3-1-2012

Full Report- Re-Thinking the Future of Cleveland's Neighborhood Developers: Interim Report

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Re-Thinking the Future of Cleveland’s Neighborhood Developers: Interim Report
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March 2012

Introduction

The neighborhood crisis of the 1970s in Cleveland was central to the formation of the community development industry. The impetus was a reaction to the urban renewal and highway programs of the 1960s, school desegregation and white flight, the unresponsiveness of city services, and the redlining by banks and insurance companies. In Cleveland, the race riots in the Hough and Glenville neighborhood in the 1960s hastened the movement of people out of the city into the suburbs. Government and the private sector transferred investment from poor urban neighborhoods where it would yield low returns, while concentrating loans, infrastructure, and capital investment in the new suburbs of the South and West. In neighborhoods that were starved for these resources, community development naturally came to be about rebuilding and revitalizing communities through the use of available resources including the social, human, cultural, and economic capital of neighborhood residents. They attempted to revitalize local real-estate markets but also used a host of other tools and services to accomplish their goals, including community organizing, skills development, sweat equity, and cooperative businesses. Importantly, there was an understanding that markets were not a blanket solution to neighborhood difficulties.

Passage of the Home Mortgage Disclosure Act of 1974 and the Community
Reinvestment Act of 1977 yielded important tools for addressing the negative effects of redlining and market disinvestment in neighborhoods. Efforts were also made to make housing more affordable by placing controls on home heating and fuel costs for low-income households. Early community developers worked with mortgage subsidies, tool rental programs and clean-up campaigns to improve neighborhood appearance in the hope that doing so would attract new homeowners and lead to healthier neighborhoods. These early community developers were pragmatic and non-ideological. Their successes made them attractive to philanthropies and government agencies which increasingly turned toward community developers to address basic urban problems.

Over the past two decades, the community development system in Cleveland has been tremendously successful building thousands of new and rehabilitated housing units in neighborhoods throughout the city and developing new retail, commercial and industrial space as well. The system worked because community developers were able to swiftly and effectively adapt as funders made resources more available for physical revitalization. But the jump in foreclosures and the subsequent collapse of the housing market in 2008 makes clear that that moment has now passed, and much of the public, private, and philanthropic investment in neighborhoods is now at risk as home values plummet and surrounding properties are vacant, abandoned, and vandalized.

The further erosion of an already weak housing market has resulted in widespread abandonment and foreclosure of property in almost all of Cleveland’s neighborhoods. It is likely to result in a shakeout of the community development industry that will favor organizations which are not overly-invested in rising real estate values and that have the flexibility and
entrepreneurial drive to seek new partners. This moment also provides a window of opportunity for community developers and their funders to revisit what community development means and what community developers should do.

**Beyond Housing**

Community developers must take a hard look at their current organizations, practices, and strategies and adapt to emerging conditions. Doing so is not surrendering to pessimism, but recognizing a pathway forward. Realizing the opportunity requires that community developers start re-thinking approaches to their work. Funders and investors have recognized that plans and strategies need to be re-worked. A strategy based on physical development as a cure for neighborhood ills made sense in a particular historical moment of cheap credit and a sustained, albeit slow, rise in real-estate values. Those circumstances no longer exist in Cleveland, and the challenge for the future is thinking through new roles for neighborhood developers that have the potential for sustained success.

This study has been underway since June 2011. The purpose is to help practitioners, funders, policy makers, and applied researchers understand the opportunities for, and the challenges to “growing” or extending the community development system beyond housing and physical development, the traditional focus of Community Development Corporations (CDCs).

Together or individually, we have interviewed 42 key individuals so far among the CDCs, city and county agencies including the County Land Bank, representatives of local foundations and banks, and key intermediary organizations such as the Cleveland Housing Network, Neighborhood Progress, Inc., University Circle, Inc., and Enterprise Community Partners. (see attached list) The following observations and impressions have been garnered
from our interviews.

- The CDCs have made important contributions to Cleveland’s neighborhoods and to the city. Cleveland would be a far different, more challenged city if they had not existed.
- Some of the CDCs include remarkably talented community developers; it is important that the city not lose the talent they represent.
- While meeting the need for quality, affordable housing (especially rental housing) continues to be a priority, every CDC should not be a housing producer.
- Given the budget constrictions at the local, state, and federal level, the number of CDCs will likely decline in the future from the twenty-five now funded by the city’s Community Development Block Grant. 1 CDCs funded primarily through their council member’s ward allocation to do various constituent services will be operating on sharply lower budgets due to cuts in the CDBG.
- Tighter budgets, much less subsidy for development, and more interest on the part of all funders in measuring CDC competency will result in mergers and consolidations, many of which are now underway in Detroit-Shoreway, Clark Fulton, Stockyards, Union Miles, Glenville, Harvard, and other neighborhoods. CDCs will have to work more closely with settlement houses, schools, community health centers and other organizations and institutions serving their neighborhoods. CDCs will also have to continue to enrich their staffs with Vista personnel and interns.
- Some very creative CDCs have been involved in a wide range of innovative and successful place-building projects. These include (but are not limited to) the following:
Detroit-Shoreway’s new and rehabbed housing, and the Gordon Square Arts District; Fairfax Renaissance’s partnerships with Cuyahoga County, Cleveland Clinic, and the city of East Cleveland where they act as the city’s CHODO although they do not share a boundary; Burten Bell Carr’s focus on healthy foods and its recent designation as an Urban Agricultural Zone; Slavic Village’s work with schools and the Third Federal Foundation on a P-16 initiative; Tremont West’s work promoting local restaurants, artists and businesses and its work with Merrick House and the Cleveland Municipal School District in saving the Tremont Elementary School from demolition, and Ohio City Inc.’s many partnerships, the creation of a Business Improvement District to aid in the development of West 25th St. and their work on developing the Near West Intergenerational School.

• The place-based nature of CDC service areas has worked for the past 20 years, but Federal budget cuts and declining population will result in modifications. Both council people and CDCs have to begin thinking beyond ward boundaries, which will continue to shift in response to the city’s declining population.

**CDC Funding.** The capacity of CDC’s to advocate on behalf of neighborhood residents or to raise money beyond their block grant allocation (see next point) varies widely. CDCs have a number of sources of funding ranging from Community Development Block Grant and HOME dollars to Neighborhood Progress, Inc. and Enterprise Community Partners, to foundation and federal grants. To get a sense of the range of funding for Cleveland CDCs, we looked at 2010 annual budgets for 22 CDCs as reported on IRS 990 Forms. We found a

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1 Between 2002 and 2013, Cleveland’s CDBG allocation will have declined by 35.7%; the HOME allocation by
wide range of annual budgets--from $300,000 to more than $5 million. While there are exceptions, stronger, more competitive neighborhoods often have CDC’s with the greatest ability to leverage resources and build capacity.

Cleveland’s Community Development Block Grant (CDBG) is a significant source of funding for many CDCs. However, the city’s allocation has declined by 22.6% from 2010 to 2012 and the HOME allocation has declined by 40.2%. For FY 2012, Cleveland budgeted $7.6 million through Neighborhood Development grants allocated by ward. Each council person uses these funds to support community development activities. (Roughly $400,000 per ward for each of the 19 wards in 2010). An estimated 64% of this is used for direct operating support for CDCs. The city also budgeted $1.5 million for it’s competitive grants program. These funds are disbursed to CDCs and community organizations based on annual evaluation, scoring and rankings. Neighborhood Progress, Inc. also disburses funds on a competitive basis. In FY 2012 the organization funded nine CDCs for a total of more than $1.8 million. NPI’s major funders include The Cleveland Foundation, Gund Foundation and Mandel Foundation.

The CDCs that rely heavily on the ward allocations tend to focus on constituent services while others are more holistic. Those that focus on constituent services often lack a neighborhood agenda or plan, which many consider the baseline for a CDC. There was a sense among those we interviewed that the funding distribution structure has to be modified. One way the city has started to do this is through the code enforcement partnership in which the city carved out a portion ($419,000) of the Block grant funds for CDCs who agree to

54.8% (City of Cleveland, Community Development Department, 2012-2013 Consolidated Plan, p. 24.)
assist with code enforcement to stabilize the real estate markets. However, there is also a sense that more needs to be done to expand the city’s competitive grant program funding.

**Strategies going forward**

CDCs have always played an important role in the neighborhoods they serve, providing everything from neighborhood services to large-scale bricks and mortar development. Those CDCs that have taken a multi-faceted, more holistic, comprehensive approach to community-based revitalization have been more successful than those that have focused on constituent services or housing development alone. As the industry contracts and service areas change, we expect that all CDCs will need an integrated, thoughtful, measured set of activities to address the broader challenges in their neighborhoods: housing, schools, healthy life-styles, land reuse, community and individual wealth building, and commercial development. The specific activities undertaken by each CDC will vary, depending on the needs, opportunities and available assets of the particular neighborhood—economic, human, physical and environmental. But every neighborhood will need community-based programs and development projects that are sustainable, scalable and leverage other investments.

The fundamental job of CDCs is to improve the lives of community residents by improving the places in which they live. Urban Institute researcher Margery Austin Turner conceptualized it in a 2010 interview in *Community Dividends*: “What we should be thinking about is how to revitalize the places in which people live, how to enable people to take advantage of opportunities that are located in different places around the region, and how to make
connections between where they live and regional opportunities.”

It is also important to keep in mind, as we think about strategies going forward, that funders are interested in programs that have measurable outcomes and that can demonstrate how residents and the city benefit from CDC activities.

Four Strategies

On the basis of our interviews and research, we see emerging a set of four broad strategy areas:

1. **Community Building, An Enhanced Approach to “Community Organizing”**

   A common theme across the interviews (both funders and CDC practitioners) is the need for additional capacity in community building, even for CDCs that already have community organizers on staff. It need not be re-stated that the roots of many CDCs can be traced to organizers trained in confrontational techniques. But that model was unsustainable. CDCs have moved away from issue-based organizing for a number of reasons including the difficulty of sustaining resident interest and finding funding to support it.

   We propose a more broadly conceived role that ties the work of the CDC back to its roots in the aspirations and needs of neighborhood residents. This type of community building will require an enhanced set of skills and additional funding, beyond what is normally associated with existing community organizing positions. This role may be more accurately described as a community builder or weaver, rebuilding or reweaving the fabric of communities, starting with residents and businesses. Community

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2 Suzanne Morse, 2011. “Communities Revisited, The Best Ideas of the Last Hundred Years”, National Civic Review, Spring
Building/organizing and development are not mutually exclusive, in fact they can be mutually beneficial. Organizing can be used to inform policy, build stronger relationships with coalition members creating stronger networks for change and, contrary to conventional wisdom, even build trust with funders.\(^3\) (Rockefeller Foundation pilot in three states)

In an era of contraction, with an emphasis on partnerships and collaborations, there is need for a much greater focus on building relationships for collective action and funding—among residents within neighborhoods as well as with other CDCs and neighborhood serving organizations, city agencies, and possible funders. The community builders would act as relationship brokers, building the capacity of residents and linking them to opportunities within the neighborhood and across the region. One of their primary functions would be to identify neighborhood assets, both physical and social, and then work with residents and other partners to figure out the best ways to leverage those assets to benefit neighborhoods.

Enhancing an organizing culture as an integral part of a broad portfolio of development and service activities is especially critical at this particular juncture in the CDC industry. CDCs have an unprecedented opportunity to rebuild and redefine the future of their neighborhoods after the widespread devastation of the foreclosure crisis. They will need to get residents involved in shaping development projects for neighborhood benefit, but they will also need to reach out in new ways to traditional

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2011, p.8.

\(^3\) Report to the Rockefeller Foundation on Funding Collaboratives Supporting Organizing on Housing and Community Development Issues. No author, no date.
(city, CMHA, banks, foundations) and non-traditional (anchor institutions, other CDCs and neighborhood based organizations, residents) partners to diversify funding resources, to bring in new ideas for stabilizing and improving neighborhoods and enhancing the market in ways that rebrand the neighborhood and attract new residents (e.g. Detroit Shoreway and Ohio City). This is the dual role that we suggest organizers play.

This idea is not new, a number of individuals at CDCs have been doing this work for years. But we suggest that it needs to be more systemic, intentional and transformational. The successful development and implementation of the Mill Creek Plan at Turney Road in Cleveland’s Broadway neighborhood is an example of a CDC combining organizing, community building, and community development skills to transform a neighborhood. To implement the plan, in the late 1990s, Bobbi Reichtell, who at the time was Project Manager at Broadway Area Housing Coalition (now Slavic Village Development Corporation) drew on the resources and expertise of BAHC, the residents, the city, the state, a well-known Cleveland builder, the Metroparks, and banks. She worked with residents of two neighborhoods who regarded each other with suspicion to get them to support a 217 unit, innovative housing development on the abandoned site of a state mental hospital. In their book *Comeback Cities: A Blueprint for Urban Neighborhood Revival*, Paul S. Grogan and Tony Proscio quote Reichtell:

“…. BAHC is continually ‘figuring out how to get the money to provide the services that we need, and empower residents to change their lives.’

In another, more recent example, leadership and staff of Ohio City, Inc. raised
some money from local sources and used it for small loans to incentivize people who wanted to open small businesses on W. 25th Street. The result was a sharp drop in vacancies and a more lively street.

On a different scale, Neighborhood Connections (NC) has recently expanded its role from small grants for neighborhood projects to include a broader agenda of community engagement. Although still in its early stages, NC is the community engagement partner for the Greater University Circle Community Wealth Building Initiative, an anchor based economic inclusion initiative of the Cleveland Foundation and Living Cities that is focused on the eight neighborhoods in the Greater University Circle area (Buckeye/Shaker, Central, East Cleveland, Fairfax, Glenville, Hough, Little Italy, and University Circle.) Neighborhood Connections uses a network-centric organizing model that consists of small grants, neighbor circles, learning and sharing information. It is focusing its organizing at the street level, neighborhood level and community level.

An important part of the connection strategy is the Neighborhood Voice, a newspaper by and for residents. The stated goal is “to engage residents in the process of creating a neighborhood district that is economically stable, safe, and full of life.” The program seeks to:

- Facilitate communication, transparency and access between neighborhood residents and anchor institutions in the GUC.
- Connect low income neighborhoods to regional economic drivers
- Build on assets to increase capacity and stabilize neighborhoods

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• Reduce social isolation and increase civic engagement. (Source: Neighborhood Connections)

**Funding.** Current levels of funding for organizing are insufficient to build this more expanded capacity for community building. Local foundations, including Cleveland, Gund, St. Luke’s and Sisters of Charity have supported organizing at CDCs and other organizations. CDCs cannot use Community Development Block Grant funds for organizing, but they can use them for community building. NPI has funded and provided training for organizing to varying degrees throughout its 20-year history. United Way used to fund organizers at the neighborhood centers, but that funding is no longer available.

There is cautious interest among funders we interviewed in expanded funding for this new type of organizing or community building activity, provided there are agreed upon, measurable results and strong leadership from the CDC. They see it as part of a broader strategy to make Cleveland neighborhoods more sustainable, more vibrant, and more economically viable. For example, if banks are making capital investments in communities, they want to protect and leverage that investment by building social capital as well. The model we propose will require a significant funding commitment over a long-term period.

As a funding model, it may be instructive to look back at the Ricanne Hadrian Initiative for Community Organizing (RHICO)\(^5\), a capacity building initiative in

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\(^5\) Neighborhood Connections is using a model of organizing developed by Lawrence Community Works under RHICO.

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Massachusetts designed by community development practitioners. The program, an effort of the Massachusetts Association of Community Development Corporations (MACDC) in partnership with the Neighborhood Development Support Collaborative and the National Community Development Initiative (now Living Cities), offered direct organizing grants of $75,000 to CDCs, centralized training, on-site training and evaluation over a 9 year period. Between 1998 and 2007, the program supported 10-12 CDCs in Massachusetts through a competitive process, including Lawrence Community Works, the program that is the model for Neighborhood Connections’ work.

**Skills.** In addition to funding, enhanced organizers functioning as social and community entrepreneurs will need an expanded set of skills. They will need to have a holistic skill set that includes the softer community building skills--such as building strong relationships and networks, collaborative leadership, communication, conflict management, facilitation, running meetings—as well as a working knowledge of a range of the harder development skills including community development finance, underwriting standards, entrepreneurial business development, and deal packaging. They will need to understand how to leverage assets and investments for the benefit and transformation of their neighborhood.6

The strategies that follow depend on this community building or enhanced “organizing” capacity. It is viewed as a cornerstone of CDC work going forward.

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2. Housing and Community Development

Housing has been at the core of community development activities in Cleveland and the city’s CDC’s are nationally recognized for their unique approach to developing housing, including the lease-purchase and homeward programs. From 1982 to 2011, CDCs were responsible for developing more than 7,000 units of affordable housing in Cleveland. About 44% of these were rehabilitation of existing housing and 56% were new construction. Implicit in the focus on affordable housing is the notion that stable, affordable, quality housing is a platform for educational attainment, economic opportunity, and health. In short, it is a necessary component of a comprehensive strategy to improve the quality of life in neighborhoods. However, as we have seen in the latest housing crisis, housing is not sufficient to revive markets in Cleveland’s neighborhoods.

At its peak in 1950, the city of Cleveland’s population was close to one million people. By 2010, that number had fallen to 396,890 and current forecasts are of continued population decline. The census reports 207,536 housing units in Cleveland in 2010. Countywide, an estimated 26,000 homes are vacant and abandoned, with over 16,000 in the City of Cleveland. The question for the city and its community developers is how and where to redevelop and revive housing markets in ways that best serve

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7 1982-2004 numbers are for all CDCs from NEO CANDO. 2005-2011 numbers are for the CDCs that are part of Neighborhood Progress Inc.’s Strategic Investment Initiative. From 2005-2011, this includes 6 CDCs (Buckeye Area Development Corporation, Detroit Shoreway, Fairfax, Famicos, Slavic Village Development Corporation, and Tremont West Development Corporation) and 3 additional CDCs for 2011 only (Burten, Bell, Carr; Northeast Shores; Ohio City, Inc.)

8 Raphael Bostic, Assistant Secretary for Policy Development and Research, “How Housing Matters Conference, EDGE magazine, HUD USER web site. No date.
residents, while facing the challenges of thousands of foreclosures. The answer is complex and includes: foreclosure prevention, code enforcement, rehabilitation of vacant properties when feasible in carefully selected neighborhoods, demolition and deconstruction, and the imaginative re-use of vacant land.

Planning for the re-use of vacant land is a high priority in which multiple CDCs and other partners are involved. The city now has an estimated 5,000 vacant lots. If not maintained or reused, these can decrease property values and the quality of life for neighborhood residents. NPI, the city of Cleveland, Kent State Urban Design Center, Land Studio (formerly Parkworks), many CDCs and many other partner organizations are working to “Re-Imagine Cleveland.” They are armed with data and “early warning” indicators provided by NEOCANDO developed by CWRU’s Center for Urban Poverty. With respect to code enforcement, many CDCs now help the city identify high-priority problem houses for code enforcement, and also help the city identify abandoned homes that need to be demolished to protect the quality of life in the neighborhood.

This work is coordinated through the Neighborhood Stabilization Team, created by Neighborhood Progress, Inc. to link the resources of government, CDCs, housing developers, foreclosure prevention agencies and local universities to assist with property acquisition, prevention of abandonment and elimination of blight. Grass roots neighborhood groups throughout Cleveland provide hands-on help in carrying out vacant land reclamation projects including gardens, parking lots, orchards, and even an inspired

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9 Latest Data Reveals 26,000 Homes Vacant in Cuyahoga County, Case Western Reserve University, blog, February 14, 2012.
10 Neighborhoodstabilizationteam. Wikispaces.com
vineyard. CDCs organize their constituents to plan appropriate patterns for the re-design and re-use of vacant land providing the citizen input to make these projects successful.

The market for new housing in Cleveland is very weak although the need for decent, affordable housing, especially rental housing, continues to be strong. In many Cleveland neighborhoods, abandonment and demolition have been so extensive that there are new opportunities to re-think whole blocks and neighborhoods into new, sustainable land use patterns. It is our view that new housing should not be built in extremely weak neighborhoods or it will be overwhelmed by its surroundings.

For the foreseeable future, most of the respondents agreed that the emphasis should not be solely on new single family housing, but should focus on affordable, safe, multi-unit rentals and on the rehabilitation and re-use of existing housing in carefully selected neighborhoods. For the moment, the strategic investment areas identified by CDCs, the City, and NPI should guide housing investment decisions. Many CDCs partner with the Cleveland Housing Network to develop housing and this cooperation should continue where appropriate. Organizations that have the capability to act as housing developers (Detroit-Shoreway, Buckeye, Fairfax, Famicos, Bell, Burton, Carr and others) should carefully continue their operations, but other groups should seek to partner with capable housing developers or seek consultants paid for with funds available through the city’s department of community development to provide technical assistance. In the area of housing, CDCs will have to seek out traditional partners like CMHA which is doing an innovative “intergenerational housing” development with Fairfax Renaissance CDC, or seek out non-traditional partners like the Metroparks, and the
Sewer District to leverage their investments.

In the future, CDCs will have to partner with more organizations to provide the complex financing packages needed for development projects beyond housing. Some of these are the funding intermediaries like NPI and Enterprise Community Partners, some are city wide and county wide agencies like the county land bank. National foundations and intermediaries also offer a variety of possibilities. There is a national movement by funders like Living Cities, the MacArthur Foundation, NCB Capital Impact, and the Annie E. Casey Foundation to support broad community change initiatives in target neighborhoods. Local CDCs should be stepping into these potential streams of support, seeking out development projects that will yield an income stream to the CDC. One local example is Fairfax Renaissance Development Corporation. Fairfax has partnered with the Cleveland Clinic and the County on office developments, with the city of East Cleveland, and more recently with PNC Bank on a community center.

Nationally, an example is the Dudley Street Neighborhood Initiative in Boston, which has a number of developments that provide income for the CDC to reinvest in the neighborhood. (www.dsni.org)

3. Schools and Community Development

Most of our respondents share our basic premise that no community can develop successfully and hold its population in the long run if it does not provide a form of education that is good enough to prepare children for college. They also believe that economic development requires that neighborhoods not consist entirely of poor people but be able to attract and hold middle and upper income families. In an era of high
welfare payments, large housing subsidies, and well-funded service delivery systems, it might have been possible to create a semblance of development in a poor community. That is no longer true.

So the question becomes, is there a viable strategy to upgrade neighborhoods and schools within the existing economic and policy framework, and how do schools fit into the strategy? In short, how can we have a decent school in every Cleveland neighborhood? We believe there is such a strategy, that the CDCs should be part of that strategy, and that trained and skilled community builders, focusing on the “school as center of community” is a key element.

Community schools are a natural focus for community development efforts. They have sustained contact with children and their families, they possess large physical and material assets, and they may provide the means for community builders to mobilize their neighborhoods.

Enlisting schools in a broad agenda of community development is an ideal, but the reality is that this is very difficult work, it has been tried and in a few cases succeeded in Cleveland neighborhoods before, and its success depends in large part on the openness of the school district to engage with the community. In many cities, particularly in troubled cities like Cleveland, schools often lack a constructive relationship with the surrounding community.

Neal Pierce, syndicated columnist, makes a compelling argument for community schools. “…quality classroom instruction is insufficient…children often require other services and expanded opportunities, ranging from basic nutrition (meals at school) to
sports, from arts to an encouraging hand with their homework. And that in targeted cases, mental health and family crisis assistance may be all-important if a child’s to have a chance to succeed both academically and socially. To create, in short, conditions in which teachers can teach and students can learn.\textsuperscript{11}

Principals and teachers in these schools are transferred frequently, although the Cleveland Metropolitan School District (CMSD) has a new commitment to keep principals in place for a minimum of three years. They may often feel themselves to be isolated and friendless, facing an unwinnable struggle. They voice concerns that parents fail to help them do their jobs. For their part, many parents experience the school as an uninviting and aloof institution.

A few of our respondents reported that Cleveland schools were now more open to community input than they had been in the past. CDCs can take advantage of this opportunity and reach out to join the schools and the community into constructive partnership. These initiatives, which should be community based, have the potential to lessen the school-community divide and allow schools to become significant contributors to community development. A first step could be to name a representative from the schools to the CDC boards. Some of our respondents called for the school to be a center of neighborhood activity—it should be open after school and in the evenings-- while others wanted to bring the school into a collaborative alliance with business and citywide institutions.

There are a number of successful examples in which CDCs are partnering with

Cleveland schools. Some CDCs have Safe Routes to School initiatives promoting campaigns to encourage students to bike or walk to school, thus helping to address childhood obesity. Other examples include the comprehensive P-16 initiative in Slavic Village (Third Federal Foundation) and the Promise/Choice Neighborhoods initiative in Central (Sisters of Charity Foundation). In the Buckeye neighborhood, the CDC (Buckeye Area Development Corporation) partnered with the school district on the construction of Harvey Rice Elementary, facilitating the location of a new library on the site of the new elementary school, both of which are tied to the renovation of St. Luke’s Hospital to senior housing. In other cities, CDCs have acted as developers for charter schools.

The Tremont West Development Corporation is delighted to report how, with Merrick House, they organized around the threatened closing of Tremont Elementary School. After citizen concern was expressed at three meetings, the school board decided to keep Tremont Elementary open and convert it to a Montessori school which has improved its state ratings. Slavic Village CDC takes pains to walk its citizen members through the complexity of sending children to a new school and always invites the school principal and teachers, along with the police district commander, to attend their annual meeting. Ohio City Near West partnered with the Breakthrough Charter schools and the Cleveland Municipal School District to bring a new Inter-generational school to the Ohio City neighborhood. This new charter joins the Urban Community School and other public, private and parochial schools serving the neighborhood. Kamm’s Corners Development Corporation provides a directory identifying all of the local schools in the
West Park neighborhood it serves.

On a countywide scale, the MyCom initiative, a partnership of The Cleveland Foundation, Youth Opportunities Unlimited (Y.O.U.), Starting Point, the City of Cleveland, and Cuyahoga County focuses on youth development and has neighborhood pilot programs in 8 neighborhoods: Central, Cudell, Mt. Pleasant, Parma, St. Clair/Superior, Shaker Heights, Slavic Village, and West Park.

Promoting the kinds of initiatives that may bring schools and communities together involves no mass demonstrations, no sustained campaign of protest. Yet it calls for a complex form of collective action. It mandates the full attention of community builders on school issues and it must be flexible enough to engage others in helping resolve problems; the community builder is the essential change agent in this model, establishing alliances and collaborative relationships. It contains elements of neighborhood self-help mixed with out-reach and responsiveness by the business, public and nonprofit sectors of the larger community. It means that the school superintendent, central staff and principals working with CDC staff facilitate changes in practice. It involves more effort from parents which the CDC might help organize—in everything from meeting with teachers and school officials to spending extra time tutoring and working with children to attending classes and engaging in community discussions. It may mean increasing the time demanded of teachers and principals who might be more forthcoming if they felt they had the respect of the community. It may also mean additional pro bono and voluntary efforts for members of the larger community.
Community development practitioners can use their real estate and development expertise to support the CMSD’s efforts to build more neighborhood-oriented school facilities. They can also use these skills, along with organizing skills, to make existing school buildings into true community schools, making available health education, mental health services, social services and youth development through partnerships that converge at the school, much like the P-16 model. Further, the more traditional CDC role of eliminating blighted properties and developing quality, affordable housing can make schools safer by targeting blighted properties around school buildings and can address one of the biggest obstacles to student learning by stabilizing neighborhoods and reducing student mobility.

Live Cleveland, a city-wide organization that promotes the livability of Cleveland neighborhoods, has a new partnership with the CMSD to market quality neighborhood schools as part of the attraction of some Cleveland neighborhoods. The CMSD is paying for half of the costs of a new web site with the goal of attracting families to Cleveland neighborhoods and increasing enrollment in CMSD schools.

In 2011, 13 CDC service areas had either a CMSD or a charter school rated “excellent” or “excellent with distinction”. (see map, appendix a) Using information of this sort, CDCs could work to turn around the popular perception that all Cleveland schools are under-performing and could help to promote the message that good schools are available to Cleveland residents.

As the number of school/community development projects have increased around the country, funders have been more willing to invest in such projects. The Rockefeller
Foundation, the Ford Foundation, and the Knowledge Works Foundation have all funded various school and community development studies and projects. A few community development financial institutions including LISC and the Low-Income Investment Fund have also awarded loans to CDCs for the development of joint school/community facilities.

CDCs will need to narrowly carve out their roles when it comes to education, focusing on the intersection between education and community development. As the examples above illustrate, they can provide a safe space where parents/caregivers, teachers, and school leaders can communicate and interact, they can serve a coordinating and advocacy function around a good school in every neighborhood, and they can be a development partner. They can also work to strengthen the capacity for collective action within their neighborhoods around school issues.

Greater, sustained efforts to link public schools with community development initiatives can have a range of positive impacts: increased trust between teachers and parents, opening up the school to neighborhood residents, improving schools, increased effectiveness of community development efforts, and improvements in a range of health, education and social outcomes for neighborhood youth and adults.
4. Health and Community Development

Organizing the community around education and community schools can be a vehicle for improving community health. The two are closely related. Improvements in education and community health contribute in a variety of ways to strong, stable neighborhoods and the revitalization of urban communities can have an enormous positive impact on health. There are a number of initiatives underway in Cleveland’s neighborhoods designed to reduce health disparities and encourage healthy lifestyles including “Place Matters”, “Healthy Eating Active Living (HEAL)”, Healthy Cleveland, “Steps to a Healthier Cleveland” and others.

Healthy Cleveland was created in March 2011 by the city of Cleveland in partnership with the four hospital systems in Cleveland. It is a comprehensive initiative committed to creating healthy neighborhoods and residents. In addition to the involvement of many city departments and the four health systems, the comprehensive, collaborative effort involves the Cleveland Metropolitan School District, Neighborhood Progress, Inc., community organizations. Community organizers are to play a key role in linking residents to health centers, health information, health awareness and healthy lifestyles.

The program, “Steps to a Healthier Cleveland,” was a large-scale initiative in operation from 2004-2009 through the City’s health department and CNDC with funding from the Centers for Disease Control.

On a neighborhood level, the Slavic Village Development Corporation (SVDC) has been very active in healthy lifestyle initiatives. SVDC, which serves a working class community, partnered with Active Living by Design and, in the face of numerous
challenges, set out to create a healthy, family-friendly neighborhood promoting active living. The partnership aimed to (1) develop and maintain dedicated bicycle lanes and paths to support alternative transportation modes, (2) ensure adequate green space, (3) encourage employers and employees to develop opportunities for physical activity, (4) support high-quality physical education in schools and senior housing developments, and (5) develop municipal projects and plans that encourage physical activity. The project is still in its early stages, but it has leveraged resources and changed both the physical environment of the SVDC neighborhood and its marketing image.

Another example of a “Healthy Eating Active Living (HEAL)” program is underway in the Buckeye and Shaker Square-Larchmere neighborhoods with the support of a grant from the St. Luke’s Foundation. The program, in partnership with the Case Center for Reducing Health Disparities at Metro-Health, weaves HEAL concepts into the neighborhood.

As this cursory overview suggests, there is a range of initiatives that address community health. One of the issues is how to sort through all of these different initiatives and help CDCs figure out how to access these disparate but related resources.

Further, with the nation’s health care system poised for significant change, it is time to more seriously consider the connections between CDCs and Community Health Centers. As part of national law, there will be increased funding available for local Community Health Centers in Cleveland (CHCs). CHCs are non-profit organizations that meet the primary care needs of individuals and families living in low-income areas. Health services are provided to all regardless of the individual’s ability to pay. CHCs
were originally created as part of the Office of Economic Opportunity in the 1960s War on Poverty at about the same time that the CDCs were formed. Both CDCs and CHCs share a common focus on community empowerment and development through the concept of maximum feasible participation. To help provide services to their low-income clientele, CHCs rely on a combination of federal and state grants, Medicare and Medicaid reimbursements, patient fees, private insurance payments and donations. The Obama administration has awarded CHCs more than $1 Billion in grants in 2009. CDCs partnering with CHCs would improve the quality of life in their neighborhoods while enjoying an important source of new support.

CDCs can act as developers for new CHCs, as they do in other cities. But more realistically, they can develop partnerships with CHCs by organizing around health issues, spreading information through the community on the services offered by CHCs, and advocating for a healthier life-style in the neighborhood. The payoffs could be immense: the benefits of improved health care lengthen lifetimes and increase worker productivity which can lead to poverty reduction. As the Health Policy Institute’s “Place Matters” program indicates, health inequalities cause tremendous human suffering and affect all Americans. Improved health care in poor neighborhoods also lowers medical costs. Further, health care centers provide direct employment to local residents, including entry-level jobs with career ladders. Health centers provide goods and services through local businesses thus spreading indirect benefits broadly through the multiplier effect.

CDC community builders could also be used to warn residents of the possible
health hazards involved in the demolition process. Studies have shown that children living in low-income areas where there is significant demolition activity have higher levels of lead in their blood than children where no demolition has taken place. Despite the large number of demolitions in Cleveland, there are no laws or regulations providing protection to ensure that lead exposure is minimized during demolition. CDCs and their organizers could clearly articulate potential health risks and the necessary precautions that local residents should take.

**Conclusion, Phase I**

As we think about strategies for the future, we start with some simple premises:

- Collaboration and consolidation will be the way forward.
- Build on the strengths of Cleveland’s most accomplished CDCs in development, community engagement, innovation, and strong, experienced leadership;
- Adapt what works;
- Strengthen existing partnerships; and
- Seek out new partnerships for programs and services (hospitals, clinics, schools, neighborhood centers, the city, the county) as well as for capital and core operating support (private, responsible investors, national foundations, community owned businesses).
- Invest in development and service projects that will yield a return to the CDC.
- One size will not fit all, strategies will be tailored to the needs of the neighborhoods.

**Next Steps**

In the coming year, we will delve further into those ideas described in this paper that
have the most traction, based on feedback from the community and funders. We will identify the changes that will be needed to implement them. We will also explore the following questions:

- How can CDCs make the transition from housing development as a driver to housing development as a component of a larger strategy refocusing on building community and stabilizing neighborhoods?
- How can they best move from a siloed approach to one of collective impact?
- How can the CDC industry or system in Cleveland build capacity to take on new roles? What are the roles of the city, the county, the university?
- What changes are needed to make funding more strategic and transformative? City funding? Financial Institution investment? Foundation funding?
- In a world of declining subsidies, what are some possible new sources/types of funding (e.g. hedge funds, Mortgage Resolution Fund in Chicago)?
- What would an REO to rehab to rental program look like? (the Boston Community Capital model, CASH)
- Does a shift to community service corporation (CSC) model of providing services and income (security, landscaping, business improvement districts) make sense in certain neighborhoods?
- We will also examine the question of geography and suburban expansion: do the functions of a CDC have to be neighborhood-based?

The goal is to put neighborhoods on track to long-term sustainability, to move from a culture based on transactions to one based on transformation.
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Appendix A

Community Health Centers and Top Rated Schools
Appendix B. CSU’s Center for Community Planning and Development (CPD)

The Center for Community Planning and Development was created in 2010. It brings together the Levin College’s housing policy research, planning, community and neighborhood development and community engagement expertise. The Center works to strengthen the practice of planning and community development through independent research, technical assistance, and civic education and engagement. Clients and partners include public, private and non-profit organizations, local governments, and development and planning professionals. The Center is the successor of the Center for Neighborhood Development (CND) which began in 1979 under the leadership of former city of Cleveland Planning Director Norman Krumholz. In its early years, CND, a provider of technical assistance to Cleveland neighborhood organizations, was instrumental in shifting the focus of the neighborhoods from advocacy and confrontation to cooperation and development. In its later years, under the direction of Phil Star, CND continued to provide technical assistance and focused on building the capacity of neighborhood organizations through leadership training, community engagement and policy research.

Areas of Expertise

- **Planning, program development and evaluation** to foster resilient, just and prosperous communities, improve the quality of life, attack the causes of poverty and inequality, and advance the sustainable development of urban regions.

- **Public policy research** to inform policymakers and market actors as they respond to issues related to housing and neighborhood development and change.

- **Data development and dissemination** to promote the exchange of information and data and technical assistance about community planning, development and housing issues.

- **Convening and engaged learning** to link the university and the community in the dynamic exchange of ideas, expertise and knowledge on issues of importance to the future of Northeast Ohio communities and extend classroom learning to real-world applications.

Research and Programs

- **Community Planning.** The Center houses the [Community Planning Program](#) formerly The Countryside Program, which moved to the Levin College in 2006.
The Center provides training and technical assistance to local communities and is home to the **Best Local Land Use Practices** program, the local government outreach component of the Ohio Balanced Growth Initiative, a project of the Ohio Lake Erie Commission and the Ohio Water Resources Council.

- **Community Development.** The Center produces studies and reports for use by elected officials, policy analysts, planners, nonprofit development corporations, and the private sector focused on strengthening housing and community development in Northeast Ohio. Recent projects include:

- **Strong Cities Strong Communities (SC2) Fellows Program.** SC2 is a federal interagency pilot initiative that aims to strengthen neighborhoods, cities and regions by enhancing the capacity of local governments to develop and implement economic visions and strategies. The Center, together with the College’s Center for Leadership Development, the German Marshall Fund of the United States and Virginia Tech, is administering this program nationally. The program, funded by the Rockefeller Foundation, will place mid-career professionals in local government agencies for a two-year fellowship period. Fellows also will benefit from professional development activities that include public management training, ongoing mentoring and other training and networking activities. Pilot cities are: Chester, PA; Detroit, MI; Fresno, CA; Memphis, TN; New Orleans, LA; Cleveland and Youngstown, OH.

- **Greater University Circle Community Wealth Building Initiative.** Together with the College’s Center for Economic Development, Center staff are the local evaluators of the Living Cities Integration Initiative in Cleveland. The Greater University Circle Community Wealth Building Initiative, administered through The Cleveland Foundation, leverages the economic power of anchor institutions, along with the resources of philanthropy and government, to create economic opportunity, individual wealth, and strong communities for residents of the neighborhoods around University Circle and the Health-Tech Corridor in Cleveland.

- **Responding to Foreclosures in Cuyahoga County.** The Center has been working since 2005 with Cuyahoga County to evaluate its Foreclosure Prevention Program. Annual evaluation reports, ‘Responding to Foreclosures in Cuyahoga County’ have provided feedback to the county and participating agencies on progress toward meeting the initiative’s goals with the objective of strengthening collaboration and improving the effectiveness of the program going forward.

- **Rethinking the Future of Community Development.** This study of community development in Cleveland is designed to help practitioners, funders, policy makers and applied researchers to understand the opportunities and challenges
involved in “growing” or extending the community development system beyond housing and physical development.

- **Revitalizing Distressed Older Suburbs.** This study, conducted for the Urban Institute’s “What Works Collaborative” involved an analysis and case studies to understand the dynamics impacting distressed suburbs. The analysis phase examined longitudinal census data from all suburban places in the U.S. to identify those that we considered to be “distressed” based on three indicators: poverty, unemployment and foreclosures. From these 168 distressed suburbs we selected four for in-depth case studies: E. Cleveland, OH; Inkster, MI; Chester, PA; and Prichard, AL. The study found distressed suburbs are severely constrained in their fiscal and political capacity to respond effectively to the myriad challenges they face. Our recommendation: Significant structural change that includes a range of options from regionalizing service deliver to repurposing and restructuring. Kathryn W. Hexter, Edward W. (Ned) Hill, Brian Mikelbank, Ben Clark and Charles Post are the authors of the report.

- **The Sky Isn’t Falling Everywhere.** This study looks at the consequences of treating Cuyahoga County's housing market as "one market" versus a shrinking but relatively price stable market and a submarket plagued by abandonment and foreclosure. Brian Mikelbank, Ph.D. is the author of the report.

- **Does Preservation Pay?** The Cleveland Restoration Society asked Brian Mikelbank to assess their home improvement program. The report quantified gains in market value among homes participating in local historic preservation programs, as well as those nearby participating homes.

- **Levin College Forum Program.** The Forum Program is the College's state-of-the-art civic education and engagement program. Known as the place “where the community gathers to discuss challenges, create opportunities, and celebrate accomplishments," the Forum is a catalyst for thoughtful public debate, innovative thinking, new ideas, and timely action addressing critical issues that impact Northeast Ohio. Since its inception in 1998, the Forum has tackled a broad range of civic issues including the lakefront plan, economic growth and development, affordable housing, immigration, education, the convention center, poverty, race and sustainable development. The work of the forum is based on the premise that an informed and engaged citizenry is a valuable asset for the region's future growth and prosperity. In 2005, the Forum was recognized by Northern Ohio Live as "a springboard for economic and social progress throughout the region" and in 2003 received the national CivicMind award for its Millennium Program, which worked with area high school students to introduce them to careers in public service.
Faculty and Staff

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