

LOOKING FOR PROGRESS IN AMERICA'S SMALLER LEGACY CITIES: A REPORT FOR PLACE-BASED FUNDERS



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EXECUTIVE SUMMARY

Place-based funders can play an important role in connecting economic growth to economic opportunity. This paper describes a study tour undertaken by representatives from four Federal Reserve Banks and more than two dozen place-based funders, under the auspices of the Funders' Network-Federal Reserve Philanthropy Initiative. What began as an inquiry into four small legacy cities – Chattanooga, TN; Cedar Rapids, IA; Rochester, NY; and Grand Rapids, MI – that appeared to have experienced some measure of revitalization in the post Great Recession environment evolved into an understanding that revitalization in these places is moving along two distinct paths: an “arc of growth” and an “arc of opportunity.” In the context of these small legacy cities, growth and opportunity is unfolding separately along these two long-term “arcs,” leading to the conclusion that broad community prosperity lies in: 1) recognizing that growth alone does not naturally lead to opportunity; and 2) advancing deliberate policies, investments, and programs that connect growth to opportunity. Tour participants observed that without the action of organizations like place-based funders, that connection rarely occurs.

Given the common narratives emerging from the study tour and the dual arcs framework for evaluating place-based revitalization, participants in the tour put forward a short, non-exhaustive, list of conclusions for funders.

Patient capital builds local capacity. The time horizons of community revitalization require capital that seeks both social impact and financial return over a longer term. Place based funders are uniquely positioned to address the long time horizon that this work dictates, and the resources they control may be critical aspects in its acceleration or deceleration.

State policy often limits the flexibility and authority of local leaders to connect the arcs of growth and opportunity. Funders can take an active role in identifying those policy bottlenecks or opportunities that facilitate more positive local action toward connecting growth to opportunity. Place-based funders can be catalytic change agents for both policy and practice without engaging in lobbying.

Jurisdictional authorities dictate policy to connect the growth and opportunity arcs. The levers of power and

resource allocations accorded to any number of public or pseudo-public authorities have a significant, often negative, impact on the efficacy of efforts to connect the dual arcs. Funders can take an active role in helping to identify and break down or circumnavigate local jurisdictional boundaries that prevent positive action and facilitate alignment toward common goals.

Effective marketing and communication advances positive momentum. Maintaining a steady cadence on the long-term mission of community revitalization often falls to place-based leaders. In most cases we examined, the local community foundation or another place-based funder had a role in funding or otherwise supporting the narrative of a community's recovery, articulating a common, inclusive vision of what is possible.

Accountability for distribution of benefits from growth is the linchpin for connecting the arcs. Cities around the country (including the four visited) have revitalized in various ways over the last several decades. But, outcomes of that growth have left many behind. Place-based funders should be strategic in holding local stakeholders accountable for connecting the growth and opportunity arcs.

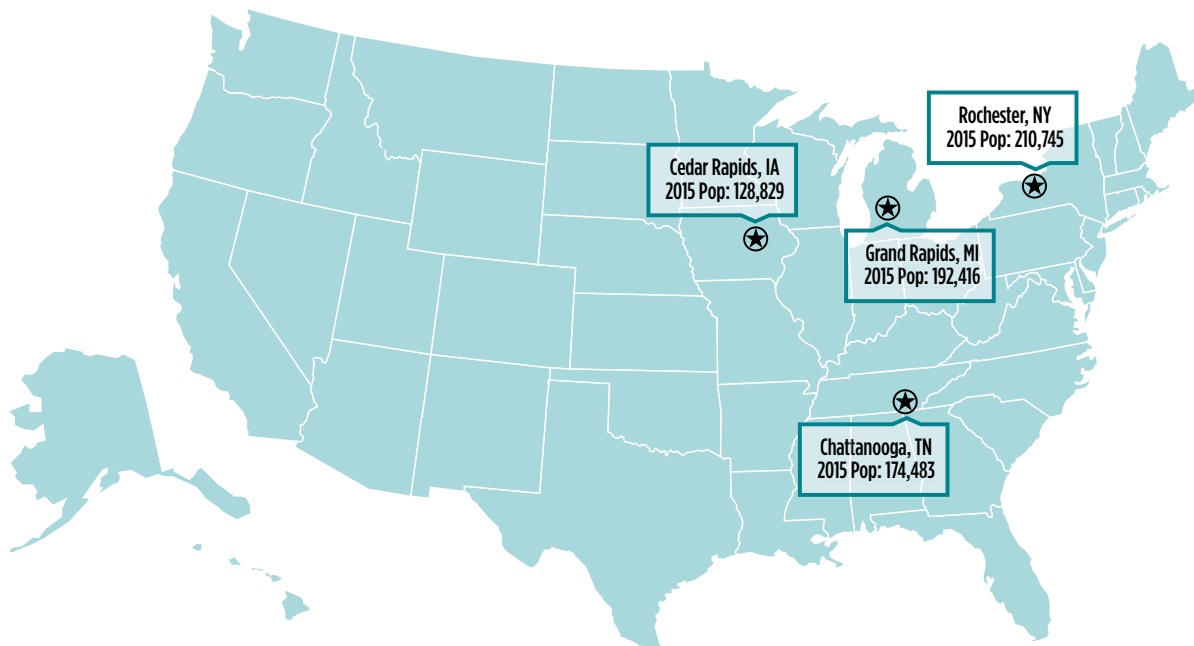
Despite the challenges of connecting the arcs, local place-based foundations in the four cities studied played a lead role as a funder, convener or ‘steward’ of revitalization efforts that employed a variety of approaches or “tools” to bridge growth and opportunity, which may be valuable to other communities. These tools were observed within a local context, and were often part of a broadly articulated plan or vision, suggesting that while tools are helpful, the environment in which they are most likely to succeed is also important.

- Addressing concentrated poverty by place: Interventions in this category were geographically targeted, but multi-faceted and cross-generational. Distressed neighborhoods that were located near resources – for example transportation or a good school – were seen as good places to start.
- Addressing concentrated poverty through policy: Interventions in this category were explicit in channeling more gains from growth to opportunity through local policy, either by removing barriers or being prescriptive in the intentional distribution of benefits.

- Revitalizing downtown with greater attention to preserving and increasing affordable housing: Investments in making communities more attractive by building downtown entertainment or “innovation” districts and increasing desirable amenities, raised property values but also increased living costs. Funders and other local partners recognized the need for more affordable, family friendly housing options near emerging employment opportunities.
- Business recruitment led by business retention: Community economic growth strategies focused on strengthening existing businesses by recruiting businesses in their supply chain, placing retention and success of existing business as a higher priority than traditional recruitment, alone. Coordinated workforce development was often key to this strategy.
- Developing leaders: Concern about where the next two generations of leaders will come from and how they will support broad-based collaborative efforts prompted attention to formal and informal leadership development efforts. Strong leaders in business, government, and nonprofits are critical to building a regional approach to both arcs.
- Evidence-based decision making: Data has played an important role in many of the cities visited. Data should be publicly available and granular enough to support neighborhood level understanding, as well as robust enough to present an aggregated, comprehensive city – or MSA-wide – profile.

While local dynamics dictate the timing, sequence, and particularities of the interplay between growth and opportunity strategies, this study concludes that revitalization efforts that recognize the dual arcs of growth and opportunity and plan for their meaningful integration are more likely to yield robust and lasting long-term results. Because place-based funders are so integrally linked to the history and prospects of the communities they serve, they have unique roles and responsibilities not only as funders, but as local institutions and innovators to make these linkages across place and time.

Map and population of study tour cities



Source: Base map is from Wikimedia and is licensed for commercial re-use. Data are taken from the 2011-2015 5-year American Community Survey.



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