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## Lessons From the Cleveland Integration Initiative

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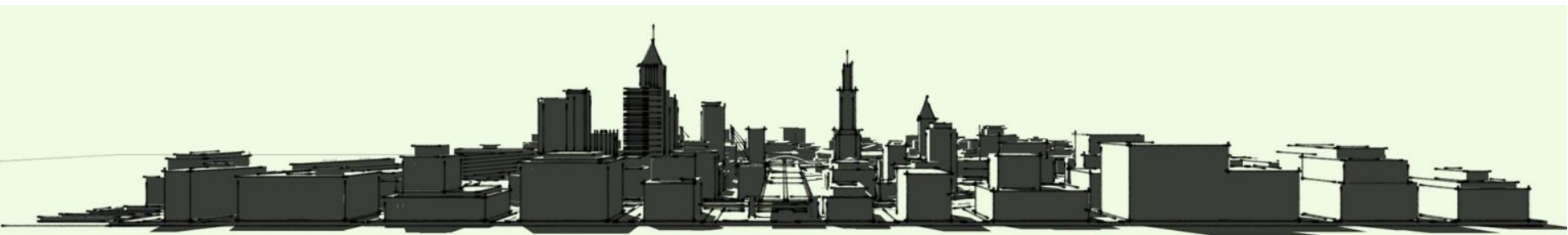
*College of Urban Affairs*

*Center for Economic Development  
Center for Community Planning and  
Development*

# LESSONS FROM THE CLEVELAND INTEGRATION INITIATIVE

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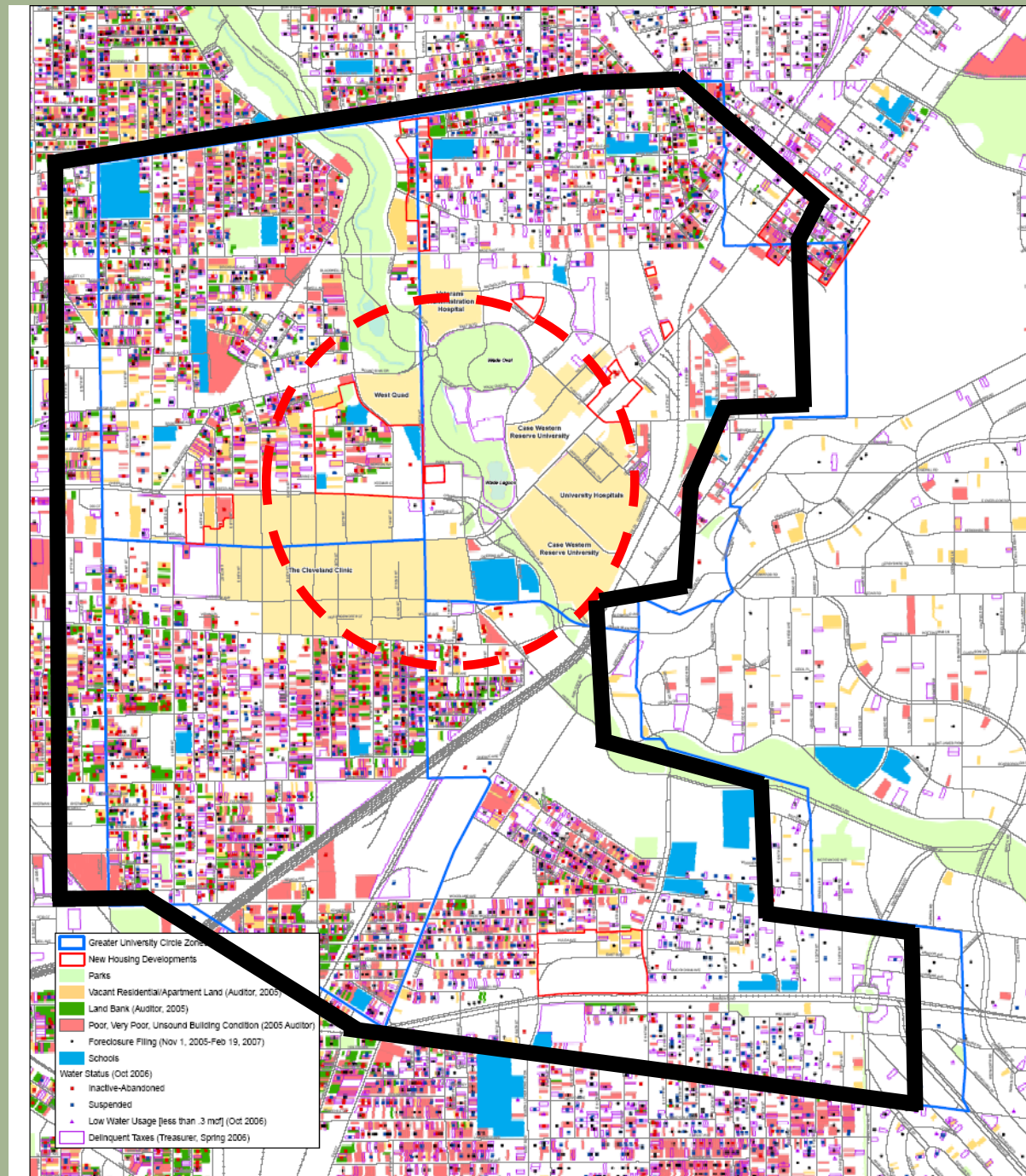
Prepared by: Walter Wright, Kathryn W. Hexter, & Candi Clouse



# Cleveland's Greater University Circle Neighborhood and The Integration Initiative



# Neighborhoods at Risk



# Cleveland High Poverty Neighborhoods

Households with Income of \$25,000 or Less	
Central	78%
University	62%
Hough	61%
Fairfax	58%
Glenville	56%
East Cleveland	56%
Buckeye-Shaker	49%
<b>Total</b>	<b>58%</b>

City of Cleveland	46%
Cuyahoga County	30%

# The Pathway out of Poverty

In Crisis	→ At Risk	→ Safe	→ Stable	→ Thriving
<ul style="list-style-type: none"> <li>• No Income or assets</li> <li>• Homeless or unstable housing</li> <li>• No or unreliable transportation or child care.</li> <li>• Safety and mental health risks are high</li> <li>• Addictions and/or Legal Problems</li> <li>• No skills or credentials</li> </ul>	<ul style="list-style-type: none"> <li>• Seeking job or temp/seasonal job or other legal income</li> <li>• Temporary or transitional housing</li> <li>• Transportation and child care available, but not affordable or reliable</li> <li>• Seeking GED or vocational training</li> </ul>	<ul style="list-style-type: none"> <li>• Employed in semi-stable job</li> <li>• Housing is stable and is affordable (maybe with subsidy)</li> <li>• Transportation and child care are generally reliable and affordable</li> <li>• Has high school diploma, GED, or vocational training</li> </ul>	<ul style="list-style-type: none"> <li>• Permanent &amp; stable job paying living wage</li> <li>• Housing is stable &amp; and is affordable without subsidy</li> <li>• Transportation and child care are reliable and affordable</li> <li>• Career &amp; educational plan in place; on-going learning</li> </ul>	<ul style="list-style-type: none"> <li>• Permanent, stable employment sufficient to build assets</li> <li>• Housing is permanent &amp; affordable without subsidy</li> <li>• Transportation and child care are reliable &amp; affordable</li> <li>• Implementing education and career plan</li> </ul>



# ANCHOR & CULTURAL INSTITUTION INVESTMENT

**Cleveland Clinic - \$1 Billion**



**University Hospitals - \$900 Million**



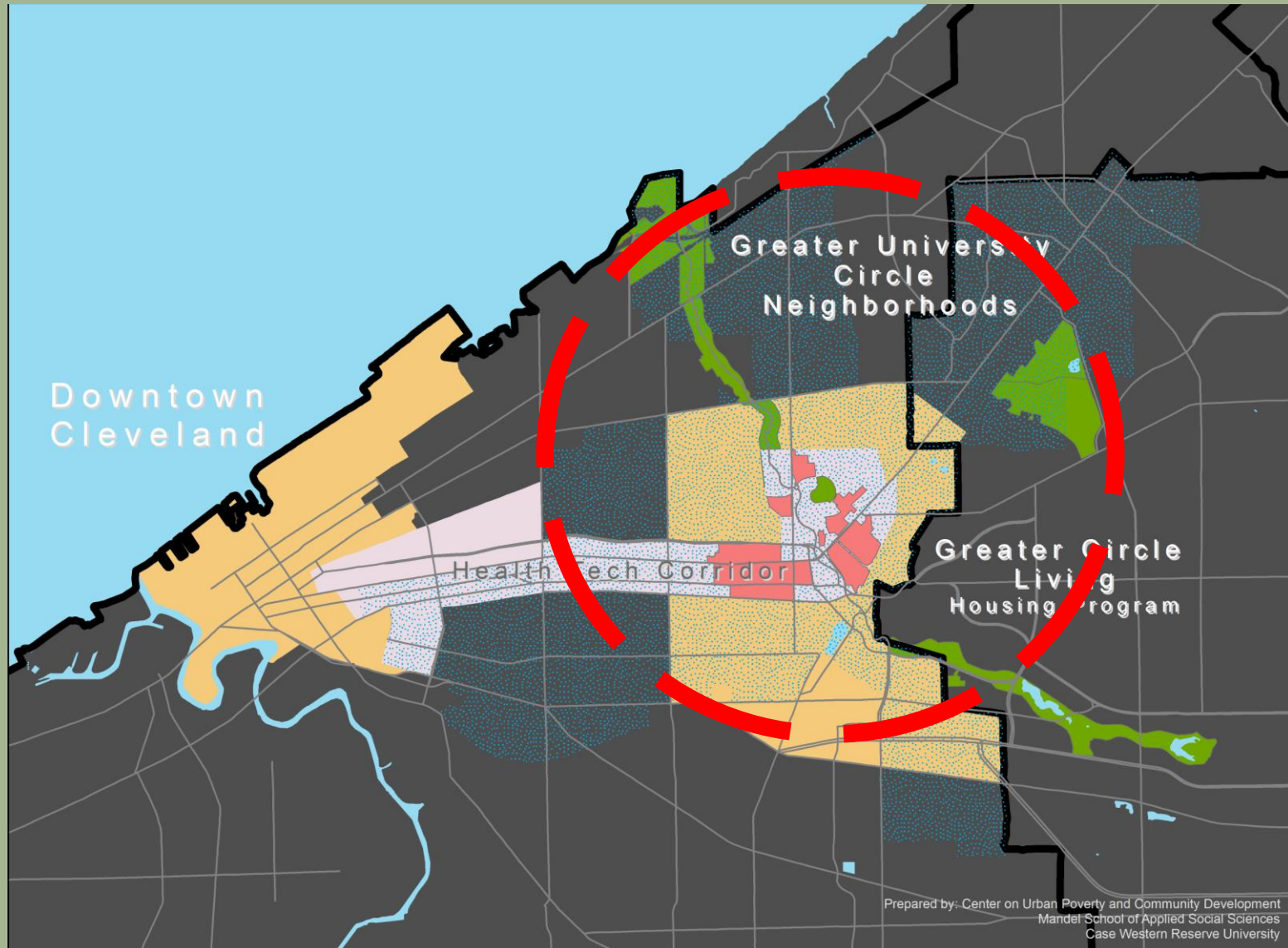
**Veteran's Affairs Medical Center -  
\$300 Million**



**Cleveland Museum of Art - \$350 Million**



# GREATER UNIVERSITY CIRCLE – “a new geography of collaboration”





# Uptown

phase I complete; phase II under construction



# Cedar Hill Station - Bus & Rail



**Major Connection between East Suburbs and  
Cleveland**

# New Mayfield Road Transit Station







# Targeted Employer-Assisted Housing Program: \$4 million pool

- Anchor Home Buyer Forgivable Loan: Now \$20,000
- Foundation Forgivable Loan: Increased to \$10,000

**Total homebuyer benefit available = \$30,000**

**\$8,000 available for home renovation**

**\$1,400 available for rental**

*Over 200 employees have taken advantage of the program!*





**“Change the environment. Change the assumptions.**

**People are capable of extraordinary things.”**

Bill Strickland, inspiration for NewBridge, and founder of Manchester Bidwell in Pittsburgh and author of “Make the Impossible Possible”

NewBridge provides after-school arts programs for youth, and no-cost training for adults, with curricula developed by UH and Clinic



# LIVING CITIES - LOCAL INTEGRATION INITIATIVE

## Members

AAPR Foundation  
AXA Equitable  
Bank of America  
Bill & Melinda Gates Foundation  
Citi Foundation  
Ford Foundation  
Deutsche Bank  
John S. and James L. Knight Foundation  
JPMorgan Chase & Co.  
Met Life, Inc.  
Morgan Stanley  
Prudential Financial, Inc.  
Robert Wood Johnson Foundation  
Surdna Foundation  
The Annie E. Casey Foundation  
The John D. and Catherine T. MacArthur Foundation  
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Cleveland Foundation  
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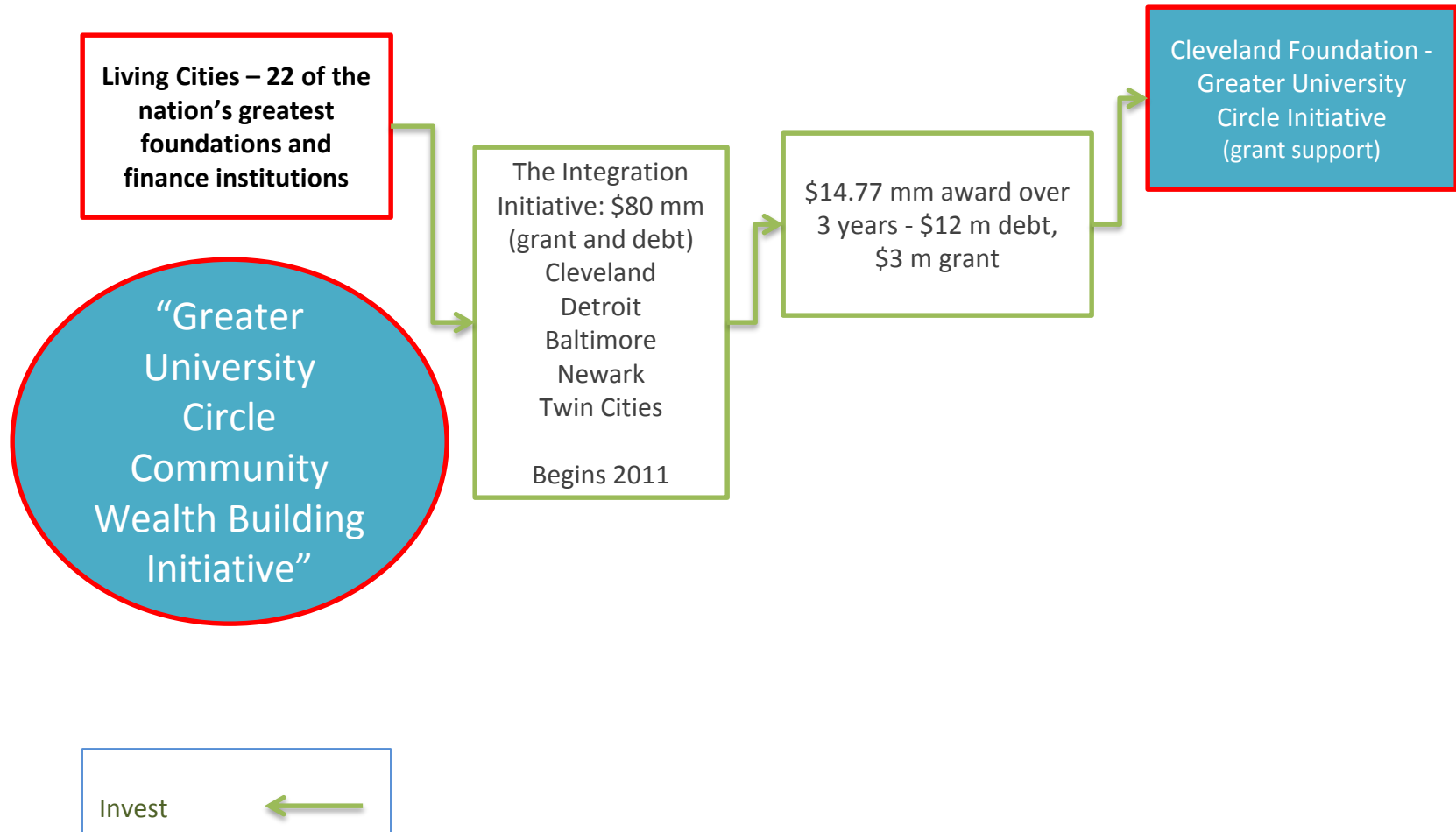
*“Living Cities supports bold, promising approaches that harness a cities unique role as America’s engine for economic prosperity and have the potential to transform the lives of low-income people and the communities in which they live”*



**LIVING CITIES**

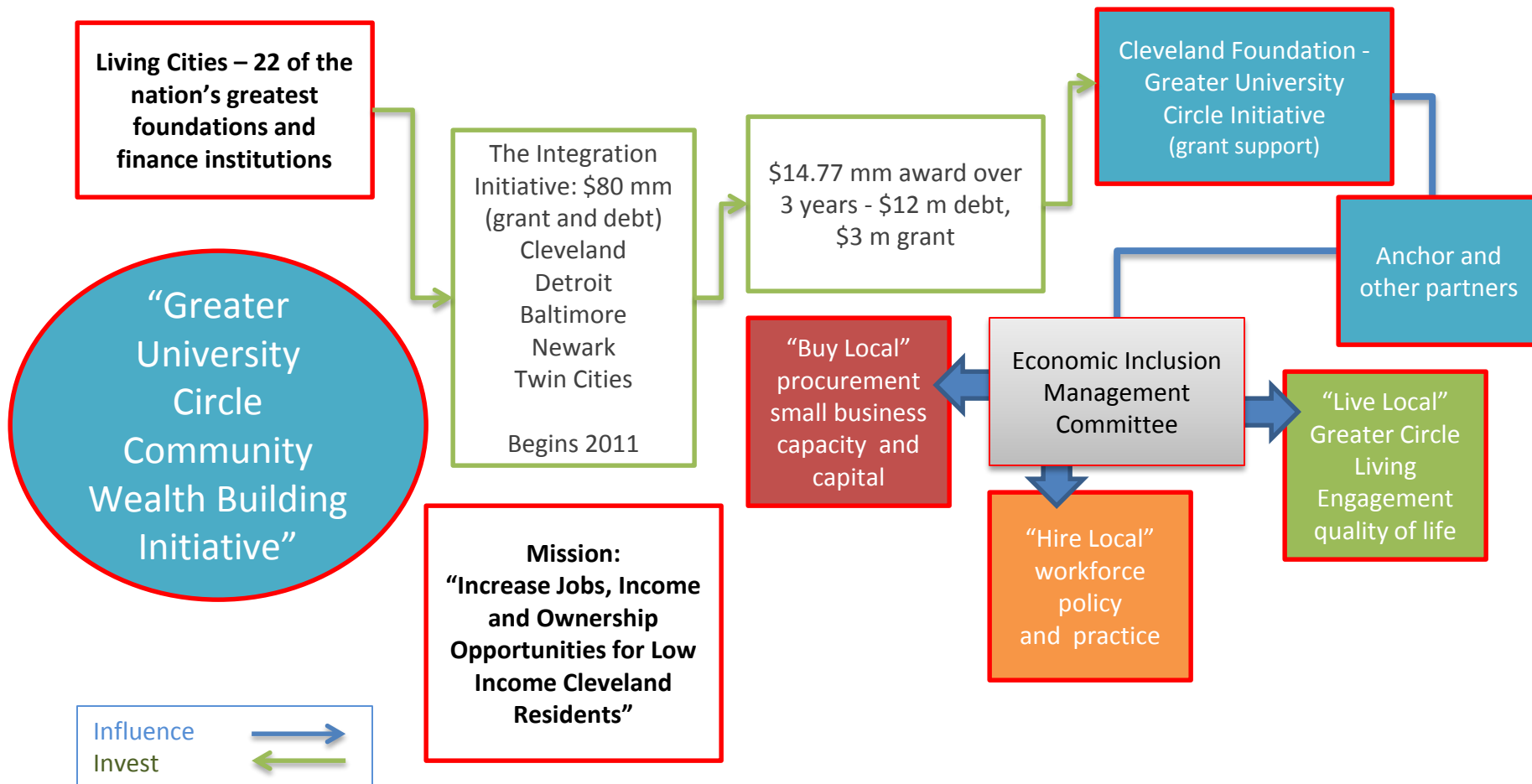
INNOVATE ► INVEST ► LEAD

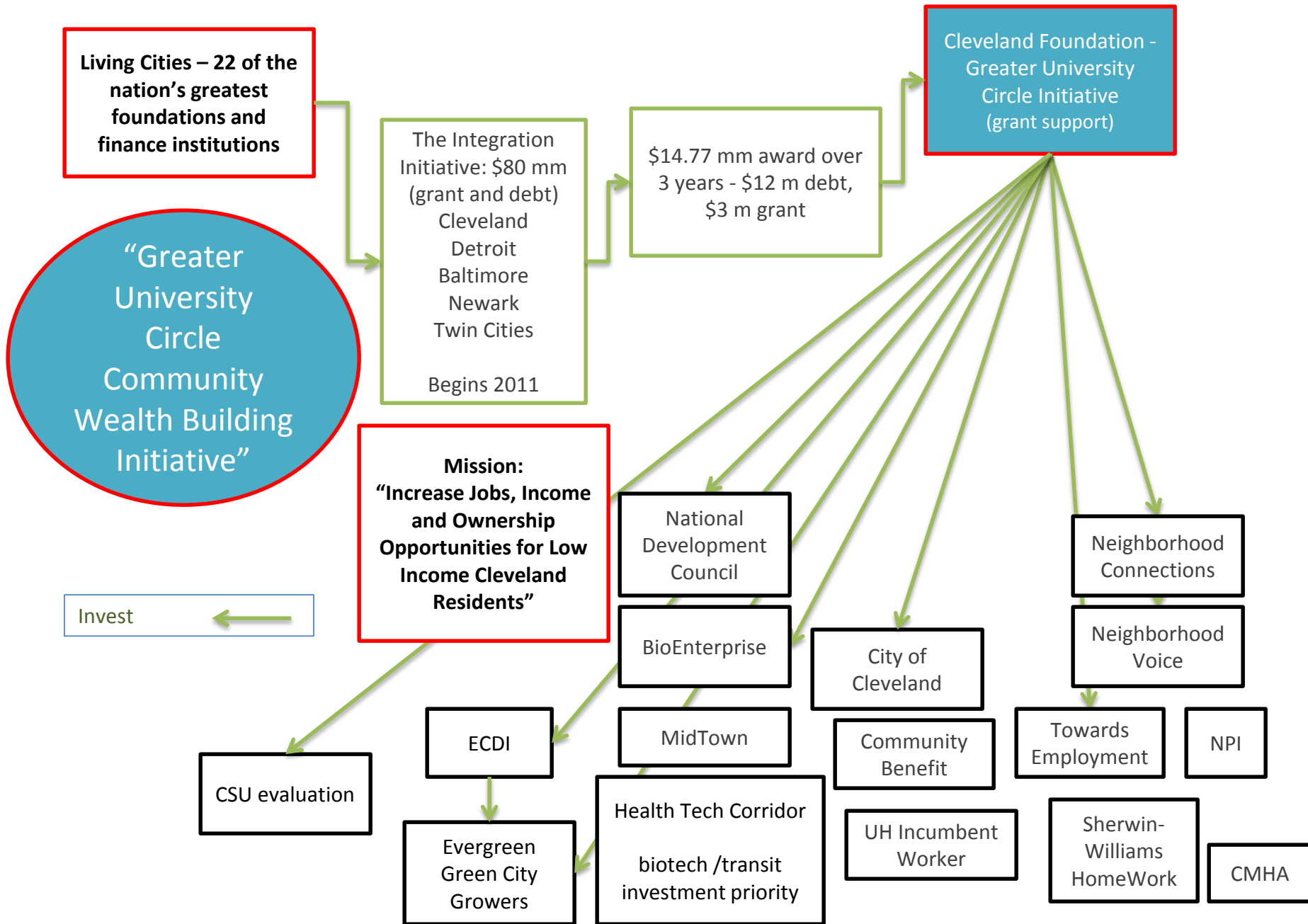
# Living Cities

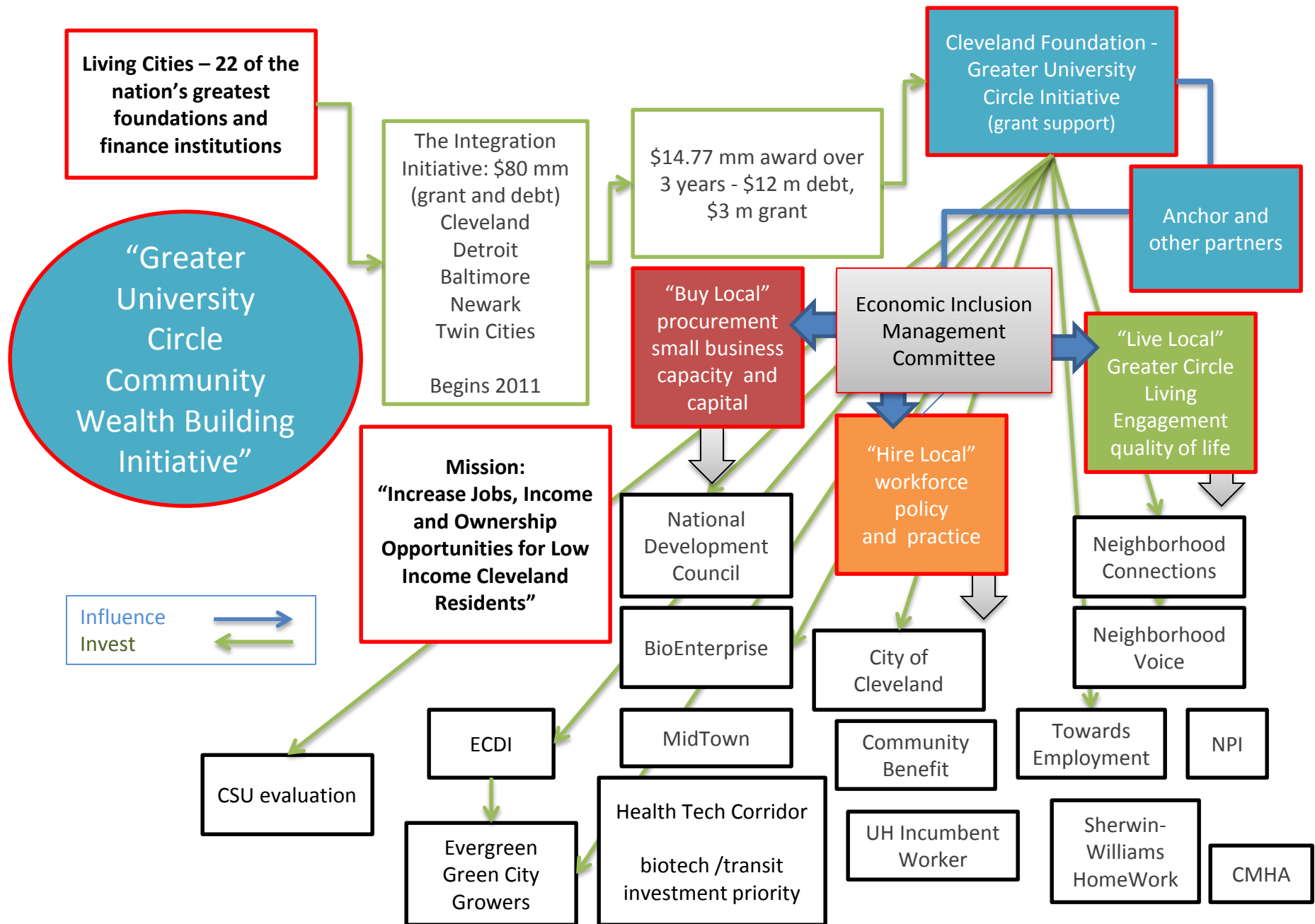




# Living Cities







# Program Evaluation

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## 3-Step Evaluation Process

### Summative

What have projects and programs accomplished so far

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### Formative & System Change

How are you accomplishing goals? How are you changing systems? What lasting changes are underway?

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## Two Levels

### Living Cities—National

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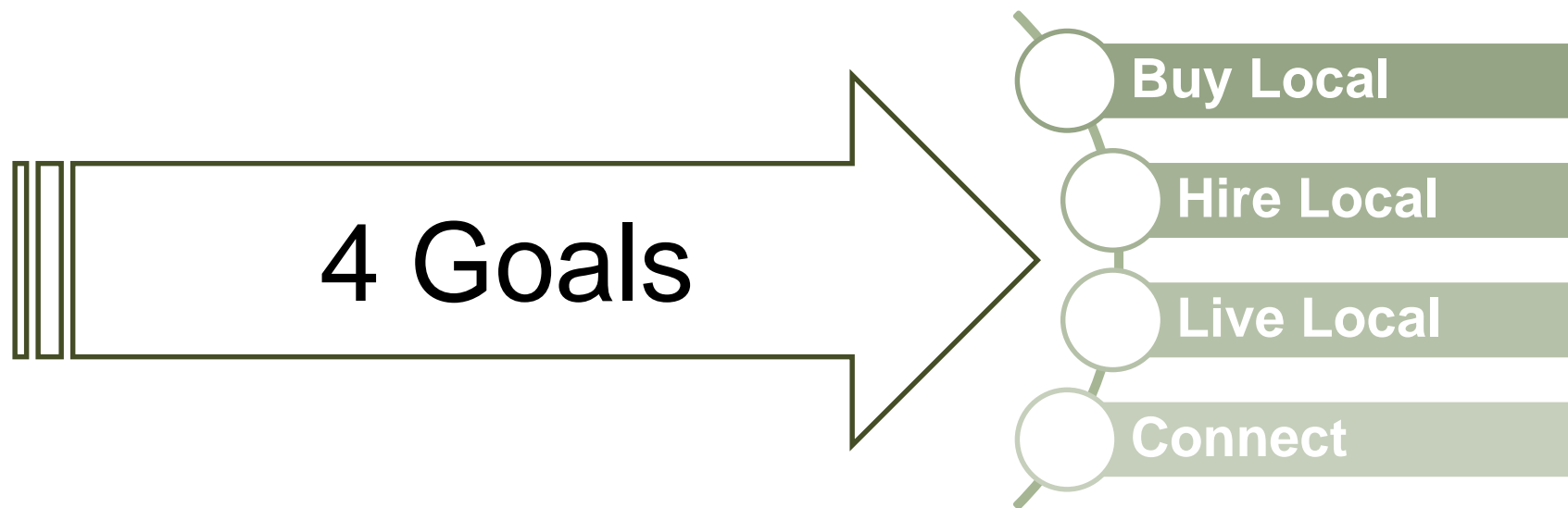
### The Cleveland Foundation/EIMC--Local

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# Cleveland's Living Cities Integration Initiative (TII) - Jobs, Income and Ownership Opportunities for Low Income People



Adopted by Greater University Circle Initiative (GUCI) Leadership group and the EIMC in 2011

# Framework

## Cross-cutting

Building Civic Infrastructure through a Nested Set of Tables

Increased Capacity of Cleveland's Community Development Finance System

Increased Capacity of City Government Development Cluster

# 4

## Goals

Buy Local

Hire Local

Live Local

Connect



1



2

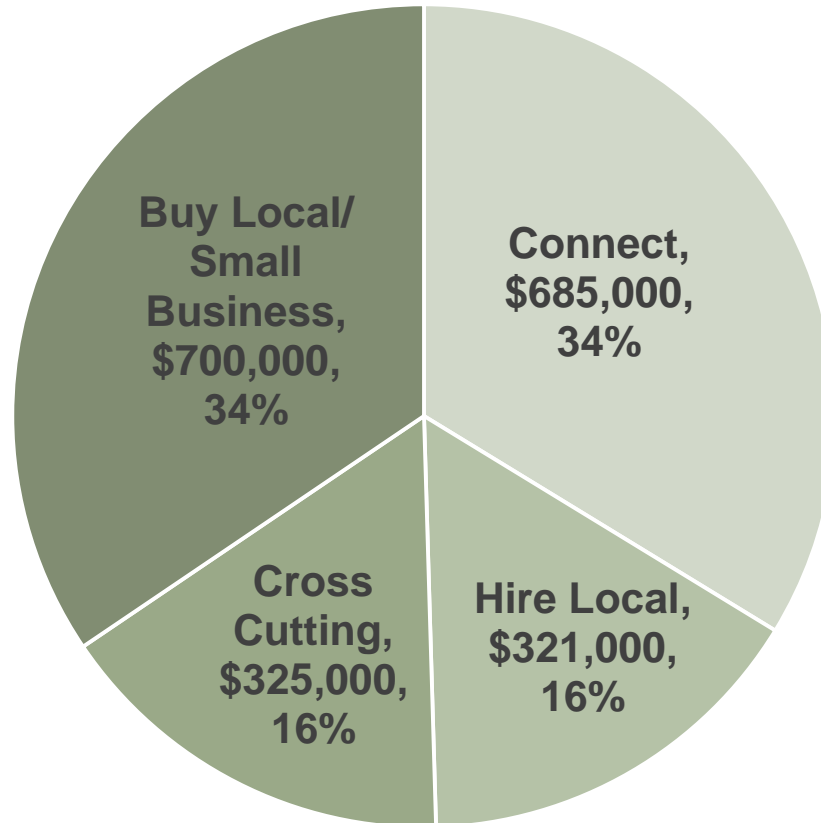


3



4

# TII Program Grants 2011-2013



# Progress from Year 1 to Year 2

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## Year 1

The first year was about creating an identity, organizing the work, understanding how to bring about long term system change, and identifying “who” and “what”

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## Year 2

During the second year goals and objectives were refined, progress was made toward the economic inclusion goals, thinking is starting to change

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Anchor partners realize they can be powerful agents for economic and community development

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# Progress in Year 3

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## Year 3

This realization leads to tangible investment in pilot programs for GUC residents and neighborhood stabilization.

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### Focused investment

Anchors are seeing the connection between their procurement and local economic development

---

Anchors' human resource directors sitting together, agreeing on goals, and providing data to track new hires by place of residence and occupational category

---

Linking people-strategy to place-strategy through the Greater Circle Living and the Evergreen Housing program that results in employees staying in GUC neighborhoods

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A vehicle to engage with the community has been created enabling the anchors to take community's interests into account when making decisions

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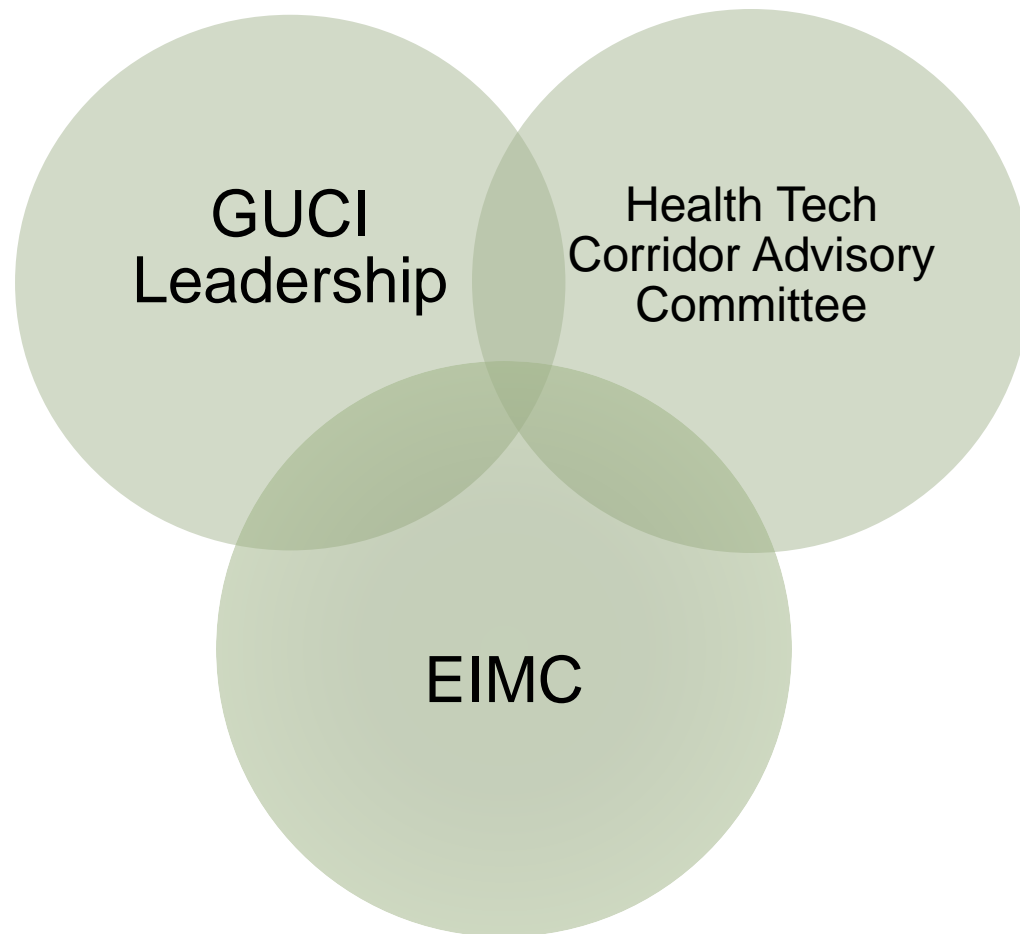




# Cross – Cutting Activities

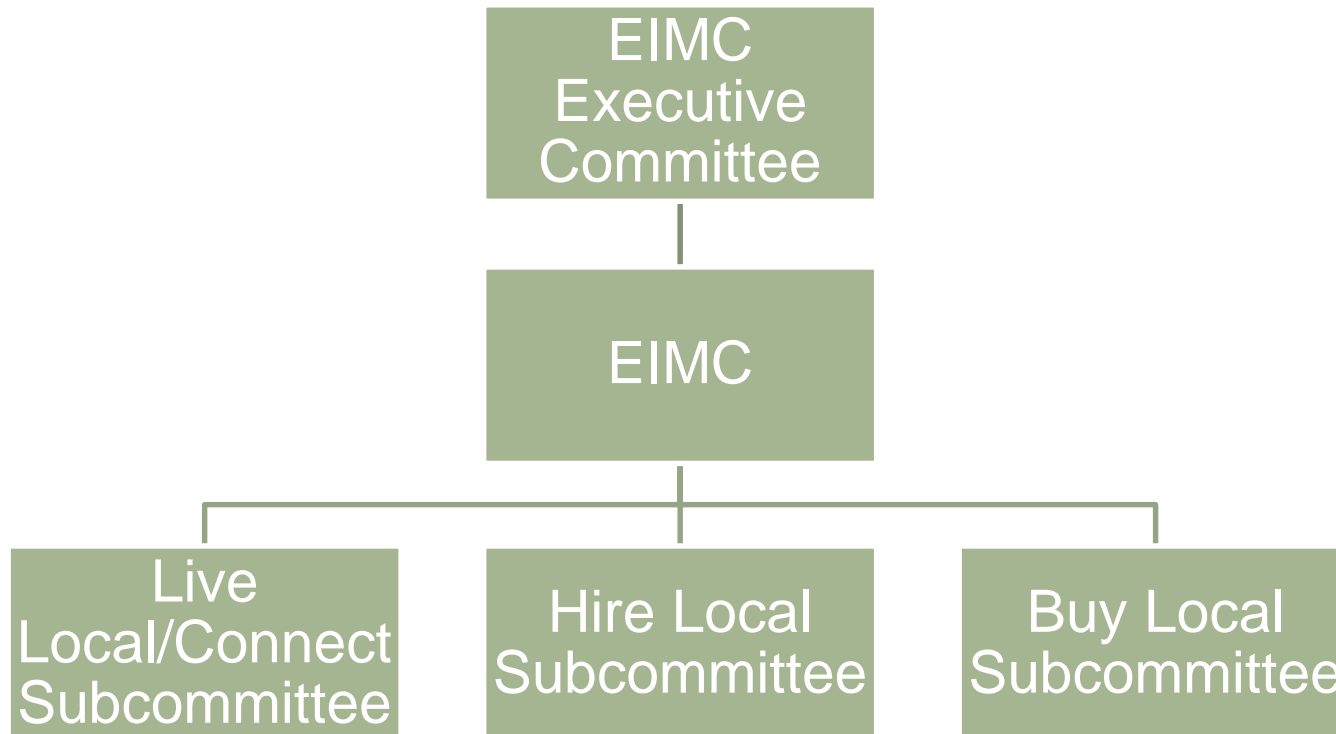
- Build civic infrastructure through a nested set of tables
- Increased Capacity of Cleveland's Community Development Finance
- Increased Capacity of City Government Development Cluster

# 3 Nested Tables

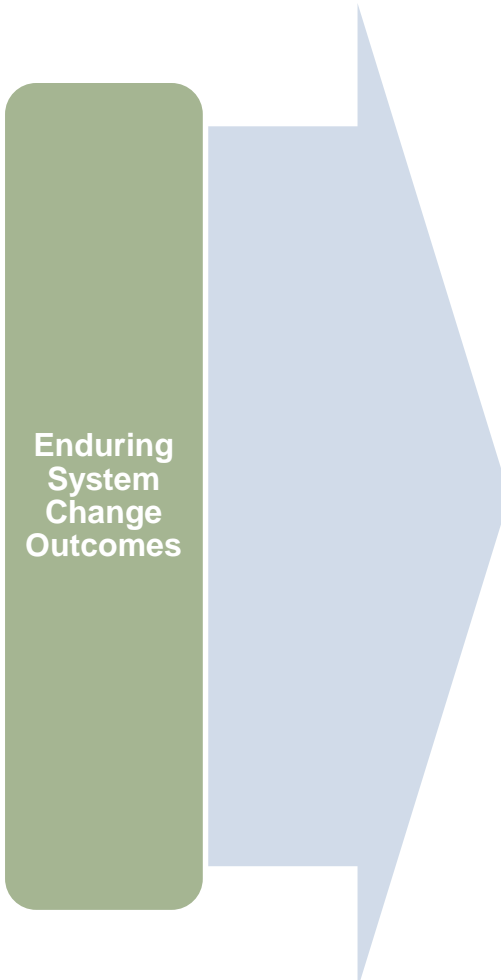


# Governance Structure

“EIMC is what holds the work together and moves it forward.”



# Enduring System Change Outcomes Cutting across Goals



## Enduring System Change Outcomes

- 1 The cross-sector and intra-sector collaboration among stakeholders to build wealth in GUC neighborhoods
- 2 The changed perspective of the anchors' leadership that investing in neighborhood stabilization projects is important
- 3 The city focusing its real estate investment dollars in HTC and making it into a regional attraction priority for health science companies
- 4 More efficient permitting system due to the new citywide online permitting system
- 5 The launch and operation of the new citywide business attraction portal, scheduled for spring 2014
- 6 The new Community Benefit Agreement on new construction projects in the city





1

# Buy Local



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1

# Interim System Change Outcomes Associated with the “Buy Local” Goal

Interim  
System  
Change  
Outcomes

1

The continued work of BioEnterprise to market HTC and staffing the efforts to attract anchor supply chain companies to the HTC and Cleveland

2

The way anchors are seeing the connection between their procurement and local economic development

3

The anchors' procurement leaders continue to sit together in meetings and look for ways to jointly attract companies

4

The establishment of the Interise model in Cleveland providing training for small business owners (i.e. Streetwise MBA, branded locally as NextStep)





1

# Enduring System Change Outcomes Associated with the “Buy Local” Goal

Enduring  
System  
Change  
Outcomes

1

The establishment and operation of the new Board of the Evergreen Cooperative Corporation (ECC)

2

A new procurement policy at University Hospitals requiring that any contract over \$50,000 go to bid to at least one local, minority-owned, female-owned, or veteran-owned businesses

3

The Clinic’s transparency goals for purchasing from MBEs and FBEs

4

The relocation of Owens & Minor to a site near the GUC area following long negotiation between University Hospitals, the City, and the company



# Anchors' Procurement

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In 2013, 3 anchors spent \$2.8 billion on goods and services

13% in Cleveland

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24% in Cuyahoga County

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Case Western  
Reserve University  
\$464,675,832

16% in Cleveland

---

30% in Cuyahoga County

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Cleveland Clinic  
\$1,710,601,209

10% in Cleveland

---

20% in Cuyahoga County

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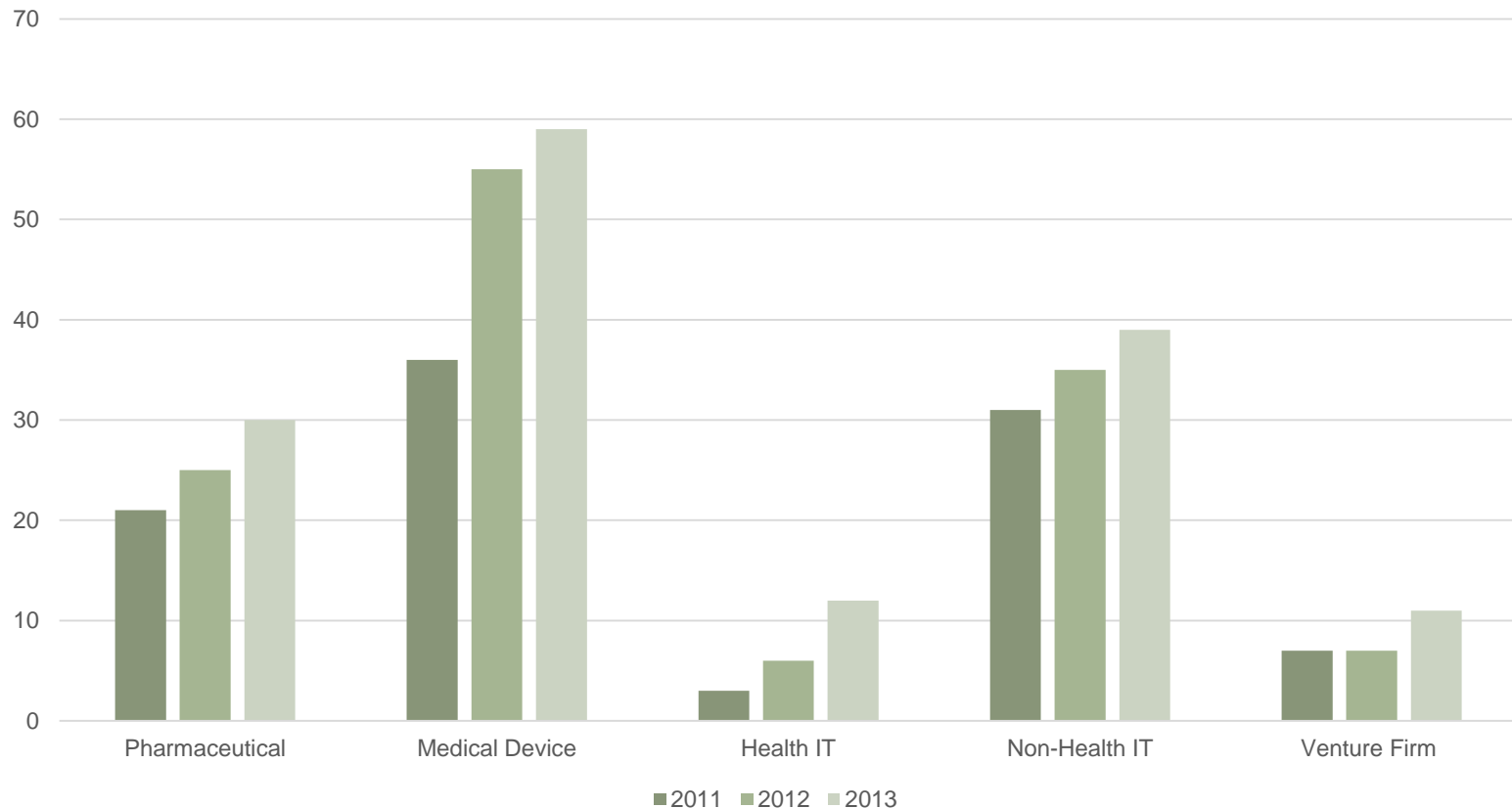
University Hospitals  
\$584,138,230

10% in Cleveland

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20% in Cuyahoga County

# Number of Companies on the HTC, 2011-2013





# Evergreen Cooperative Financial Overview, 2013

	Evergreen Cooperative Laundry	Evergreen Energy Solutions	Green City Growers	Total
Yearly Company Payroll	\$842,642	\$355,841	\$398,737	\$1,597,220
Number of employees	38	8	21	67
Number of employees owners	15	8	0	23
Total value of benefits per month	\$3,475	\$2,780	\$348	\$6,603
Average Hourly Wage	\$11.34	\$15.65	\$10.64	\$13.36
Average Yearly Wage	\$22,175	\$44,480	\$18,987	\$23,839
Value of employee capital accounts	\$18,660	\$6,430	\$0	\$25,090
Average capital account per employee	\$1,244	\$804	\$0	\$1,091



2

# Hire Local



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2

## Interim System Change Outcomes Associated with the “Hire Local” Goal

Interim  
System  
Change  
Outcomes

1

The process of anchors’ human resource directors sitting together, agreeing on goals, and providing data to track new hires by place of residence and occupational category

2

The workforce development programs by each of the anchors focusing on GUC neighborhoods

3

The “funnel before the funnel” pilot program at University Hospitals to hire entry-level employees from GUC neighborhoods

4

A renewed focus on providing additional training to existing employees at the anchors--especially those in entry level positions

5

Ongoing anchors’ contributions to Evergreen

6

Improvements at NewBridge





2

## Enduring System Change Outcomes Associated with the “Hire Local” Goal

Enduring  
System  
Change  
Outcomes

1

A willingness of human resource departments to look outside the regular recruitment process to get access to candidates from the neighborhoods

2

The mutually agreed-upon Hire Local goals by the anchors and recognizing the necessity of measuring progress towards increased local hiring

3

Conducting analysis by the evaluators using anchors’ data and allowing it to drive strategies for increased local hiring

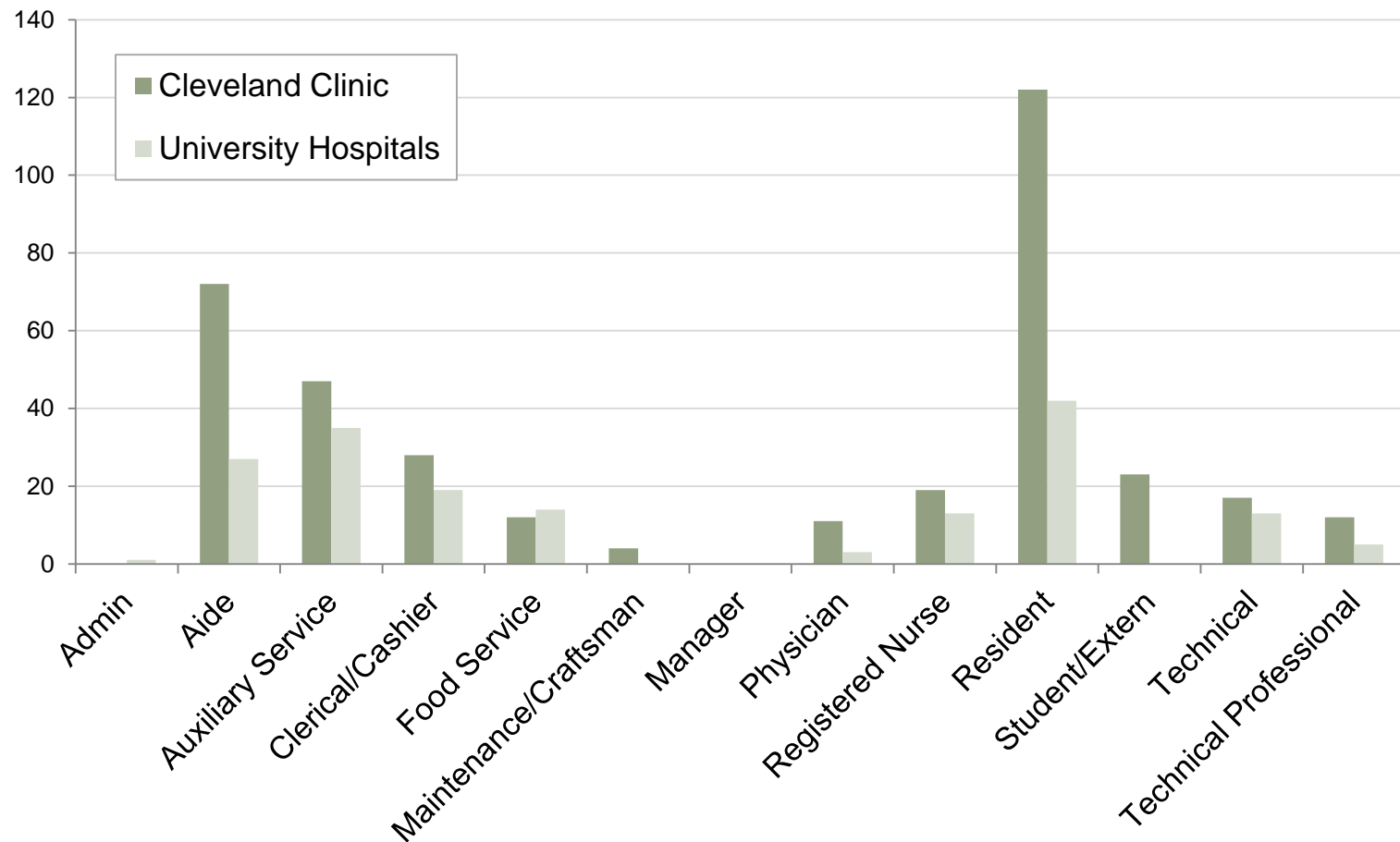


# Anchor Employment Data, 2013

Geography	CCF Employment	CCF % of Total	UH Employment	UH % of Total	All Anchors Employment	All Anchors % of Total
GUCI	1,296	3.1%	755	4.5%	2,051	3.5%
Cleveland	5,373	13.0%	2,306	13.7%	7,679	13.2%
Cuyahoga	26,149	63.1%	10,261	61.1%	36,410	62.5%
NEO	41,112	99.1%	16,634	99.0%	57,746	99.1%
Ohio	41,275	99.5%	16,666	99.2%	57,941	99.4%
Outside Ohio	156	0.4%	90	0.5%	246	0.4%
Unclassified	39	0.1%	50	0.3%	89	0.2%
<b>Total</b>	<b>41,470</b>		<b>16,806</b>		<b>58,276</b>	



# Anchor GUC Hires by Occupation



# Entry-Level GUC Hires in Q1 and Retained through Q4

Job Description	Cleveland Clinic			University Hospitals			CCF & UH		
	Yes	No	Total	Yes	No	Total	Yes	No	Total
Aide	7	7	14	4	1	5	11	8	19
Auxiliary Service	9	3	12	5	0	5	14	3	17
Clerical/Cashier	3	1	4	4	0	4	7	1	8
Food Service	2	2	4	6	0	6	8	2	10
Maintenance/Craftsman	2	0	2	-	-	-	2	0	2
Total	23	13	36	19	1	20	42	14	56

# Anchor New Hires by Detailed Location; 2013: Q1-Q4

Geography	UH & CCF	
	New Hires	%
GUC	539	5.82%
Cleveland	1,623	17.52%
Cuyahoga	5,874	63.42%
NEO	8,996	97.13%
Ohio	9,076	97.99%
Outside Ohio	113	1.22%
Unclassified	73	0.79%
Total	9,262	100.00%
East Cleveland	74	0.80%





3

# Live Local



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3

## Interim & Enduring System Change Outcomes Associated with the “Live Local” Goal

### Interim System Change Outcomes

1

The revised Greater Circle Living Housing program

2

The expansion of the Evergreen Housing program

### Enduring System Change Outcomes

1

A changed perspective recognizing the importance of stable housing for employment stability

2

Linking people-strategy to place-strategy through the Greater Circle Living and the Evergreen Housing program that results in employees staying in GUC neighborhoods





# Live Local: Greater Circle Living

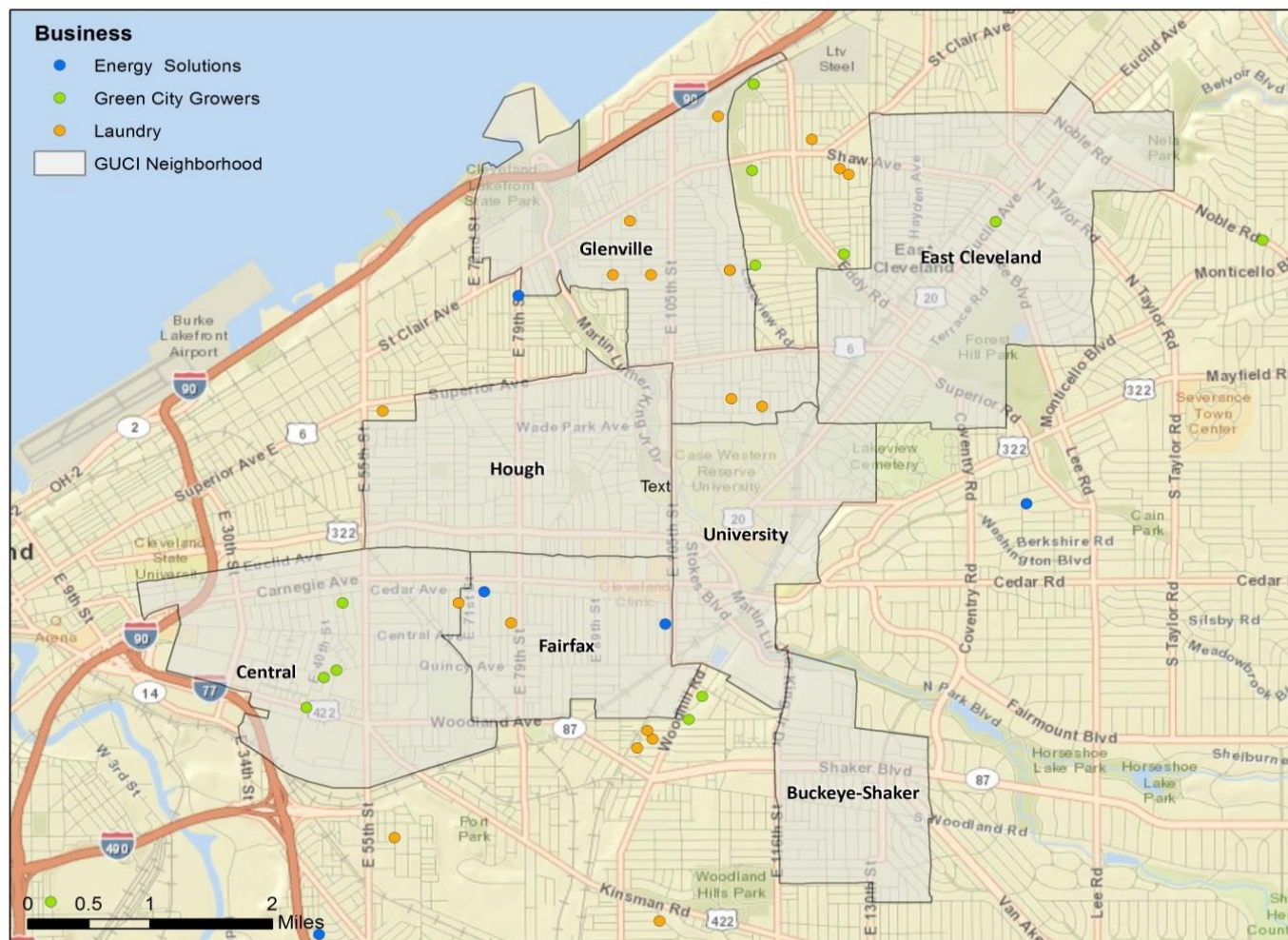
## Program Inception – December 2013

Type of Financial Assistance	# That Received Assistance	# from Within GUC	# from Outside GUC but in City	# from Outside City but in NEO	# from Outside NEO
Funds to Purchase a New Home	52	17	9	19	7
Funds for External Home Repairs & Renovations	30	1	4	1	3
Subsidies for Rental Assistance	96	13	16	28	39
<b>TOTAL</b>	<b>178</b>	<b>31</b>	<b>29</b>	<b>48</b>	<b>49</b>

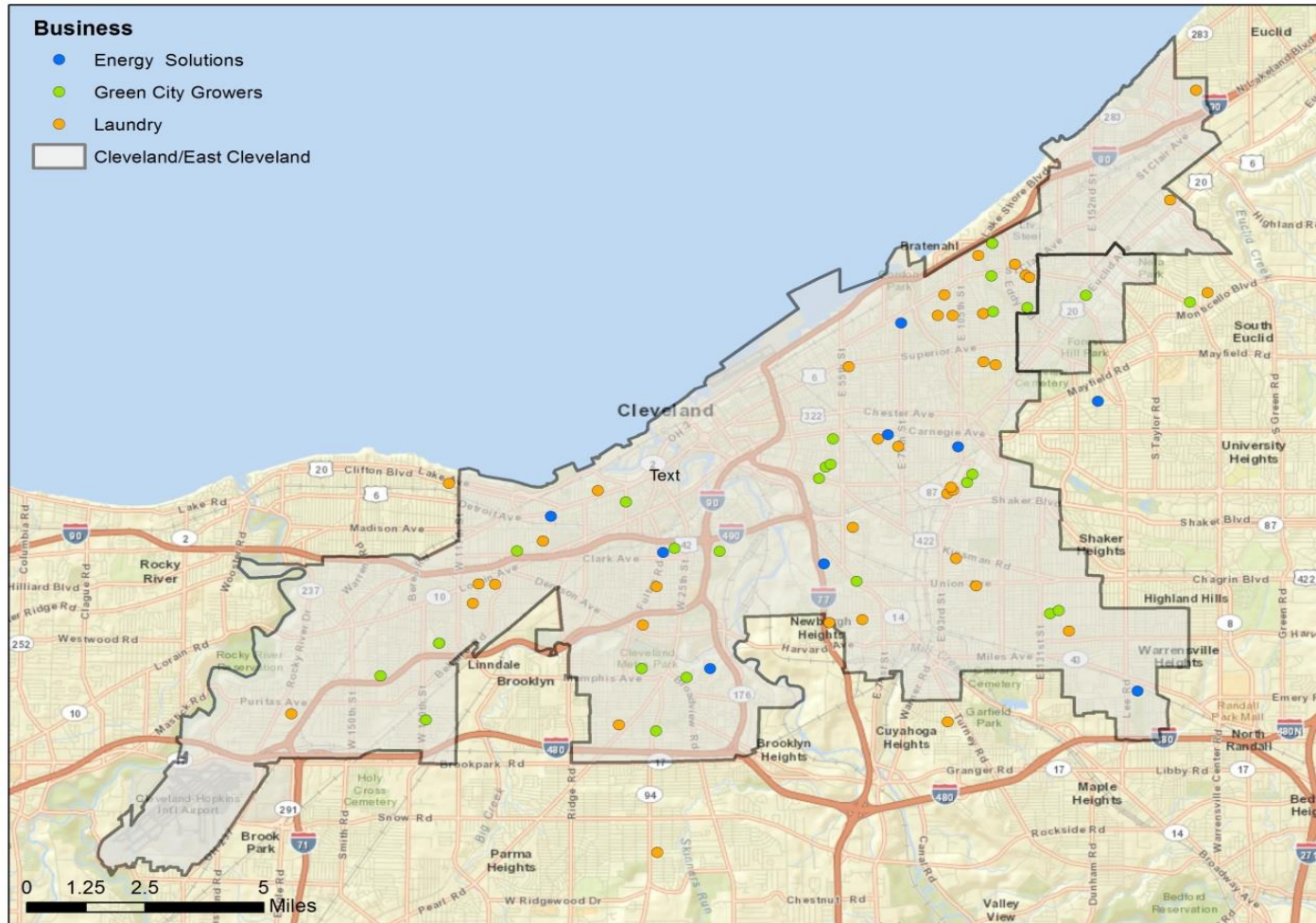
# Live Local: Greater Circle Living Before and After Programmatic Changes

Type of Financial Assistance	May 2008 – May 2012  49 Months	June 2012 – December 2013  19 Months	TOTAL
Funds to Purchase a New Home	31	21	52
Funds for External Home Repairs & Renovations	19	11	30
Subsidies for Rental Assistance	36	60	96
TOTAL	86	92	178

# Residential Location of Evergreen Employees: GUC



# Residential Location of Evergreen Employees: Cleveland & East Cleveland





4

# Connect



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# 4

## Nighborhoods are at the Heart of TII



“Without assistance from NC or TE, these neighborhood residents would not be employed .”



4

## Interim & Enduring System Change Outcomes Associated with the “Connect” Goal

Interim  
System  
Change  
Outcomes

1

A mechanism to engage with the community created by Neighborhood Connections

2

Community engagement and the role of Neighborhood Connections now being highly valued by the anchors

Enduring  
System  
Change  
Outcomes

1

A vehicle to engage with the community has been created enabling the anchors to take community's interests into account when making decisions

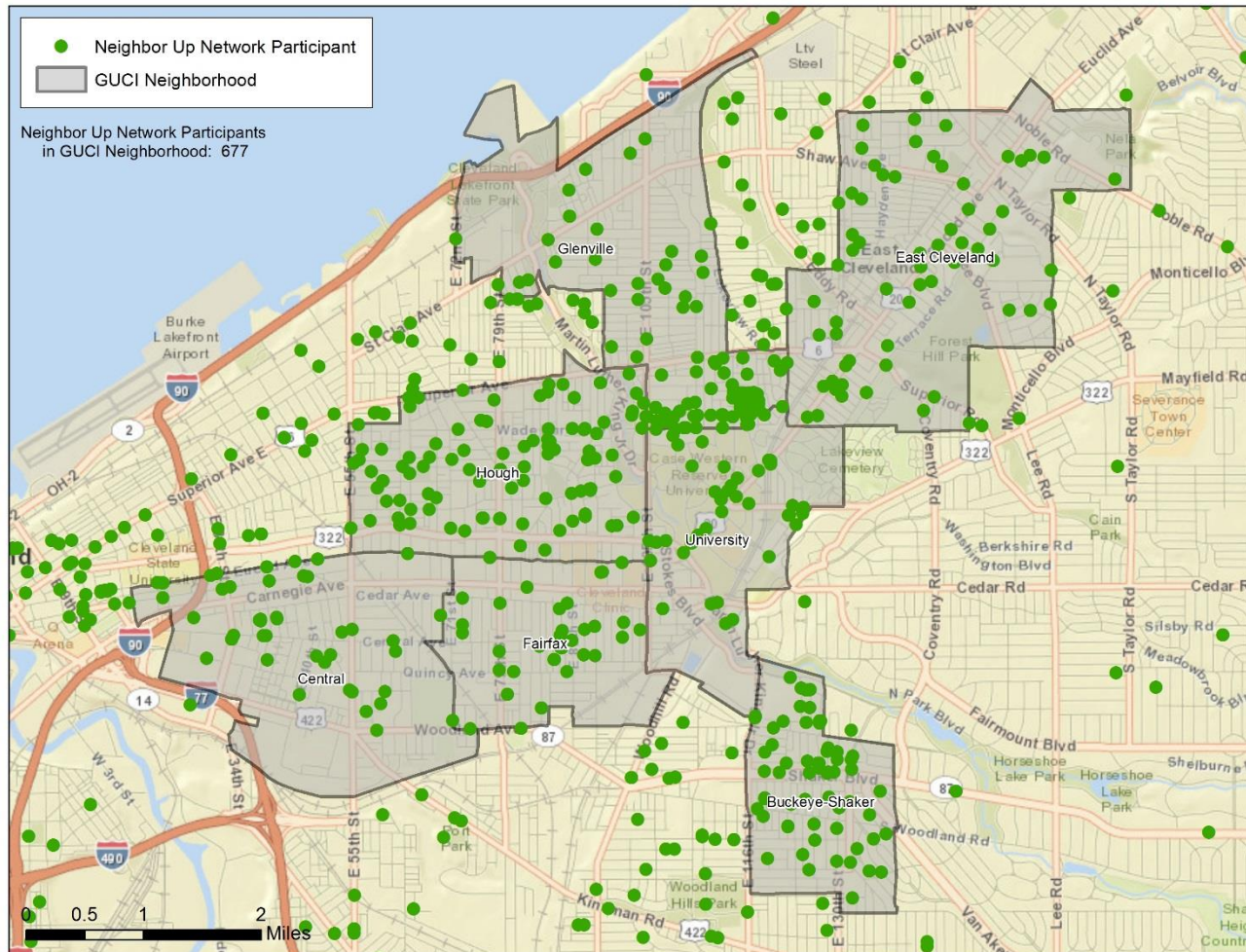
2

The Neighborhood Voice--published both in print and electronically—enhances communication among the residents, anchors and other neighborhood organizations

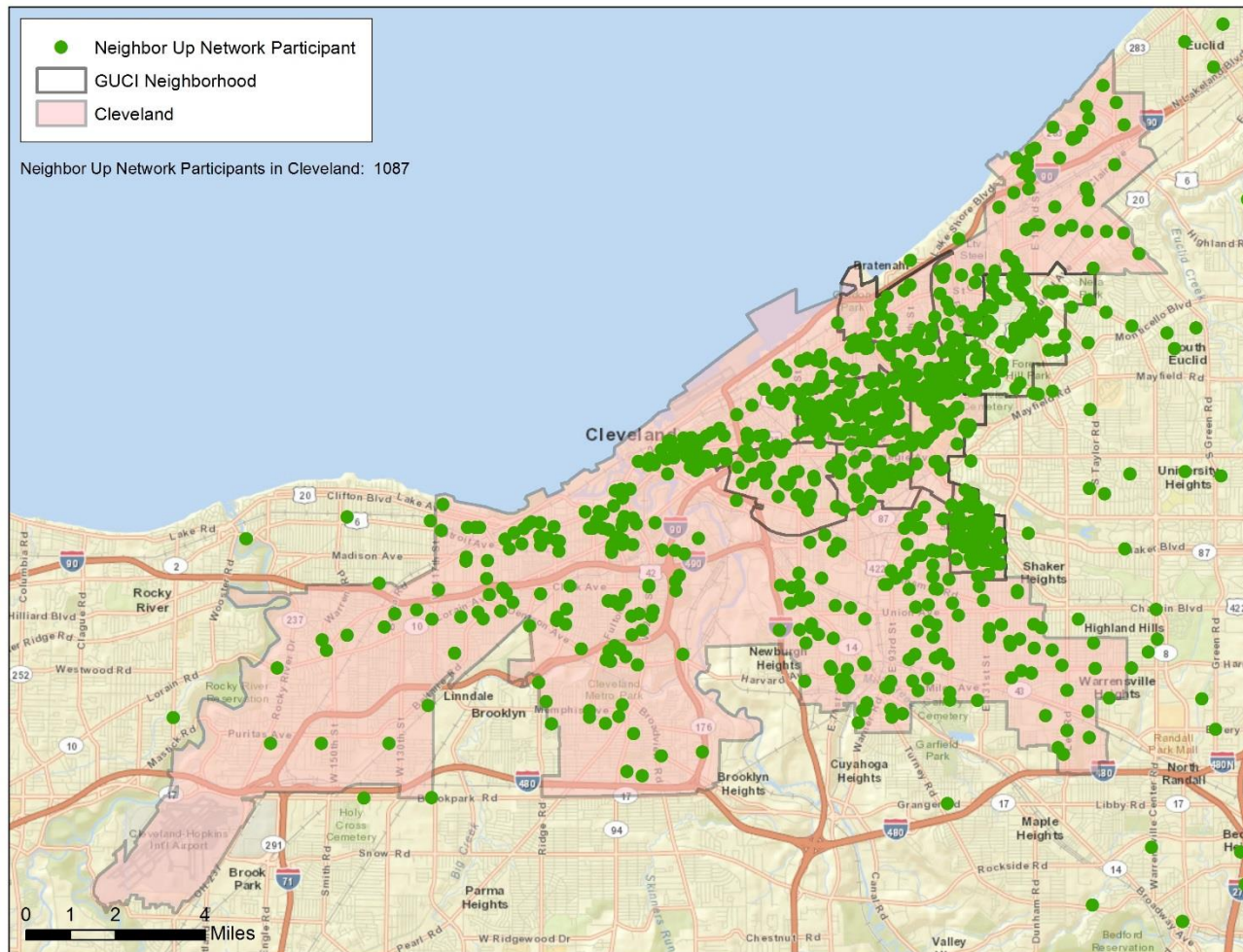




# Neighbor Up Network Participants in GUC



# Neighbor Up Network Participants in Cleveland



# The Role of Philanthropy is Critical

- The Cleveland Foundation and Living Cities
  - TCF: Convene, lead, fund
  - LC: Funding, knowledge and networks
- Results
  - Synergy, strengthened networks
  - Anchors use the lens of economic inclusion to revisit hiring, purchasing, employee relations and health care delivery.
  - Linked GUCI to HTC and accelerated HTC development

# What Worked?

- A multi-anchor, place-based strategy, harnessing \$3B of purchasing power for community benefit.
- Nested tables (GUCI, HTC and EIMC)= a safe place where competitors can work together to achieve common goals
- Launching innovative pilot programs to leverage local purchasing and provide career path for local residents
- A comprehensive community engagement strategy, with Neighborhood Connections as a trusted partner.
- Data Driven Decisions



# Looking Toward Year 4 & Beyond

1

Taking programs to scale

2

Keeping EIMC and GUCI on the same page

3

Sustaining the effort without Living Cities



# The Foundation Perspective



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# Group Dynamics

Emotional Intelligence – Reward Success

“Forming, Storming, and Norming”

“Learn to Fail, or Fail to Learn”

Self-interest, “Skin in the Game”

Decision Making, Sharing Power, Ownership





# Adaptive Leadership

*Cambridge Leadership Associates*

- “Adaptive leadership...is being able to take on the gradual but meaningful process of adaptation.
- “It is about diagnosing the essential from the expendable and bringing about a real challenge to the status quo.”

Technical Problems have a clear solution...  
you can “fix” it

Adaptive Problem are emotional, recurring, include competing values; there’s often a gap between “what people say and what they do.” There is no known solution. Ex: racism, poverty, war.

“Leadership is at the Edge”

“Get the Balcony View”

“People Must Work Across Boundaries

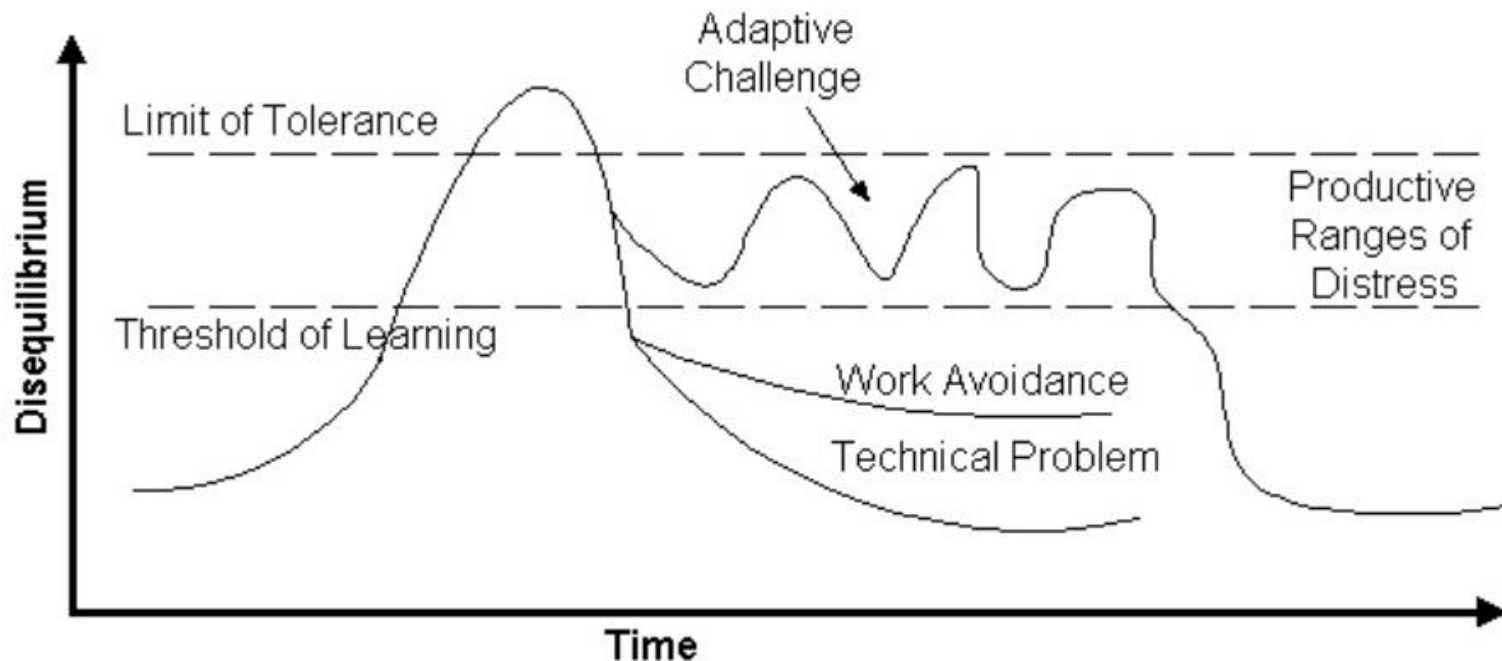
“Progress Not Linear”

Beware of “Work Avoidance”

And Remember, “There Will Be Casualties”



# Adaptive Leadership



Source: Ronald A. Heifetz and Donald C. Laurie, "Mobilizing Adaptive Work: Beyond Visionary leadership," in Jay A. Conger, Gretchen M. Spreitzer, and Edward E. Lawler III, eds., *The Leader's Change Handbook: an Essential guide to Setting Direction and Taking Action* (New York: John Wiley & Sons, 1998)

“Leadership is supporting your team through disruptive change – at the rate that they can handle.”



# Learning Agility:

*“What separates the remarkable from the good is the ability to adjust, adapt, respond, and be resourceful in the face of change and to learn from experience.”*

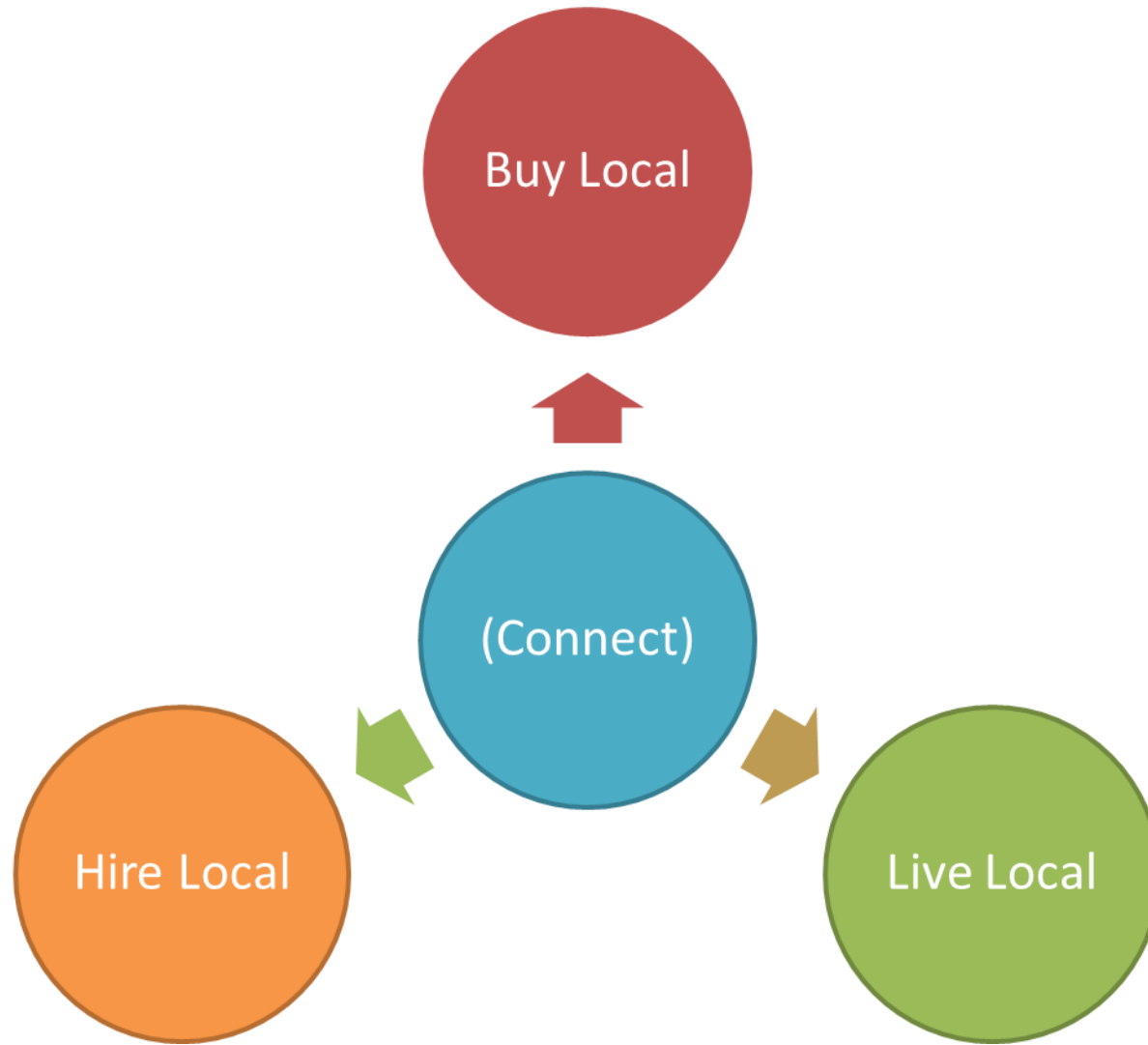


# EXAMPLE: STEP UP TO UH

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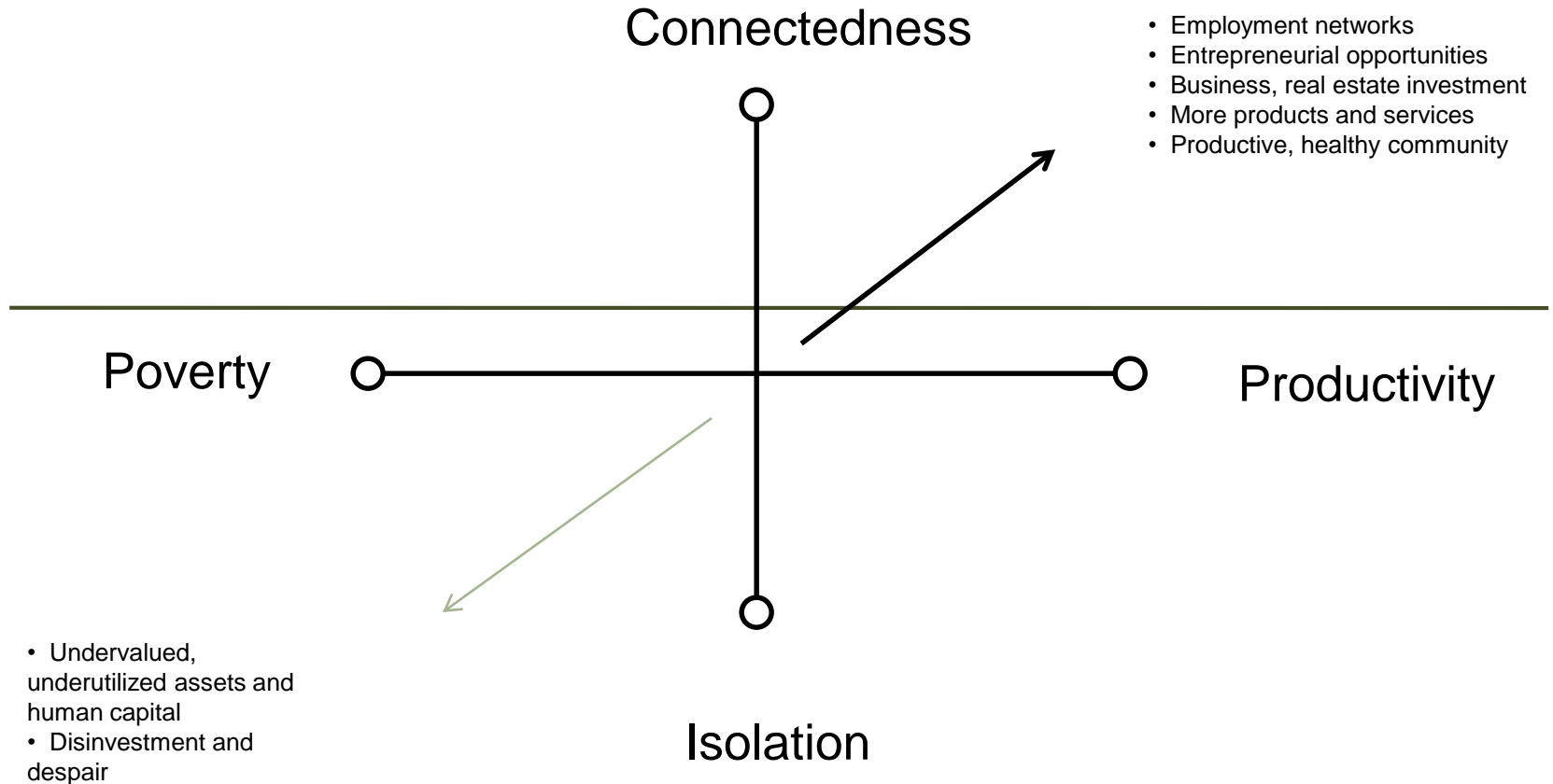
Anchor and Group dynamics and the  
Economic Inclusion Management Committee







# Functioning Neighborhoods Connect Residents to Community Assets



Adopted from Neighborhoods that Build Capacity and Opportunity (Amarta Sen)



## “Increase Jobs, Income, and Ownership Opportunities for Low-Income Cleveland Residents”

### Buy Local

- Anchor procurement – increase local
- Support City of Cleveland economic development
- Small business support and capital
- Marketing the Health Tech Corridor

### Hire Local

- Anchor hiring – support pipeline from community
- City of Cleveland Community Benefit Agreements
- Better alignment of Workforce Investment Board
- Education and training

### Live Local

- Greater Circle Living – employer-assisted housing program
- Neighborhood Connections – network-centric organizing
- Quality of life and sustainability, including transportation and resident health

“Connecting” organizations include: Neighborhood Connections, Towards Employment, National Development Council, ECDI, BioEnterprise, City, etc.





# Linking Residents to Employment

Towards **Employment**

*Supports for Success*

*Outreach & Recruitment*

*Transportation*

*Housing Stability*

*Professional Networks*

*Health care*

*Child Care*

*Legal*



**Neighborhood Residents**



**Anchors, other Employers, Apprenticeships**

**Orientation, Assessment, Screening for Career Paths**

**GED/Basic Literacy**

**Technical Training**

**Career Coaching**

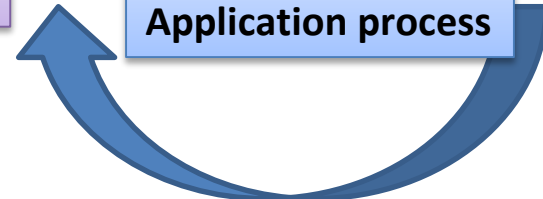
**Softskills**

**Job Search skills**

**Work Experience**

**Job leads  
Qualifications  
Application process**

*Building Skills*



# Incumbent Workforce Development Programs

## GED Class

### Bridge to your Future

- Bridge to College program for employees
- Over 200 employees have participated

### Pathway to Patient Care Assistant (PCA)

- Current UH service employees trained to become PCAs, first rung on health care career ladder
- Outcomes: 100% completion and retention at 6 mos; 80% retention rate after one year

### Career Coaching

- Over 250 employees coached annually, 57% successfully obtain new jobs



University  
Hospitals



**Towards Employment**

## Step Up to UH – backfilling jobs with GUC residents

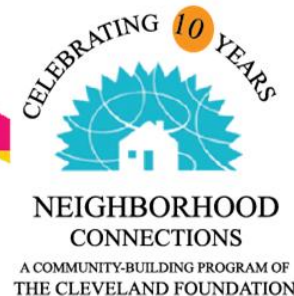
- **UH and Towards Employment**
  - Identify jobs, screening criteria, timeline for recruitment
- **Neighborhood Connections/community development corps.**
  - Outreach and meeting convening
- **Towards Employment**
  - Recruitment, coordination, screening, pre-employment soft-skills training, wraparound supports

### Outcomes :

- *41 hires since July 2013; new cohort underway*
- *Significantly improved interview to hire ratio*
- *85% retention rate over 18 months*
- *First cohort is now eligible for the Bridges or Pathway to PCA programs!*



# Greater University Circle Jobs Pipeline: Step Up to UH





# Thank you!

Walter Wright  
The Cleveland Foundation

Kathryn W. Hexter  
Center for Community Planning & Development

Candi Clouse  
Center for Economic Development

