding commitment from the anchor partners. There are varying levels of program commitment. In 2013, University Hospitals spent about \$174,000 for employees taking advantage of this program, the Cleveland Clinic spent \$118,500, and Case Western Reserve University spent \$84,000.

Employees who participate in the program experience numerous benefits. As one Cleveland Clinic nurse wrote in a letter to Dr. Toby Cosgrove, Chief Executive Officer and President, Cleveland Clinic:

*For the past seven years that I have lived here in Cleveland, I have come to the point of deciding of staying here for good. I come from a foreign country and some of my objectives when I came over is finding a stable job and providing a safe roof and environment for my family. I visited other places but nothing made me feel like home except here. . . . It is my turn to thank your good office and the people behind this for supporting my dream, an American dream of becoming a homeowner and also for revitalizing the neighborhood to which I am now a member.*

A Case Western Reserve University employee who rented a home through the program wrote:

*On September 22, 2012, I became an official resident of the new Circle East Townhomes (a new development in East Cleveland), partly due to the Rental Assistance program. Having our University serve as a partner in this endeavor; speaks not only to our investment in our employee's growth and development, but to that of our community as well.*

### Evergreen Housing Program

The Evergreen Housing Program (EHP) is a two-year pilot created in June 2012 to integrate stable, affordable housing with job retention for Evergreen Cooperative worker-owners. Evergreen provides employment opportunities for hard-to-employ individuals, many with criminal records.

EHP is administered by the Cleveland Housing Network (CHN) and the Evergreen Cooperative Corporation. It is funded by a \$380,000 grant from the Cleveland Foundation and provides affordable, five year, interest-free home purchase loans for up to 20 ECC employees. The program provides quality, affordable housing for participants and responsible-owner occupants in what otherwise might be vacant homes. The CHN highly values this program and sees it as a possible new model for home ownership.

By the end of 2013, 12 employees had taken advantage of the program, purchasing homes in GUC neighborhoods with a monthly payment of under \$500. The program is only available to those who have achieved an equity stake in the Evergreen Cooperatives. Their stake of \$3,000 in the company is frozen as collateral for the house. Mortgage payments are deducted from their paychecks. The program links people strategy to the place-based strategy. As a result of the program, workers build wealth faster and have the potential to become long-term residents of the GUC neighborhoods.

## System Change Outcomes

### *Boundaries*

*The introduction of the Evergreen Housing Program in the past year is a change in boundaries, an interim system change outcome. More significant is the observed enduring system change outcome in providing housing programs that link people-strategies to place strategies, resulting in employees staying in the neighborhoods.*

### *Relationships*

Greater Circle Living's revamping and marketing revisions required improved relationships within and among the anchors. All anchors increased their incentives for home purchase and removed some of the restrictive eligibility criteria. *The anchors and funders' collaborative work, which resulted in a better and more efficient housing program, represents an interim system change.*

### *Perspectives*

*The shift in thinking regarding the correlation between housing and employment stability represents an enduring system change. The Evergreen Housing program developed to assist Evergreen Cooperative employees in stabilizing their housing situation to reduce missed work and assisting them in creating wealth by purchasing a home. A related interim system change outcome is the high value that CHN places on this program, and the program's potential to become a possible new model for home ownership.*

*Another enduring system change is the changed thinking on the part of the anchors' leadership who now want to invest in "neighborhood stabilization projects." The fact that they frame the new projects as such is an indicator of a system change. Examples include anchor investments in the physical development of three neighborhoods: Fairfax, Circle North, and Little Italy.*

Figures 7 and 8 summarize the interim and enduring system change outcomes associated with the Live Local goal.

Figure 7: Interim System Change Outcomes Associated with the “Live Local” Goal

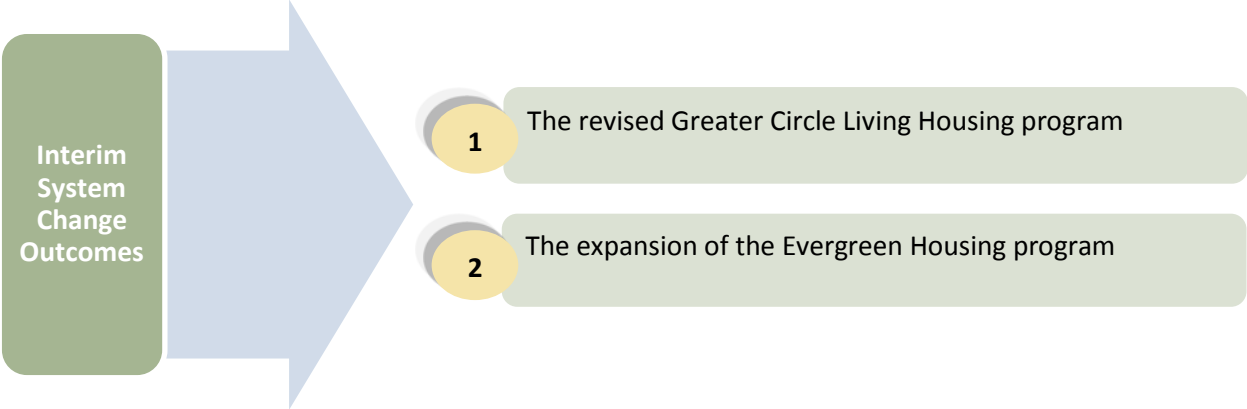
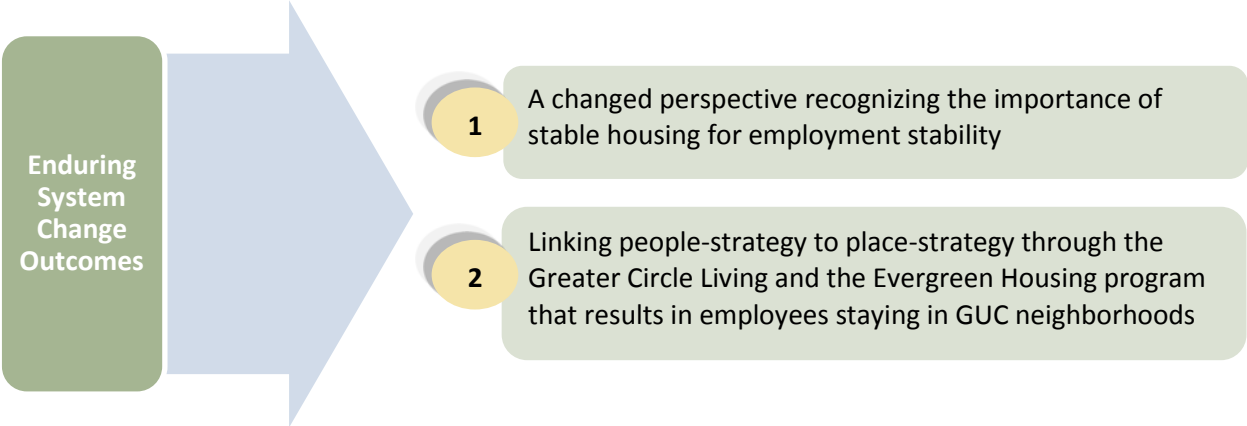


Figure 8: Enduring System Change Outcomes Associated with the “Live Local” Goal





## CONNECT (\$262,500 IN 2013)

The goal of the GUCI/TII's community engagement work is to connect residents from different neighborhoods and backgrounds with each other and with the anchor institutions and to strengthen the resiliency of residents and the neighborhoods in which they live. This work is closely tied to the Live Local goal and forms the foundation for building wealth in the GUC and sustaining that wealth over time.

Neighborhood Connections (NC) and Neighborhood Voice (NV) are the primary vehicles used by the TII to better connect with residents.

### Neighborhood Connections (\$292,500)

In 2013, NC had six goals for its work with the GUCI:

1. Brand and build the Neighbor Up Network.
2. Engage and innovate with new network members around wealth building in GUC.
3. Engage and innovate with network members around healthy living in GUC.
4. Engage and innovate with Circle North residents to affirm identity, build relationships and cultivate leadership.
5. Develop and implement practices to create a more valuable and hope-filled experience in GUC.
6. Communicate the narrative and tell real stories of people's experience in the Neighbor Up network and in building wealth in GUC.

Neighborhood Connections (NC) and Neighborhood Voice (NV) play a key role in the EIMC work. Over the past three years, the two organizations received the largest share of the TII grant funding for their work empowering, connecting and communicating with residents (\$685,000). NC was established in 2003 by the Cleveland Foundation to empower Cleveland residents city-wide and to encourage more engagement with each other and the city around them. NC's primary role was to administer a small grants program and to support resident-driven projects to improve neighborhoods. Although the organization continues its small grants work throughout the city (including in the GUC neighborhoods), this role expanded significantly in 2011 when TII funded NC to empower residents and engage all of the GUC communities. NC also works with the TII partners to bridge the long-standing divide between GUC residents and organizations with the anchor institutions.

All of the partners recognize the important role that NC plays and value the organization's participation. NC is integrated with all of the TII goals, and its staff has developed good relationships, thereby earning the respect of all the partners. NC is "on the ground," pushing for the community's interests and increasing community engagement.

Over the GUCI/TII's 3 years, NC has adapted its community engagement approach periodically based on feedback and input from residents, evaluators, and rigorous self-assessment, while remaining focused on providing opportunities for residential engagement to forge pathways to a stronger economic future. NC is increasingly viewed as a trusted partner able to connect the anchors and other EIMC partners with neighborhood residents and organizations.

This trust is evident in the roles NC played in the TII. It provided a pipeline to entry level jobs, partnered with Famicos on the Circle North Project, joined University Hospitals and Towards Employment to identify qualified neighborhood residents to participate in the “Step Up to UH” program, worked with Case Western Reserve University’s Public Health Advisory Board staff on a program to improve neighborhood health outcomes, and shifted from the decentralized Neighbor Circles to “Neighbor Up”—a monthly gathering in University Circle where residents, institutions and others can network on jobs, health, safety, and other community issues.

In conclusion, NC’s role as the “glue” or “connective tissue” for the GUCI/TII initiative is also evident in its work with other EIMC members (such as its work with Towards Employment) to link neighborhood residents to employment opportunities at the anchors. NC has become a trusted source of advice and a reliable partner for all of the EIMC members as they seek to engage with the community. Additionally, they are slowly becoming a partner for Community Development Corporations and residents who are looking for ways to positively interact with the anchors.

### *Connecting Residents*

NC continues to use surveys to gather information in a continuous process of “learn, measure, [and] improve.” The surveys reveal how well residents are connected to the resources in the GUC and their perceptions of the institutions.

Surveys are widely available at all NC events and distributed to all grant seekers. They are also available online and promoted through NV, which enters people in monthly drawings to win \$25-\$50 by completing the survey online or requesting a hardcopy survey be sent in the mail.

In 2013, 89 residents completed surveys. The evaluation team analyzed the survey results for NC. Of the respondents, 64% felt they had access to the resources of the institutions and organizations in Greater University Circle at least most of the time. Only 8% believed that they never had access. Additionally, 73% of respondents thought that University Circle institutions considered the community’s best interests at least somewhat.

Respondents seemed well informed about GUC initiatives. Of the 89 respondents who answered the question, 84% were familiar with Neighborhood Connections and the Health Line, 54% were familiar with Greater Circle Living, 44% were familiar with the Evergreen Cooperatives, 42% were familiar with NewBridge, and 36% were familiar with the Health Tech Corridor. When asked how they had heard about the above initiatives, 57% had heard about them through word of mouth and 54% through the *Neighborhood Voice*.

When asked about their participation in Neighborhood Connections activities, 42% had applied for a grant, 29% had contributed to the *Neighborhood Voice*, 18% had participated in a Neighbor Circle, and 17% had attended a Network Night. Respondents also participated in Innovation Teams, neighborhood tours, the Ambassador program, and the Grant Making Committee. In another survey administered by Neighborhood Connections, participants of Network Night had the opportunity to provide feedback on their experiences. Nearly all surveyed felt more powerful and valued after the exercise. Respondents indicated that they made connections with people as a result of the event, and they now had greater expectations for what was possible in their neighborhoods.

In addition to analyzing the surveys, the evaluation team conducted a focus group in November 2013 with eight participants in NC events. Focus group participants cited a number of ways they or their neighborhoods have benefitted from participating in NC programs, including getting to know their neighbors, strengthening relationships with neighbors, connecting with people they would not have had an opportunity to meet through neighborhood beautification projects and soccer games, learning how to conduct Neighbor circles, and neighborhood beautification and improvement efforts (primarily in the Circle North neighborhood). One resident is now taking classes at Case Western Reserve University, and another is at the Cleveland Institute of Art. Young people are starting to see that they have a place in the future of the city. However, a number of serious neighborhood concerns remain around crime and lack of transportation, recreational facilities, and police responsiveness, in addition to abandoned and the threat of development that is “not for the people”.

### **Neighbor Up Network**

NC’s goal was to build a network of people from all over Greater University Circle. In November 2012, NC held its first monthly network night to identify and discuss community issues, facilitate ongoing mutual support, and spark collective action. Issues were discussed in small groups and successful strategies for dealing with issues were highlighted. Recognizing that naming and describing the work of the network was crucial, the program was rebranded as the Neighbor Up Network in 2013. In total, about 500 people have signed up as members and over 1000 have participated in NC’s various network building activities.

### **Circle North**

Circle North is a new initiative in 2013 designed to build community in a two-square block area of the Wade Park neighborhood, north of University Circle.<sup>6</sup> It is run by Famicos and Neighborhood Connections. Over 200 residents participated in a variety of activities designed to build relationships and social cohesion including neighbor circles. Areas of concern include increased safety, beautification, and home repair. A summer youth landscaping employment program successfully employed 50 area youth ages 10 and up.

Additional funding for the program was provided by Charter One Bank and The Cleveland Foundation, which provided \$220,000. One young participant described his experience in the summer landscaping program:

*I would love to work at this job again. It’s not just all about the money. It’s about making the environment look better . . . making new friends, helping each other out.*

Another wrote:

*I can’t explain how thankful I am for this opportunity . . . . I appreciate you not only being my boss, but also my mentor and friend.*

A long-time neighborhood resident wrote:

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<sup>6</sup> Circle North runs from E. 116<sup>th</sup> to E. 120<sup>th</sup> and from Ashbury to Kelton.

*I would love to continue to have my children in your fall program because it has taught them responsibility, respect, and caring for others. I love my community and now my kids have something to look forward to.*

While the partnership between Neighborhood Connections and Famicos successfully connected the community engagement work of GUCI with a CDC serving the neighborhood, different organizational cultures and authentic power sharing with residents caused some challenges. The program successfully brought marginalized populations to the table: men, youth, and young moms. Yet having many players in this project made it difficult to navigate among NC, residents, Famicos, Evergreen, Charter One, and the Cleveland Foundation.

This deeper level of engagement in a neighborhood requires a long-term time commitment. A focus group held by the evaluation team with Circle North participants (and other NC program participants) revealed that residents felt very disconnected from one another and from the resources inherent in the cultural and non-profit institutions in the GUC. Now, neighbors watch out for each other, complete safety training classes, complete neighborhood clean-ups, and have also reorganized their block club and created a logo to identify their small neighborhood. One resident of Circle North who participated in the community-building program described a new sense of empowerment and ownership of her block. Prior to participating in the program, if she saw something suspicious happening on her street, she would go in her house and close the door. Now if she sees young people hanging out on her block, she feels empowered to go out and ask them to move on.

## NC Grants

In fall of 2013, 25 NC grants were approved for resident-led projects in GUC totaling \$79,421. The grants funded a range of projects including community history tours, community health activities, sewing classes, home beautification and gardens, and dance and exercise classes.

Modeled after the Neighborhood Connections small grant program, University Hospitals is discussing the introduction of a small grant program to give small loans focusing on health- and wellness-related activities in the GUC neighborhoods. This program is designed to increase the hospital's community benefits prompted by the Affordable Care Act; hospitals will be will be evaluated on their community benefit.<sup>7</sup>

## Step Up to UH

A significant investment of NC staff time and resources in 2013 was dedicated to the "Step Up to UH" program, collaboration between NC, Towards Employment, and University Hospitals. (For a full description of this program, see pages 29-31 in this report).

## Neighborhood Voice

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<sup>7</sup> Section 9007 of The Patient Protection and Affordable Care Act (ACA) revises the federal tax-exempt status requirements for nonprofit hospitals, to assure that hospitals' "community benefit" investments (a condition of their tax-exempt status) are transparent, concrete, measurable, and both responsive and accountable to identified community need. To this end, the ACA requires hospitals to conduct a "community health needs assessment" (CHNA) and to adopt an "Implementation Strategy."

One of the most powerful tools for communication, outreach, and engagement is the *Neighborhood Voice (NV)*, a community newspaper and website serving University Circle and the surrounding communities of Central, Fairfax, Glenville, Hough, Buckeye-Shaker, Little Italy, and East Cleveland. In 2012, LC funding of \$30,000 leveraged additional \$32,000 grant from the Knight Foundation to build a new communication platform. In 2013, NV created this new communication platform to link residents and anchor institutions in GUC through its responsive website that works on phone, pad, or computer screen. This platform has enhanced NV's ability to both "push" info out into the community and "pull" information in, which will further connect citizen journalists, resident readers, and anchor partners in the exchange of information and opportunities.

*Neighborhood Voice* began publishing in September of 2010 with the intent to inform and inspire residents, organizations, and businesses and to create an identity for Greater University Circle.

As part of the evaluation, a content analysis was conducted in 2012 and 2013 to better understand the content and tone of the articles, as well as who was writing them. In total, the team analyzed 37 issues and over 1,260 pieces published from September 2010 through December 2013 (excluding the October 2010 and January 2011 issues). Over this time period, NV had twelve people who were paid at some point to write for the paper. It also had 244 contributing, unpaid writers, including "citizen journalists," residents, employees, or affiliates of the anchor institutions and others.

In 2013, writers authored a total of 145 articles; 72 of those articles (50%) were written by 25 confirmed GUC residents. Seven people submitted regular columns in 2013, three of whom were considered *Neighborhood Voice* staff. Four regular columnists were confirmed residents of GUC, representing Buckeye-Shaker, University Circle, and East Cleveland. One additional regular columnist was an affiliate of the Cleveland Clinic. In total, these regular writers were responsible for 60% of total articles.

About 24% of the 145 articles written in 2013 mentioned anchor institutions, 60% of which mention the institutions in a positive light. The remaining 40% of articles mentioning anchors are neutral in tone. Cleveland Clinic and Case Western Reserve University were far more likely to be mentioned than University Hospitals, nearly three times more likely and five times more likely respectively. Additionally, about one third of the articles relating to broad themes essential to the TII (local workforce, local purchasing, community engagement, health, and education) mention at least one anchor institution, reinforcing the connection between residents and anchors.

A description of the detailed content analysis is included in the companion report on TII-related programs and projects

## System Change Outcomes

### *Boundaries & Relationships*

*Neighborhood Connections introduced an interim system change in community engagement.* If the work of NC becomes permanent, it will become an enduring system change. NC is integrated with activities involving all the goals, and their staff has developed good relationships and earned the respect of all the partners, including the three anchors. NC staff members are "on the ground" and they push for the community's interests and for further community engagement.

*The enduring system change in Cleveland is that the anchors have a vehicle to engage with the community and take the community's interests into account when making decisions. Examples include: 1) NC continues to work with University Hospitals on the location of the Health Hubs. The first hub has opened at the Friendly Inn, and they are working to identify a second hub in the GUC footprint; 2) NC staff has begun working with Case Western Reserve University on a new Healthy Communities Initiative; 3) NC staff is working with the Northeast Ohio Regional Sewer District to encourage them to hire local youth without background checks to help with the huge sewer project in Glenville, modeling it on the Twin Cities Rail Line. This work is in partnership with Cleveland Neighborhood Progress, another partner in the EIMC and the Live Local subcommittee; and 4) NC staff played a key role in identifying and recruiting neighborhood residents for the "Step up to UH" program (as described above).*

*The Neighborhood Voice, an enduring system change in the communication among neighborhoods and anchors, is published both in print and electronically as a responsive website. NV provides a communication platform linking residents and anchor institutions in GUC neighborhoods and it includes writers from the neighborhoods and anchors, allowing for an exchange of opinions and information.*

### Perspectives

The thinking around the role of community engagement has changed because of NC's work. *The interim system change outcome is that NC provides an effective vehicle for authentic community engagement. With NC as a trusted partner community, engagement is valued more highly by the anchors.*

Figures 9 and 10 describe the interim and enduring system change outcomes associated with the Connect goal.

Figure 9: Interim System Change Outcomes Associated with the “Connect” Goal

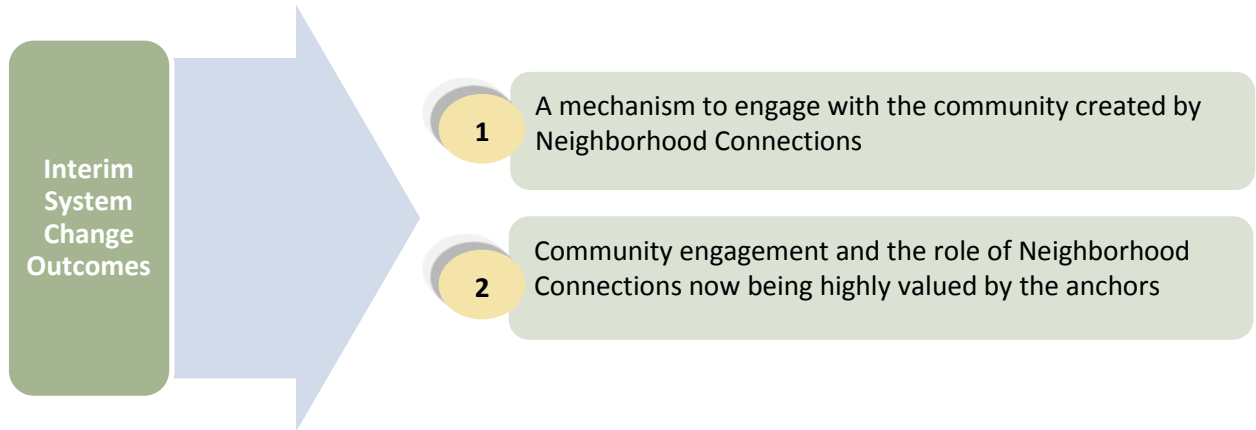
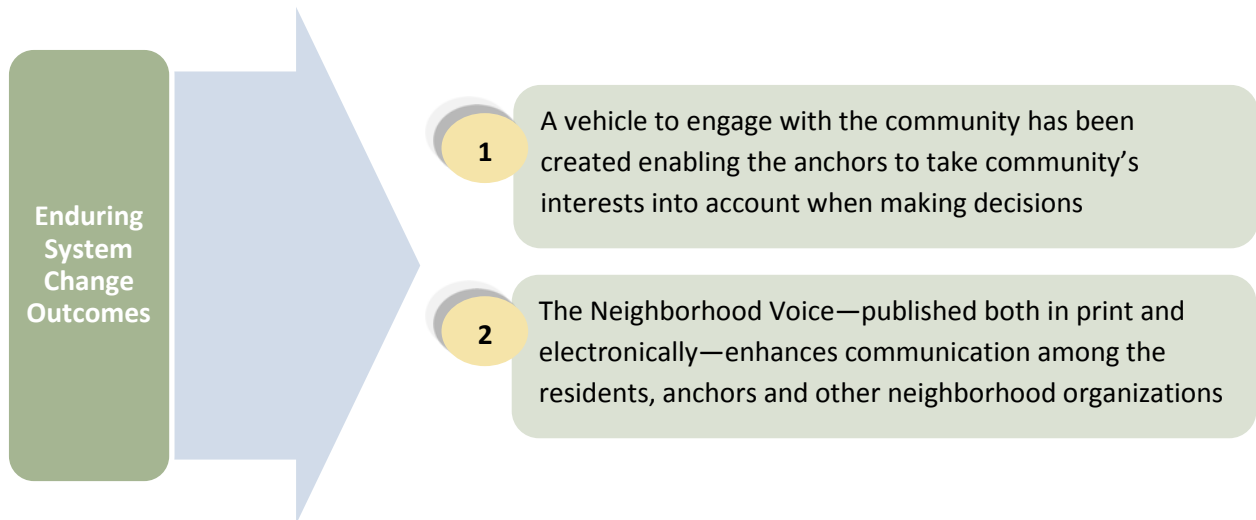


Figure 10: Enduring System Change Outcomes Associated with the “Connect” Goal



## Challenges

The biggest challenge in maintaining NC's active role in the GUCI will be funding and organizational issues. Of the NC budget (excluding LC funding), 70% is spent directly on the small grants. NC has been the largest recipient of LC funds and the finding a replacement to support a continued focus on the community building in the GUC neighborhoods in the long run has proved complicated.

There are a number of opportunities for an increased NC role in various programs and projects that impact the GUC neighborhoods. While NC's value is acknowledged and recognized, it is unclear whether the other partners will be willing to contribute funding to continue the work and maintain the momentum. The Cleveland Foundation has committed to funding in 2014. Other opportunities include, connecting residents to Cleveland Neighborhood Progress' asset building program or expanding its work with Case Western Reserve University in its Healthy Communities initiative. There may be opportunities for the other anchors to play a role in this as well.

## CONCLUSION

Over the Living Cities Integration Initiative's three years in Cleveland, the major players strengthened their commitment to improve the GUC neighborhoods. The commitment comes from the top leadership of every organization involved in the initiative. The evaluators have observed and verified extensive cross-sector work as well as collective work by the three anchor partners. Working together at the same table is unprecedented, but working together toward the GUCI and the TII goal of economic inclusion and community development is also unprecedented in Cleveland. Furthermore, Neighborhood Connections, with its network-centric approach to community engagement, is a valued partner. Together, the city of Cleveland, the Cleveland Foundation (the lead organization), the three anchor institutions located in University Circle, and the many other EIMC members and participants are truly "writing the next chapter" in anchor-based economic development. These groups understand what it means to live and work together in a community and that stronger communities will mean stronger institutions.

Collective work is also occurring at multiple levels within the participating entities. There are now 2-3 participants from each anchor and partner organization engaged at the EIMC table and/or its subcommittees. The national recognition associated with the TII has helped the anchors see themselves and their work at a different level.

The economic-inclusion work that originated at the GUC leadership table has moved to the next level. Work developed in Year One, strategies adapted and implemented in Year Two, and emerging and enduring system change occurred in Year Three. The TII program funding has accelerated the programming initiatives and shifted thinking about and commitment for system change.