

X. REBUILDING FROM STRENGTH AS A STRATEGY TO SAFEGUARD MIDDLE NEIGHBORHOODS IN DETROIT: A PHILANTHROPIC PERSPECTIVE

By Wendy Jackson, *The Kresge Foundation*

There is perhaps no other topic that evokes more passion about Detroit's long-term potential for revitalization than the future direction of its neighborhoods. As beacons for those seeking an improved quality of life in a growing city, Detroit neighborhoods were designed with early twentieth century prosperity in mind. Detroit's streets once featured block after block of well-constructed and well-kept brick, single-family homes buttressed by thriving commercial corridors and stately tree-lined boulevards. For Detroit, neighborhoods have always been a source of pride and a symbolic gateway to middle class opportunity. They provide the city its character and definition, but more important, neighborhoods are the places where generations of Detroiters have placed their bet on the future and made an investment for the long term.

For these reasons, the brutal erosion of neighborhood quality of life in Detroit—exacerbated by the Great Recession and foreclosure crisis—has been particularly difficult to witness. Between 2000 and 2010, more than 750,000 manufacturing jobs vanished from Michigan. In the same decade, 241,000 mostly middle-income residents moved out of Detroit. Mortgage and tax foreclosures combined to worsen physical decline and, as a result, no neighborhood has been immune to the effects of the economic downturn. By late 2007, the telltale signs of blight and vacancy were evident in a handful of Detroit neighborhoods. But by 2011, mortgage foreclosure had touched one in every four habitable houses in the city, more than 63,000 of them. The devastation in the wake of the foreclosure crisis is almost unfathomable. The city lost almost \$500 million in tax revenue during the crisis.¹

Even in Detroit's strongest neighborhoods, the economic shock waves from structural unemployment and the crash of the housing market left blocks riddled with blight and burdened with a persistent public safety crisis. These combined effects have been devastating to Detroit's neighborhoods.

The rapidly deteriorating neighborhood conditions required an abrupt shift from the optimism toward revitalizing distressed areas that had started to take root citywide a few years earlier. Suddenly, public and private partners had to adopt a pragmatically defensive posture that required

¹ Christine McDonald and Joel Kurth, "Foreclosures Fuel Detroit Blight, Cost the City \$500 Million," *Detroit News Special Report*, June 24, 2015, available at <http://www.detroitnews.com/story/news/special-reports/2015/06/03/detroit-foreclosures-risky-mortgages-cost-taxpayers/27236605/>.

preserving the strength that remained in communities by deploying stabilization strategies to keep pivotal neighborhoods on the cusp from tipping into decline.

It was at this critical juncture that The Kresge Foundation adopted its Reimagining Detroit 2020 program as the guiding vision for the foundation's investments and work in Detroit. Since then, we have partnered with local and national philanthropies in a series of investments and initiatives that have stabilized and strengthened the city's physical, economic, and social fabric and increased the likelihood that Detroit will move on to a more positive path for the future. Through this framework, Kresge began to develop a "complete neighborhoods" strategy to foster environmental sustainability, increase economic opportunity, and stabilize property values. The Foundation decided to invest primarily in middle market neighborhoods that had traditionally competed exceptionally well in holding and attracting residents, but whose future was threatened by the economic damage of the 2000s.

The strategy, very simply, was to create a concentrated set of investments that were stacked and aligned to: (1) retain and attract residents; (2) preserve market strength and the city's tax base wherever possible; and (3) build the capacity of neighborhood leaders and organizations to address quality of life. These 2007–2012 investments in the acquisition and rehab of vacant properties, environmentally conscious strategies for blight removal, neighborhood beautification, and community engagement represented the first wave in what ultimately became a much larger public-private agenda to revitalize Detroit neighborhoods. That larger strategy was the Detroit Future City Strategic Framework.

The Foundation's approach had as its core an understanding that scarce philanthropic resources could be most effective where immediate intervention had the greatest likelihood of preserving neighborhood stability and laying the groundwork to attract new investment. Spurred on by Kresge CEO Rip Rapson, the Detroit Neighborhood Forum (DNF) became the city's primary philanthropic vehicle to understand and respond to the challenges facing Detroit neighborhoods. The roughly 75-member forum is composed of foundations, corporate funders, financial institutions, intermediaries, and key public officials. The DNF amplified its leadership role when it hosted a 2008 meeting with the board of Living Cities to identify effective long-term strategies for the revitalization of Detroit. It was during that meeting when the underpinnings for the Woodward Corridor Initiative, Detroit Future City Strategic Framework, and a host of other transformative initiatives were established. The DNF also provided stability and continuity of focus for neighborhood efforts during the collapse of the housing market and foreclosure crisis.

The investments in these middle neighborhoods had a twofold impact. They helped many neighborhoods remain relatively stable by engaging residents until the Detroit Future City Strategic Framework was complete, and they taught public and private partners valuable lessons about what works to improve quality of opportunity within neighborhoods and how to bring those innovations to scale when the environment is ready for action and investment.

THE MENU OF INTERVENTIONS FOR THESE NEIGHBORHOODS INCLUDED:

Arts and culture: collaboration between the Skillman and Kresge foundations launched the Community+Public Arts: Detroit program, engaging local artists and youth in public arts projects to beautify and animate Detroit neighborhoods.

Blight remediation: Before launching the Detroit Blight Task Force in 2014 and expanding the citywide blight remediation strategy, The Kresge Foundation sponsored several pilot projects to develop key lessons about the best approaches for safe and environmentally secure demolition and deconstruction. These included the Community Property and Preservation Mini-Grants (now known as the SAFE mini-grant program) and administered by Michigan Community Resources, which engaged neighborhood leaders through funded activities to improve basic neighborhood safety, appearance, and quality of life by targeting security, maintenance, and beautification projects for vacant property. In addition, neighborhood vacant property planning engaged residents in a process to transform vacant land and property into uses that improve the quality of life in neighborhoods.

Environmental Stewardship: With support from the U.S. Environmental Protection Agency, the Fred A. and Barbara M. Erb Family Foundation, and The Kresge Foundation, neighborhood green infrastructure projects became a tool for stabilizing neighborhoods and repurposing vacant land.

Middle market acquisition and rehab: A collaboration between the Ford and Kresge foundations tested neighborhood stabilization strategies through a partnership of the Grandmont Rosedale Development Corporation and Detroit Development Fund to acquire, renovate, and resell up to 500 vacant houses in five northwest Detroit neighborhoods. The Detroit Green and Healthy Homes Program also brought together 50 partner organizations dedicated to creating green, healthy, and safe homes for children and families.

Neighborhood placemaking: Support from the Kresge and W.K. Kellogg foundations launched efforts by the Project for Public Spaces to involve the community in imagining “lighter, quicker, cheaper” improvements to the streets and public spaces around two neighborhood farmers’ markets and identify the 10 destinations that could serve as focal points for neighborhood renewal.

Neighborhood small-business development: This component strengthened small-business development along key commercial corridors, including fostering neighborhood grocery stores and streetscape improvements.

Public safety initiatives: The AmeriCorps Urban Safety Program based at Wayne State University, Center for Urban Studies worked in several key neighborhoods. The program fosters collaboration between law enforcement and community residents to combine crime mapping and data analysis with greater neighborhood guardianship.

Although the interventions slowed the impact of foreclosures in a handful of Detroit middle market neighborhoods, they were more significant for their ability to tap the creative energy of residents—particularly at a time when it was easy for them to lose confidence in speedy neighborhood recovery. Detroiters will have to live with the effects of the housing market collapse for a long time. These investments helped to strengthen community identity and build resilience and social cohesion.

On January 9, 2013, Detroit reached an important milestone with the launch of Detroit Future City Strategic Framework, a world-class, citywide strategic framework that delineates a broad range of actionable and innovative tactics to improve core economic, physical, and social conditions in Detroit. The framework builds much-needed citywide capacity for neighborhood redevelopment and is reinforced by Kresge's commitment to fully align all of its Detroit investments over the next five years with the recommendations of a framework plan.

And now we are at the moment to move forward. The Detroit Future City Strategic Framework provides a tremendous opportunity to align our philanthropic support with an innovative, effective, and comprehensive set of recommendations for neighborhood transformation. As the city rationalizes its services and stabilizes its fiscal health, Detroit has an opportunity to forge stronger public-private partnerships with local, federal, and state government in support of neighborhood redevelopment.

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