Partnership, Philanthropy and Innovation: 21st Century Revitalization in Legacy Cities

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Partnership, Philanthropy and Innovation: 21st Century Revitalization in Legacy Cities

Abstract
In Legacy Cities throughout the United States, local philanthropic foundations provide resources to non-governmental organizations (NGOs) working at the forefront of areas such as education, affordable housing and arts and culture. In the past three decades, NGOs in these places have become leaders in urban revitalization, responding to the consequences of their cities’ economic restructuring and depopulation. This dissertation finds that local foundations influence urban revitalization in cities where the institutional make-up of local growth coalitions largely comprises NGOs such as intermediaries, anchor institutions and local development organizations. In this work, philanthropic foundations committed millions of dollars to urban improvements, economic development and capacity building. Between 2003 and 2012, philanthropic expenditure for urban revitalization ($6.3 billion) surpassed that of federal support provided through Community Development Block Grants (CDBG) ($5.9 billion). While many scholars have documented efforts to renew Legacy Cities, their contributions largely focus on the activities of government, non-profit organizations, citizen-led efforts, or the private sector. Their mentions of philanthropy are limited. To remedy this gap, this study examines the influence of philanthropic foundations in Legacy City revitalization, namely local foundations’ roles in the conception, planning and implementation of related activities. It assesses the foundations involved in urban revitalization, the grants made, the organizations that receive them, and the activities they fund. It then presents three case studies: Cleveland, Pittsburgh and Philadelphia, to explore the strategies, relationships and outcomes of this type of philanthropic activity. It finds that in cities with high levels of local philanthropy, as measured by number of local foundations and grant expenditure, foundations influence urban revitalization practice. It concludes that in the 21st century, local growth coalitions have evolved to include local foundation and mission-driven NGOs as active agenda-setting members.

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PARTNERSHIP, PHILANTHROPY, AND INNOVATION: 21ST CENTURY URBAN REVITALIZATION IN LEGACY CITIES

Mary Rocco

A DISSERTATION

in

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Presented to the Faculties of the University of Pennsylvania

in

Partial Fulfillment of the Requirements for the

Degree of Doctor of Philosophy

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PARTNERSHIP, PHILANTHROPY, AND INNOVATION: 21ST CENTURY URBAN REVITALIZATION IN LEGACY CITIES

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Dedication

In memory of Arthur Rocco,

who always reminded me that most things will be ok as long as you remember to breathe, preferably in and out, in that order.
Acknowledgments

First and foremost I would like to express my deepest gratitude and appreciation to my dissertation advisor, Eugénie L. Birch, who enthusiastically dedicated time and energy to my transition from student to scholar. Genie, thank you for your patience, guidance and support, without it, this dissertation would not have been possible. I owe a great deal of my success to your mentorship and generosity. You consistently convey a spirit of adventure and passion for urban research and scholarship that is infectious and will continue to inspire me in the years to come.

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PARTNERSHIP, PHILANTHROPY, AND INNOVATION: 21ST CENTURY URBAN REVITALIZATION IN US LEGACY CITIES

Mary Rocco
Dr. Eugénie L. Birch

In Legacy Cities throughout the United States, local philanthropic foundations provide resources to non-governmental organizations (NGOs) working at the forefront of areas such as education, affordable housing and arts and culture. In the past three decades, NGOs in these places have become leaders in urban revitalization, responding to the consequences of their cities’ economic restructuring and depopulation. This dissertation finds that local foundations influence urban revitalization in cities where the institutional make-up of local growth coalitions largely comprises NGOs such as intermediaries, anchor institutions and local development organizations. In this work, philanthropic foundations committed millions of dollars to urban improvements, economic development and capacity building. Between 2003 and 2012, philanthropic expenditure for urban revitalization ($6.3 billion) surpassed that of federal support provided through Community Development Block Grants (CDBG) ($5.9 billion). While many scholars have documented efforts to renew Legacy Cities, their contributions largely focus on the activities of government, non-profit organizations, citizen-led efforts, or the private sector. Their mentions of philanthropy are limited. To remedy this gap, this study examines the influence of philanthropic foundations in Legacy City revitalization, namely local foundations’ roles in the conception, planning and implementation of related activities. It assesses the foundations involved in urban revitalization, the grants made, the organizations that receive them, and the activities they fund. It then presents three case studies: Cleveland, Pittsburgh and Philadelphia, to explore the strategies, relationships and outcomes of this type of philanthropic activity. It finds that in cities with high levels of local philanthropy, as measured by number of local foundations and grant expenditure, foundations influence urban revitalization practice. It concludes that in the 21st century, local growth coalitions have evolved to include local foundation and mission-driven NGOs as active agenda-setting members.
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CHAPTER 1—Introduction

On July 18, 2013, the City of Detroit filed for bankruptcy. The decision followed Michigan Governor Rick Snyder’s appointment of Kevyn Orr as emergency manager in March 2013 to restructure the city’s $18 billion debt. This sum included retiree healthcare ($5.7 billion), unfunded pensions ($1-3.5 billion), and both unsecured and secured bond creditors ($11.3 billion). While Michigan’s constitution protected the pensions, law suits threatened the City’s ownership of the Detroit Institute of Arts (DIA). In addition to placing claims on the museum’s collection, the case-challenged the preservation of healthcare and pensions of thousands of city workers.

Months later, an unlikely alliance between public and private actors saved both the city’s art collection and the struggling pension system. On November 7, 2014, the front page of the New York Times proclaimed, “Finding $816 Million, and Fast, to Save Detroit.” The article outlined the “Grand Bargain,” a public-philanthropic partnership formed at the urging of federal judge Gerald E. Rosen to protect the art collection in the face of bankruptcy proceedings. Working together, the State of Michigan, Detroit Institute of Art and philanthropic foundations, led by the Ford and Kresge Foundations, provided the capital needed to save the art by transferring it out of City ownership to the non-profit organization that runs DIA.
The federally mediated negotiation process protected the pensions using the money from the art transfer. The Kresge and Ford Foundations together with other foundations contributed $366 million to secure DIA through the creation of a special trust. The Ford Foundation backed the deal with $125 million. These actions raise questions about philanthropy’s evolving role in public affairs, since foundations have historically avoided supplementing a city’s fiscal capacity with grant contributions. The state of Michigan committed $350 million and the Detroit Institute of Arts added $100 million to complete the plan of adjustment. The Grand Bargain was born.

National and local media coverage of the Grand Bargain prompted a wave of attention to the role of philanthropy in cities. Asked whether Detroit would serve as a model for other cities, Ford Foundation president Darren Walker unequivocally stated that it was “not a template for other cities.”¹ He asserted that Ford and other foundations are “not in the business of solving bankruptcies, but we do solve big problems and work with leaders at the city level and the community level, public and private sectors, to help solve community problems.” Continuing, Walker claimed that the best role for foundations is to invest in what he labeled a “civic grid,” a set of civic organizations focused on health and well-being, culture and education to ensure the future of the city. Walker’s response characterizes traditional areas of foundation giving that date back more than a century. Yet, in cities like Detroit, the role of foundations is evolving.
Contemporary foundations challenge traditional assumptions about the nature of urban revitalization in Legacy Cities, cities that have suffered dramatic economic and demographic losses due to the disappearance of their industrial bases. While Detroit represents an extreme example of this plight, philanthropy’s involvement in the stabilization and revitalization of older industrial cities is widespread but not yet documented systematically.

Years of depopulation, economic restructuring and the resulting devastation of the physical landscape, together with the decline in institutional leadership and civic interests, has left a huge vacuum in the networks of interests in urban growth. This reality coupled with the fiscal and capacity constraints on local government complicates the revitalization potential of older industrial communities in the United States. In many instances, philanthropic foundations provided continuous resources in the midst of dramatic change.

For more than a century, philanthropic foundations contributed resources to the cities in which they were located, under the guidance of their founders and board members. Historically, they focused on civic improvements, funding the creation and strengthening of such institutions as museums, hospitals and specialized municipal agencies. From the beginning, many foundations also financed urban planning and capacity building. Some examples are the Russell Sage Foundation in New York and the Chicago Community Trust. This work continues into the present.
The literature on the intersection of foundations and Legacy Cities is very limited. The literature on foundations tends to focus on their formation. Historians and social scientists have documented the evolution of philanthropy in the late 19th and 20th century. Biographers have told the stories of early philanthropists. Foundations themselves commissioned institutional histories. In addition, studies of Legacy Cities over time focus on their industrial growth, decline and subsequent attempts at revitalization. Rarely is the connection between the establishments of foundations with wealth created in Legacy Cities connected to the role these entities play in the cities political. To understand the political forces of urban growth, social scientists conceptualized the idea of a growth coalition or machine and others have extended this theory to include such new actors as developers and participants in public-private partnerships.²

Yet, few observers have detailed the role philanthropy plays in the urban stabilization and revitalization efforts of Legacy Cities where urban growth remains stagnant and the traditional actors in the growth coalition weakened or departed. In the absence of nuanced research a narrative has emerged that characterizes philanthropic foundations narrowly as funding vehicles and neglects their roles as active participants in development. To fill this gap, this dissertation analyzes the revitalization efforts of philanthropic foundations in Legacy Cities. It-traces the work of philanthropic foundations in city planning and urban revitalization through an analysis of the foundations themselves, their approaches to urban revitalization and outcomes.
This work argues that philanthropy has been influential in shaping urban revitalization in many Legacy Cities. It also posits that foundations have become important actors in growth coalitions supporting urban revitalization in certain types of Legacy Cities. Where local business and political interests once dominated, in Legacy Cities a new coalition made up of 1) local foundations, 2) non-governmental organizations (NGOs), 3) a public sector, and 4) business interests has emerged. This study adds foundations to a growing list of stakeholders that shape and contribute to urban policy and practice through the millions of dollars invested, leadership, and expertise.

This research re-conceptualizes two long-standing theories about urban revitalization: regime theory and growth machine theory -- that elite interests such as politicians and business drive urban development. It argues that the political economy in Legacy Cities differs from early conceptions of urban growth coalitions. Decades of depopulation, economic restructuring, and instability have eroded the institutional ecology of these cities. This erosion, in many places, resulted in a breakdown of the traditional urban growth coalition.

**The Growth Coalition over Time**

Urban development and revitalization occur through the concentrated actions of numerous actors. Questions at the intersection of power, governance, and urban development frame the institutional context in which revitalization and growth occurs. Case studies demonstrate the negotiation processes and deal-
making that accompany urban redevelopment at its most basic level namely the use and commodification of land. Others scholars added to these conceptions actors such as real estate developers and participants in public-private partnerships. However, none acknowledge the growing prominence of non-profit actors in twenty-first century urban revitalization.

Traditional urban political theory, dating from the 1960s, posits that as cities grow, markets offer an arena in which representative institutions negotiate for their constituent interests. Robert Dahl found that different groups of interest influence decision-making. In the early 1980s, John Mollenkopf found that development interactions include a variety of public and private actors working to achieve different goals that rarely align. Sociologists John Logan and Harvey Molotch observed that coalitions form among them and that and holding interests in the city seek to profit from the transition of real property from use value to exchange value. As cities came to rely on real estate development as the major mode of revitalization, scholars added real estate developers, local business, and public private partnerships to the conceptions of this coalition of interests striving for growth.

In the late 20th century, the advancement of technology combined with economic restructuring guided an increasingly global market in which formerly strong cities lost their competitive edge. Those entities that remain connected to location in their pursuits of capital continue to shape the polity of the city. Yet, all of these works concentrate on growth and profit as the ultimate motive. Few
scholars address what happens when the institutional ecology breaks down under the pressure of sustained urban decline. Many of the cities where early industrial fortunes were created struggle with cycles of decline. Economic restructuring and population loss changed the character of many of these early industrial centers. Changes to technology and labor combined with national policy trends privileged suburban style housing and work formations. In similar fashion, the institutional ecology in these cities underwent a significant evolution as well. Many cities lost civic-minded business interests as well as employment centers. Urban scholars identify new institutional actors in the form of non-profit service providers and intermediaries. Located primarily in the Northeast, Midwest, and South regions, Legacy Cities continue to grapple with the abandonment they suffered beginning as early as the 1930s and continued on through 2000.

This departure opened gaps in the growth coalition as previously organized and mission driven organizations stepped in. Community development scholars study the relationship between community based organizations (CBOs) and the political economy of cities and that these organizations exert considerable influence on the policy making process. The growth of the non-profit sector coincides with the departure of civic-minded business in Legacy Cities as well as economic change more broadly. This predisposition to political activity coupled with a majority institution presence enables more participation in growth politics than in cities with a larger business interest presence.
The Non-Profit City

Non-profit organizations (NPOs) provide important functions in cities. At the neighborhood level, they construct housing and provide social services. In districts across the city, they design and implement plans to remake physical areas of the city. Furthermore, they develop sophisticated financial tools and capital streams to fund projects in cities across the country. These organizations range in size and structure; however, when taken together, their efforts make up a bulk of revitalization efforts in cities. Given that they are mission driven organizations without a profit motive, their underlying interest in the improvement in urban development poses a different context for urban revitalization.

At the national scale, “nonprofitization” emerged as an alternative to governmental support. Changes to federal funding programs for affordable and low income housing in the 1970s and 1980s prompted collective action to fill find new financial tools and partnerships. A clear example can be foundation in the example of affordable housing where an institutional network of NPOs, philanthropy, and private sector created vehicles through which capital and technical assistance flowed to non-profit developers. These cross sector networks formed a secondary market for housing production. As noted in the historical context section, the passage of the Community Reinvestment Act (1977) followed by the creation Low Income Housing Tax Credit (1986) provided further support from the public sector. This networked response, while not
directly coordinated as such, demonstrates a model of institutional networks that rise up in response to urban policy needs.

Non-profit organizations take on a variety of forms. Community development corporations (CDCs) work toward urban development for various neighborhood based constituencies. Scholars have documented the origins and evolution of these organizations in a wide range of cities over time.\textsuperscript{16} As CDCs professionalized, scholars investigated efforts to build capacity among these institutions, specifically the financial and technical expertise intermediary organization provided.\textsuperscript{17}

National and local intermediaries and community development financial institutions (CDFIs) such as the Local Initiatives Support Corporation (LISC), The Reinvestment Fund (TRF) in Philadelphia or ACCION in Chicago provide financial and technical support to a host of local non-profit institutions. The activities and outcomes the CDC capacity building component of these organizations are less studied.\textsuperscript{18}

The increased presence of non-profit organizations in all spheres of urban policy suggests a new formation of the traditional growth coalition model. In Legacy Cities, non-profit sector organizations dominate the institutional landscape. A wide range of NPO control many of the growing sectors of these economies, most notably anchor institutions such as universities and hospitals as well as cultural institutions.\textsuperscript{19} Some scholars argue that these institutions have come to dominate the institutional landscape in urban areas.\textsuperscript{20} This new model
requires that leadership possess a nimble civic capacity to partner across sectors with existing institutions.\textsuperscript{21}

Within cities, multiple NPOs exert control over areas of the city. Less attention has been paid to other institutional forms. Local city governments encourage and empower NPOs to engage in revitalization activities. Carolyn Adams writes a detailed institutional account of independent sector institutions in Philadelphia.\textsuperscript{22} She asserts that these organizations operate with the blessing of local government to implement revitalization strategies across the city.\textsuperscript{23}

Since the late 1970s and 1980s, non-profit organizations (NPOs) in US Legacy Cities have become leaders in urban revitalization, responding to the consequences of their cities’ economic restructuring and depopulation. This phenomenon, coupled with reductions in federal funding for low income housing production and local economic development, has resulted in important changes in the composition of growth coalition, as new characters have joined the institutional ecology of those remaking these places. Where in earlier years, the power players were local business elites, mayors, newspaper editors, today the group has grown to include leaders of NPOs, anchor institutions, and philanthropic foundations.

Serving as supporters and collaborators in urban revitalization-focused NPO work, philanthropic foundations have grown in importance as they committed millions of dollars to urban improvements. In addition, they incubated organizations, increased the capacity of local leaders, and collaborated with
financial institutions to leverage capital for projects. As strong partners with NPOs and the public sector, their presence is thus challenging the traditional concept of the urban growth coalition.

**Philanthropy as Urban Institutions**

Mentions of foundations thread through the history of city planning. Scholars of economic and community development reference them in relation to funding for community based organizations. Many of these works lack depth and focus with regard to philanthropy. Many cite foundation contributions to community and economic development on a case by case basis but scholars shed no light on how foundation involvement in city planning related activities emerged, what foundations are/were involved, how they worked, and under what conditions. The absence of this coverage leaves an important gap to be filled in the history and continued practice of city planning.

Community development scholars write about philanthropy’s support of NPOs such as (CDCs). Case studies and institution-level analysis recount how philanthropic foundations, together with government, non-profit developers, and financial institutions formed intermediary organizations that would serve as conduits for capital for development.\(^{24}\) Furthermore, philanthropy has played a role in the capacity building activities that enable non-profits to compete for development tax credits and opportunities.\(^{25}\) While these scholars connect
philanthropy to the community development industry widely, they do not address, quantify, and/or describe the grant making in this area specifically.

Reports from practitioners and philanthropists themselves fill in some of the gaps left by the literature. Foundations leverage their resources through groups of stakeholders and partners. They also provide patient capital for long term interventions that would otherwise be beyond the fiscal capacities of the municipal and private sectors. Evaluations of philanthropy’s urban programs suggest that a pre-existing local institutional ecology and a favorable economic climate contribute to the potential for revitalization success. While these authors provide evidence of philanthropy’s urban interests and evaluate comprehensive programs, they do not focus on the dynamics of urban revitalization and city planning in general or in Legacy Cities more specifically.

**Toward a Better Understanding of Legacy Cities**

In recent years, scholars have developed taxonomies of older industrial places. They focus on trying to capture the character of these places. They offer a range of examples such as “Phoenix Cities” or “Comeback Cities” connoting success in the reversal of fortunes for this set of cities. Others have labeled these places, “Cities in Transition” referring to change processes underway but revealing uncertainty as to outcome. Beyond the US, the term “Shrinking Cities” is used emphases the process of change through depopulation and loss
of industry as well as physical size. This nomenclature reflects the wide interest among urban scholars and practitioners across the globe in these places.

The term "Legacy Cities"\(^{33}\) originated in Spring 2011 at the 110\(^{th}\) meeting of the American Assembly, a public policy institute based at Columbia University, where its seventy participants’ decided to rename the declining cities of the north east and north central United States. After much debate, the group, who included Henry Cisneros former HUD Secretary, Gregory S. Lashutka, former mayor of Columbus and a battery of urban scholars and activists, settled on Legacy Cities, consciously selecting a *double entendre* in order to reference the cities’ multiple legacies their rich assets such as museums and symphonies institutions and their massive liabilities such as unfunded pension debt and health insurance. The meeting, held in Detroit, built on an earlier American Assembly convening, “Retooling for Growth: Building a Twenty-first Century Economy in America’s Older Industrial Areas,” chaired by Paul C. Brophy, community development consultant, Kenneth Lewis, then CEO of Bank of America and Ed Rendell, then governor of Pennsylvania, that had yielded a well-reviewed book of the same title and laid the foundation for the Legacy City messaging\(^{34} 35\).

In the deepening discussion four years later, the participants in the Detroit meeting also launched a national network, one that associated Legacy Cities with key public policy recommendations: the need to “right-size them, to differentiate between strong and weak market neighborhoods and to invest in
land banks to absorb abandoned land.\textsuperscript{36, 37} In the ensuing years, a group of participants launched a national network of Legacy Cities, sponsored publications and other meetings. Notably, both meetings had received financial support from corporate foundations (JP Morgan Chase and Bank of America), and philanthropic foundations (Ford, Rockefeller, William Penn, Kresge, and Surdna) supported the work. \textsuperscript{38}

Legacy Cities scholars fall into two groups, urban historians and social scientists and planners. The former explore Legacy Cities' growth and decline, regional distinctions, and unique cases.\textsuperscript{39} They also offer biographies of key individuals or corporations who contributed to the rise and fall of Legacy Cities. The latter analyze strategies to mitigate the consequences of decline and efforts to revitalize these places.\textsuperscript{40} These works by historians and social scientists include both US and international examples.\textsuperscript{41} They evaluate across scales - local and regional.

In Legacy Cities, local philanthropic foundations represent the heritage of industrialists and financiers associated with early eras of urban growth. Their presence and continued investment in urban development has gone relatively unexplored the relatively uncrowded field of interests in Legacy Cities. This study will uncover the role foundations play in revitalization locally but also in framing many issues in planning and urban development more broadly.

For decades, philanthropic foundations have contributed to urban revitalization in Legacy Cities. Even as scholars study the roles of non-
governmental organizations, such as community development organizations, developers, and anchor institutions, the discourse around philanthropic foundations remains superficial or dismissive. Scholars mention the foundations as funders of neighborhood activities - often community foundations garner the most attention - without theorizing a larger role for foundations in the constellation of urban institutions vying for the city's future. While some scholars describe foundations strategies overall or in area-specific context, they rarely take up urban policy and practices as the area of choice. Despite the millions of dollars invested by foundations in place-based initiatives and programs in cities across the US, there is very little comprehensive analysis of this phenomenon with regard to urban policy or practice, even more specifically urban revitalization related city planning activities.

This dissertation research comes at an important time. Revitalization defines the narrative and reality of most large US cities. The “return to the city movement,” as it has been coined by popular media, demonstrates a growing desire for urban living which translates to revitalization for many places. Ten US cities now boast populations over one million. Seven out of ten are located in the Sun Belt. Only New York, Chicago, and Philadelphia remain in the top ten since they arrived there. Many Legacy Cities continue to lose population. For these place urban revitalization doubles as repopulation as they attempt to attract new residents.
In the early years of the twenty-first century, trends suggest that some foundations have evolved to take a more hands on active approach in their place-based priorities. Recent trends in scholarship highlight the gaps in the geography of economic opportunity, most acutely illuminated across cities and regions down to the neighborhood scale. In Legacy Cities that continue to grapple with stagnant economies, population loss, and increasing rates of poverty, these gaps in access are even more pronounced. Much of the scholarship on Legacy Cities highlights strategies of regeneration rather than the complex network of actors needed to carry it out.

**Research Problem and Objectives**

This dissertation has three objectives. First, it documents and characterizes the involvement of philanthropic foundations in city and neighborhood revitalization activities throughout the twentieth and early twenty-first century and places these efforts in the context of urban policy and development. Second, it assess how foundations deploy their resources for urban revitalization in Legacy Cities and the strategies they employ to affect revitalization outcomes through an in-depth analysis of plans, projects, motivations, partnerships and financing. Third, it evaluates the ways in which foundations influence local and national urban revitalization practice and the conditions at the local level under which they are able to do so. This study questions how foundations involve themselves in local revitalization initiatives,
the successes and challenges the encounters, the theories of change they engage with and the factors within cities that enhance or mitigate their influence.

This study has two parts; Part 1- Philanthropic Grantmaking in Legacy Cities 2003-2012; and Part 2- Selected Case Studies of Local Philanthropy. Part 1 evaluates grants (72,500) made for revitalization in fifty cities over a ten-year period. This research uncovers differences among funders, identifies general characteristics of grantmaking, and categorizes recipient organizations.

One of its most important findings over the past ten years, foundations allocated $6.3 billion to urban revitalization, a sum that surpasses the federally generated Community Development Block Grant (CDBG) funding for the fifty cities in this period by 25%. The findings also show that in one class of cities, philanthropic expenditures are not only important in terms of their quantity but also likely reshape the growth coalition. For example, in large and medium-sized cities (population above 250,000), foundation funding is 45% greater than federal community development block grants (CDBG) i.e. foundations expended $6.3 billion while CDBG was $5.1 million. When per capita philanthropic expenditure is measured against poverty rate in each city, high levels of poverty as a proxy for need do not indicate higher levels of philanthropy. Rather, the presence of a local foundation, regardless of size, is a greater determinant of higher levels of funding from other local and national sources.

Part 2 of this study analyzes philanthropy's involvement in the revitalization of Cleveland, Pittsburgh and Philadelphia. It shows that
philanthropic foundation leaders assume key roles and influence urban revitalization practices because the traditional urban growth coalitions have broken down or departed. The case studies also show that certain conditions, such as mayoral leadership and the presence of recipient organizations also contribute to the outcomes of philanthropic investment.

In Legacy Cities, the cast of actors expands to include philanthropic foundations. Locally-engaged foundations, convene stakeholders, provide resources, and, in some cases, lead efforts to regenerate downtowns and neighborhoods. When taken together, these findings demonstrate that in some places philanthropic foundations are attempting to resuscitate growth machine conditions through investment in non-profit-led urban revitalization.

**Blueprint of the Study Dissertation**

This study has eight chapters including this introduction. Chapter Two combines a historical overview of philanthropy’s involvement in urban policy and practice throughout the 20th century with a review of the existing literature. It demonstrates the conceptual undergirding of the study and highlights the gaps in scholarship around the involvement of philanthropic foundations. Chapter Three, Investigating Philanthropy, outlines the methodology of this study. It describes the sample selection, data collection and analysis for a national scan of Legacy Cities. Furthermore, it lays out the case study selection criteria. Next, the dissertation presents the findings of the national scan (Chapter Four).
The following chapters present the case studies, comparative analysis and recommendations. Chapters Five through Seven describe and analyze philanthropy for revitalization in Cleveland, Pittsburgh, and Philadelphia. Each chapter opens with an overall city profile, an assessment of the city’s philanthropic mix and institutional ecology, and an account of major urban revitalization strategies from 1940-present.

The case study chapters recount the revitalization efforts of local foundations and their partners including motivations, the onset and evolution of foundation involvement in place-based efforts. Each chapter analyzes the approach of local foundations to urban revitalization and their levels of influence. Chapter Eight draws an analysis from across all three case studies to identify overarching findings about the influence of foundations in urban revitalization. It outlines distinctions between local and national funders.

1 Interview with Darren Walker on PBS NewsHour, November 7, 2014 http://www.pbs.org/newshour/bb/behind-detroits-grand-bargain-emerge-bankruptcy/


8 Manuel Castells. The Rise of the Network Society. 1996
development industry system: A case study of politics and institutions in Cleveland, 1967–1997."
[23] Ibid.

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American Assembly, Reinventing America’s Legacy Cities: Strategies for cities loosing population, 2011

The Surdna Foundation also sponsored a Brookings Institution report “Restoring Prosperity: The State Role in Revitalizing America’s Older Industrial Communities” in 2006 which identified a framework for revitalizing the Northeast and Midwest.


CHAPTER 2—Philanthropy and Urban Revitalization Over Time

Today’s foundations have evolved from an American charitable tradition dating back to the late nineteenth and early twentieth centuries. Late 19th century industrialization created enormous wealth in the hands of a few individuals. In 1890, there were 4,000 millionaires in the US. About half of them - 1,800 - resided in New York City. From 1900 to 1920, wealthy industrialists created more than a dozen large foundations in New York City alone. These included the General Education Board (John D. Rockefeller and Frederick T. Gates, 1902), the Carnegie Foundation for the Advancement of Teaching (Andrew Carnegie 1905), the Rockefeller Foundation (John D. Rockefeller, Jr., 1907) and the Russell Sage Foundation (Olivia Sage, 1907). By 1938, the number of foundation expanded to 188 with many located outside the Northeast.1

Many philanthropists referred to their impetus for giving as stemming from the deeply held American ideal2 of charitable giving born out of religious traditions of the rich giving to the poor. For example, in his widely circulated article, “Gospel of Wealth” (1889), Andrew Carnegie identified inequality between rich and poor as a stimulus for the wealthy to redistribute their largess among the deserving poor.3

Historians of philanthropy agree on the premise that many philanthropists' priorities and areas of interest responded to the historical, political, and socioeconomic context in which they lived and worked.4 They identify other
motivations, including repairing troubled reputations, squelching potential labor uprisings and managing the process of social change in ways that would benefit their largesse.

Progressive Era scholars point to cultural beliefs at the time that called for rational, evidence-based approaches to solve such urban problems such as congestion and poverty. In addition these scholars recognize the role women played in shaping philanthropy’s social mission, noting that charitable work and administration was one of the only career paths available to them at the time, charitable work and administration. Olivia Sage, Louisa May Schuyler, and Gertrude Rice, inaugural trustees for the Russell Sage Foundation (1907) are exemplars.

Over time early foundations moved charity from a person to person giving to an organized system of wealth allocation. Rather than fund individuals, they sought to fund charitable organizations and create new institutions that would ameliorate poverty and the environmental conditions under which it occurred. Their assets were substantial and foundation leadership took up the reform sentiments of Progressive Era professionals and activists particularly with regard to poverty and urbanization.

In describing foundation activities over time, scholars identify five distinct periods: the Progressive Era (1890-1920), Inter-War Period (1920-1945), Post-War Period (1946-1969), the Close of the Twentieth Century (1970-1999) and the Dawn of the New Millennium (2000-present). In each, philanthropy proved an
influential participant in the major urban concerns and agendas of the time. The Progressive Era, was an institution building period. Foundations helped create and expand major civic institutions in areas such as education, health, and the arts. In the Interwar Period, foundations focused on knowledge creation by supporting research universities and think tanks. In the Post-War period, foundations struggled to find relevance against a changing socioeconomic and political landscape while they simultaneously expanded their areas of interest and investment, across the United States. In the final decades of the 20th century, philanthropy grew into a full-fledged industry with sophisticated instruments for grantmaking and public relations. Their leaders maintained their efforts in areas such as health and education and formally increased their roles in community development. In the Dawn of the New Millennium foundations targeted their grantmaking to achieve impact in their areas of interest. (See Figure 2.1)

The establishment of federal tax policy (1913) and the professionalization of foundation boards of directors and managerial staff (1920 to 1970) increased research about cities; dramatic shifts to urban policy and programs as well as countless demonstration projects and programs profoundly shaped foundation policies and informed many of their investments in cities. From the early 1900s to the present, foundation programs and priorities included urban-focused activities. In the beginning of the 20th century, many foundations including Russell Sage, Cleveland, Ford, and Rockefeller, created important urban institutions like the
Regional Plan Association and engaged in urban-focused issues such as housing development. By the century’s end, they sought to leverage their contributions with outside sources of revenue to improve cities and neighborhoods across the US. Examples are impact investments and contributions to community development financial institutions (CDFIs). These changes reflected an evolution within the philanthropic industry over time. The following narrative highlights the transformative moments and foundation-led activities that influenced urban planning thought or practices.

**Progressive Era (1890-1920)**

Leading up to and immediately following the turn of the century, life in the industrial city motivated reformers to address the symptoms of rapid urbanization caused by immigration and rural to urban migration. Congestion, substandard tenement housing, unemployment and public health concerns prompted professional and non-governmental sector, organized under the umbrella of the Charity Organizations Society (COS), to respond. This group emphasized efficiency and order to deal with the emerging urban issues. These reformer included lawyers, librarians, settlement house workers, landscape architects, and academicians, motivated by the desire to improve the political system.\(^{10}\) To this end, many advised or participated in philanthropic efforts.

The advent of the general purpose foundations in 1907 enabled early philanthropies to encompass missions to include a variety of activities beyond
single projects. In the late 19th century, foundations operated as single mission entities. Early examples here include the Beneficent Building Association founded by members of the Social Science Association in 1869 to build and upgrade housing and surrounding neighborhoods as demonstration projects, the Slater Fund and Peabody Education Fund built schools in the South after Civil War. However, the first real general purpose foundation was The Russell Sage Foundation established in 1907 by Olivia Slocum Sage.

Sage established the Russell Sage Foundation to advance “social betterment” in New York City and elsewhere and embarked on a number of activities that addressed both the physical and social realms of the city. Further, over the next forty years, the Sage Foundation supported the early development of urban planning, in particular, Survey Associates, the National Housing Association, and the National Conference on City Planning. These groups conducted city surveys, and championed land use regulation and supported housing codes and affordable housing projects. Sage also underwrote Forest Hills Gardens, an important housing experiment. Most notably, the foundation funded the Plan for New York and its Environs (1929) and its steward, the Regional Plan Association in New York.

A second type of general purpose foundation was the community foundation. Invented in 1914 by Frederick H. Goff, The Cleveland Foundation, a community trust, sought to consolidate bequests held in the Cleveland Trust Company bank by making property dedicated to a specific charitable purpose
available for other uses when the one designated by the owner becomes harmful or obsolete.”

The community foundation channeled multiple funds from a variety of donors to meet local priorities established by the donors. Using the model of the Russell Sage Foundation, the trust’s initial programs addressed the problems associated with rapid urbanization. These efforts focused on scientific methods such as in-depth city surveys similar to the Pittsburgh Survey that had been underwritten and disseminated with help from the Russell Sage Foundation. This model caught on quickly and community foundations sprouted in other industrial cities such as Minneapolis and Boston. In 1919, community chests existed in 40 cities. By 1929, they had spread to 350 places.

Foundations in this period embraced models of social reform from 19th century business associations and early funds even as they expanded their own urban practices. In the context of rapidly urbanizing industrial cities, foundation support for land use and housing regulations as well as social surveys developed basic mechanisms to regulate the built environment. Early committees such as the National Conference on City Planning and Regional Plan Association advanced to become professional organizations that perpetuated these strategies and approaches. The activities of the earliest foundations formed a model of engagement in public affairs that continued in the second half of the 20th century.
Inter-War Period (1921-1949)

The social and economic reality of war affected funding priorities in this period. Foundation activities closely aligned with the national agenda. Government at the local and national scale harnessed the powers of evidence-based research and planning to enhance the war effort. In cities, municipal government established tools, many piloted in the previous era with foundation support to contribute to the war effort.

Between 1918 and 1932, the Russell Sage Foundation allocated nearly 40% of its total spending ($23.3 million in 2015 dollars) to city planning related activities.\(^\text{16}\) While two-thirds of this was absorbed by the regional survey the foundation conducted for the Regional Plan for New York, the remainder supported the National Conference on City Planning, the New York City Zoning Committee and other associations that lobbied for the adoption of planning practices at the local, state and federal levels.

Following the market collapse in 1929, many foundations worked to alleviate the effects of high unemployment and increasing poverty. In 1933, the Carnegie Corporation of New York with an endowment of $2.4 billion (2015 dollars) granted nearly $18 million (2015 dollars) to unemployment and poverty relief.\(^\text{17}\) The New Deal programs (1933-1939) focused on national “relief, recovery and reform.” Part of this suite of programs included the creation of the Home Owners Loan Corporation (HOLC) to refinance homes that might otherwise have been foreclosed on in the economic depression. Together with
the Federal Housing Act (1934), the federal government made housing affordable through the creation of the mortgage system. These changes set the stage for major shifts in the post-war period.

Up to this point, philanthropy served as a major provider for low-income housing. In the subsequent years, housing provision for the poor shifted to local authority as the federal government expanded its funding involvement in this area. For example, the Housing Act of 1937, building on its predecessor, provided funding for local housing authorities to construct public housing. Over a decade later, another Housing Act (1949) once again expanded the involvement of the federal government in housing provision but added slum clearance and urban renewal activities. Whereas the earlier foundations shaped their urban-related priorities in response to rapid urbanization, the legislative frameworks in this era set the stage for philanthropy’s response to urban renewal in the post-war era.

Post-War Period (1950-1969)

Following World War II, foundations like so many institutions, sought to redefine their priorities as the war effort ended. Scholars frame this period as one of dramatic migratory shifts that upset the social, economic and political climate in US cities. Enabled by new financial instruments that reduced the risk of banks to extend mortgages, whites fled inner cities and moved to freshly constructed homes in the suburbs. Industry followed suit. Meanwhile, practices of urban
renewal dramatically reshaped inner cities. The Housing Act of 1954 expanded the provisions of its predecessor, subsequently; federal funds flowed into cities where reform coalitions seized opportunities for economic development in the form of university expansion and commercial development. These actions disproportionately displaced African Americans and Latinos from their neighborhoods to pave way for progress and exacerbated racial tensions in cities across the country.

In the 1960s, the Civil Rights Movement challenged the status quo to gain equal access for African Americans. With the influx of federal funding, foundations sought to align their resources with the government to enhance the policy-making process with scientific rationale culled from an army of social scientist-produced evidence. While these efforts blended scientific expertise, philanthropy and government, they failed to acknowledge the realities of racial disparities, the resulting tensions and the limits of elites and governing institutions to jump start wide-reaching change. Most notable was the Ford Foundation.

Following the deaths of Edsel and Henry Ford in 1947 and 1949 respectively, Ford emerged as the largest foundation in the US. By 1955, the foundation’s assets soared to $417 million ($3.7 billion in present dollars). Only three other foundations at the time were known to have assets over $100 million—Rockefeller, Carnegie and Duke. The group contained fewer than sixty foundations at the $10 million level. While much scholarly attention has focused
on Ford’s groundbreaking investments in higher education and international development. These program supported rural development in India but also had extensive urban planning provisions. For example, Ford supported the Harvard Development Advisory Group to work in Karachi, Pakistan through a partnership with.

At home, Ford began new kinds of urban engagements that addressed neighborhood level development and used this approach in cities across the country in collaboration with the President’s Committee on Juvenile Delinquency and Youth Crime; the foundation developed and launched the Gray Areas program in five cities: New Haven, Boston, Philadelphia, Oakland and Washington D.C. This program emphasized improving places (i.e. environmental conditions) rather than aid to individuals. It attempted to address inner city blight through the coordinated approach that used applied knowledge and citizen participation to affect institutional change. Some urban historians recognize this project (1964-1966) as the start of philanthropy’s place-based interventions.

These efforts provided a template for the Community Action Program that President Lyndon Johnson would institute under his Great Society and War on Poverty initiatives between 1964 and 1965. Some believe that the program had a fundamental flaw: the idea that a government/foundation partnership would be seamless and could “displace political struggle, ideological conflict, and grass roots organizing as a means of influencing social policy.” Others hold that the program provided a model for formalized community action at the neighborhood
scale across sectors,\textsuperscript{28} an organizational format that evolved into the modern community development corporation. At the time, some elected officials were wary of the expanded roles Ford and other foundations were taking on.

In 1964, suspicions of abuse of tax-exempt status led to a congressional investigation headed by Representative Wright Patman (R-Texas). It found that foundations “had acquired an ‘unreasonable’ amount of economic power by utilizing various loopholes in the individual and corporate income tax structure and the estate tax law.”\textsuperscript{29} The resultant Tax Act of 1969 prohibited foundation involvement in political affairs and established new reporting and spending requirements.

Foundation-led urban-focused investments, specifically those of the Ford Foundation, paved the way for an enduring model of neighborhood development. An important example of this type of public-philanthropic partnership was the Bedford Stuyvesant Restoration Corporation (BSRC) in Brooklyn, NY launched by New York Senator Robert F. Kennedy of New York and the Ford Foundation under the leadership of Franklin James in 1967.\textsuperscript{30} Senators Kennedy and Jacob Javits (D-NY) secured funding for community development corporations (CDCs) under the Special Impact Program (1964), a provision of the Economic Opportunity Act. BSRC represented the first generation of CDCs that were “created and controlled by people living in impoverished areas for the purpose of planning, stimulating, financing and when necessary, owning and operating businesses that will provide employment, income and a better life for the
residents of these areas." Subsequent CDCs operated as “charity and capitalist and community organizer at the same time” to redevelop urban core neighborhoods and mitigate the backlash to urban renewal by giving communities some control over development.

In addition to the support for CDCs, the Ford Foundation forged new ways to use philanthropic capital in urban development. It established the Cooperative Assistance Fund (CAF) in 1968 in Washington DC to serve as the first intermediary vehicle created to enable community based development organizations to use state, philanthropic and private sector capital in development projects. Through its participation in this endeavor, Ford paved the way for the creation of national intermediaries and also provided the financial basis of program related investments (PRIs) which enabled foundation capital to be leveraged in a number of ways.

These earlier interventions set precedents for the operation of community based development organizations (CBDO) and community development as an industry. By 2005, more than 4,600 CDCs existed based on this model that would evolve into a sophisticated secondary housing market, producing over 1.6 million units of affordable housing by 2010. Furthermore, the definition of program related investment (PRIs) in the Tax Act of 1969 affirmed the power to marry various capital streams across public, private and philanthropic sectors which proved essential to the industry in the decades that followed.
The Close of the Twentieth Century (1970-1999)

Between 1970 and 1999, urban minded philanthropy progressed from a set of benevolent foundations supporting and seeding the work of others to a group of professionally led institutions that launched internally derived initiatives. The federal government’s withdrawal from direct funding of low-income and affordable housing and place-based programs combined with an economic downturn in the 1970s resulted in a number of philanthropy-led comprehensive community-building initiatives (CCIs) in the following decade.

As foundations worked with both public and private partners to create new interventions, a changed political climate provided openings for further involvement. The passage of the Community Reinvestment Act (1977), designed to stop discriminatory lending practices in low-income neighborhoods by requiring financial institutions to invest in the places they operated, provided a mandate for private investment in inner city neighborhoods. Building on the success of the CAF, a number of intermediary organizations were formed to mobilize capital, provide technical assistance, and legitimize the efforts of related community based development organizations. In 1979, the Ford Foundation formed the Local Initiative Support Corporation (LISC) to leverage capital from six financial institutions and foundations toward community development. Since 1980, LISC has invested $14.7 billion which has been leveraged for $44.1 billion in total investment. This funded the creation of 330,000 affordable homes and
apartments as well as 53 million square feet in commercial and community spaces.\textsuperscript{39}

In the 1980s and 1990s, foundation-crafted interventions, guided by the prevailing social science scholarship on the causes of concentrated poverty aimed to address distressed neighborhood conditions through coordinated efforts with CDCs on the ground. They used both private and philanthropic capital to support local community development and affordable housing.\textsuperscript{40} Comprehensive community-building initiatives (CCIs), launched in urban neighborhoods across the country. They included both single site efforts such as Price Charities’ City Heights Initiative in San Diego and the Comprehensive Community Revitalization Program in the Bronx as well as multi-site efforts such as the Ford Foundation’s Neighborhood and Family Initiative and the Annie E. Casey Foundation’s Making Connection and Rebuilding Communities Initiatives. These efforts became hallmarks of philanthropy’s urban-specific programming.

CCIs aimed to improve human capital with the understanding that the issues facing these communities required more resources and capacity than any one organization or foundation could provide.\textsuperscript{41} Scholarly evaluations of these programs find mixed outcomes from these programs. In many cases CCIs failed to achieve the change stated at the onset of the program and in others they exacerbated tensions among the organizations involved in the change effort.\textsuperscript{42}

The collaborative spirit with which foundations embraced these efforts spawned more institutions through which capital and expertise could be
leveraged for urban development. In 1991, six foundations and the Prudential Insurance Company of America established the National Community Development Initiative (NCDI), later renamed Living Cities,\textsuperscript{43} “to build and strengthen systems of support for CDCs and to attract more money to CDC-developed projects.”\textsuperscript{44} It was established as a collective funding vehicle to “provide capital and build the capacity of community development corporations” to transform declining neighborhoods “by expanding and accelerating the production of affordable housing.”\textsuperscript{45} Over time, new members changed and expanded the collective mission of the organization but overall, they viewed their model of a collective of funding the physical redevelopment of cities as a way to address socioeconomic issues that plagued low income neighborhoods.\textsuperscript{46} In its first decade, NCDI invested $174 million in real-estate projects, 91 percent of which was made available to CDCs as predevelopment financing, money that was otherwise unavailable to them.\textsuperscript{47}

By the close of the twentieth century, philanthropy had gained a reputation for social change, despite mixed outcomes from some of their initiatives. Foundations in this period experimented with new forms of community development in cities. They navigated changing fiscal and political environments to lay the groundwork in urban practice. Over the course of the century, urban-centered philanthropy evolved from a series of entities that piloted projects and organizations to systematically address urban issues to a handful of large institutions governed by professional program officers who worked to address
systems failures through the creation of a secondary market that blends public, private and philanthropic capital for high risk development in distressed urban neighborhoods.

**Dawn of the New Millennium (2000-present)**

Foundations in the twenty-first century surpass their predecessors in number and assets. They deploy funds with intention and use data to measure impact. In 2012, more than 86,000 US foundations, having $715 billion in total assets, granted $52 billion to recipients in the areas they work.\(^4^8\) Under US tax regulations, they must release 5% of their assets annually. As “non-governmental, non-profit organization[s] with assets provided by donors and managed by [their] own officials and with income expended for socially useful purposes,”\(^4^9\) philanthropic foundations fall sort into categories based on their origins. Four categories exist: independent and/or family, community, private operating and corporate foundations. They all fall under the jurisdiction of US tax law and hold a 501(c)(3) status which means that they are tax exempt, non-profit organizations.

Independent or family foundations, the largest category of US funders are refers to those organizations founded by wealthy individuals. Often these founders and their progeny guide foundation priorities. For example, the Gates Foundation operates as a family foundation where Bill and Melinda Gates sit on the board with Warren Buffet, a major contributor. Over time, as the founders and
family die out or become disinvested, many of these foundations become independent of the family connection. As the foundation world has matured, management has become professionalized. Philanthropy is a legitimate industry with specialized experts in the art of giving. Many foundation staff possess this expertise. For example, the Ford Foundation, started by Edsel and Henry, is run by area experts and professional funders. Independent/family foundations set priorities according to the will of their board with some influence from the foundations directors.

Community foundations are publicly supported grantmaking organizations. They gain their wealth through a collection of funds raised and dedicated by individuals and collectives of donors. Funds can be donor directed or rolled into the existing priorities of the foundation as set by the board of directors. Community foundations designate geographic boundaries in which they focus their giving to keep the wealth in the geography it comes from. For example, the Silicon Valley Community Foundation serves the San Mateo and Santa Clara counties of California. Their funds are dedicated to building strong communities, economic security, education, and immigration.

Corporate foundations are established by a business, large or small, as a separate arm for the entity’s charitable giving. While 501(c)(3) organizations, they usually hold the same name as the corporation. Examples are: the Google Foundation, Bank of America Foundation and the Alcoa Foundation. They sometimes share directors and staff with the corporation where they originated.
Generally corporate foundations contribute to areas related to the work of the corporation or in geographies where the corporation operates. The foundations of financial institutions use their contributions to meet Community Reinvestment Act requirements that they invest in the place in which they provide services. This often translates into contributions to local community development organizations.

Private operating foundations are foundations that run their own internal charitable programs, usually with a research focus. Foundations that fall into this category must spend 85% of their adjusted net income on the charitable activities associated with their mission—they make few grants; examples include the Getty Trust, which is dedicated to the preservation and conservation of art, and the Carnegie Endowment for International Peace, an international policy research center.

Foundations can move from one category to another. The Russell Sage Foundation began as an independent family foundation and changed to an operating foundation primarily focused on research and publication. While this categorization details the organizational aspect, it does not shed light on assets size or geographic focus. All foundations regardless of category strive to make an impact or to achieve some return on grants as investments.

The twenty-first century ushered in an era of strategic philanthropy. As foundations grew in numbers, they sought new ways to achieve goals and influence the outcomes of the areas in which they worked. Strategic philanthropy emerged from a discontent with the outcomes of grantmaking. Impact-driven
philanthropy targets or optimizes grantmaking and investments. Tenets of the practice include data-driven decision-making, rigorous evaluation, and amplified accountability. This assumes a linear trajectory to problem-solving, that the “if x then y” theory of change style interventions will yield results. Urban projects align particularly well with this emphasis on outcomes; an improved public space or plan is a quantifiable deliverable.

Foundations identify issues of concern and develop response or action plans to address them without considering the complexity or uncertainty associated with change, particularly social change. With regard to cities, these efforts tend to focus on an increase in the capacity of the cities to address the specific issue, whether it be environment-related, technological or expertise.

This desire for a more systemic grantmaking platform coincides with growing concerns around climate change and resilience globally. Benchmarks for climate action plans and green infrastructure serve as reminders of a shifting focus toward sustainability. By 2016, one hundred cities around the world will participate in programs designed to strengthen their ability to be resilient in the face of growing physical, social and economic uncertainty. The Rockefeller Foundation designed and launched the program to provide Chief Resilience Officers to lead each city’s efforts to develop a resilience strategy. Selected cities become part of a global network of resources and partners across public, private and non-governmental sectors. The program aims to increase the
capacity of local governments to achieve resilience in planning and implementation.

The rapid advancement of technology outpaced the ability of many government bureaucracies to keep up. Bloomberg Philanthropies’ What Works Cities program tackles the technical support gap at the highest levels of local government. The program encourages “mayors and cities to better use data and evidence to engage the public, improve services, evaluate progress, and fund ‘what works.” The program launched in 2015 and plans to equip 100 mid-sized cities with the technological tools to increase efficiency and equity through a fluency in data-driven approaches to problem solving.

These two programs exemplify the independent abilities of foundations to identify and address issues they deem important, however, partnerships and the ability to leverage resources remain important in the utilization of philanthropic capital to its full potential. Cities across the United States have created positions in high level local government administrations dedicated to building and maintaining relationships with philanthropic partners. This holds true at the federal level as well. The Office of Social Innovation and Civic Participation negotiates terms for the involvement of philanthropy to participate in the Social Innovation Fund, a 1:1 grant matching program that prioritizes community based solutions to address economic opportunity, healthy futures, and youth development. The United States Department of Housing and Urban Development (HUD) contains an Office of International and Philanthropic
Innovation whose mission is to “support HUD’s efforts to find new solutions and align ideas and resources by working across public, private, and civil sectors.” Eligibility program grants such as Sustainable Community Partnerships and Choice Neighborhoods require that applicants acquire matching funds from philanthropy.

Foundations in the twenty-first century capitalize on a reputation built over decades of dedicated efforts in urban practice. First, as lone agents of industry they responded to rapid urbanization to build and establish many of the institutions that make up the backbone of civil society. Next, as government expanded its role into these areas and the economy, they sought a niche in partnerships which resulted in stringent tax legislation limiting their activities. Finally, they professionalized into an industry of charitable giving and decision-makers who went beyond responsive philanthropy to become active participants in the work they funded. At each of these junctures, foundations remained involved in urban practice.
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<td>- Social betterment redefined, Evidence-based approach to social reform</td>
<td>- Industrialist financiers and capitalists founders, Uncomplicated-professionals, small staff, discreet</td>
<td>- Municipal reform, Urban demonstration projects, City planning, Knowledge transfer</td>
</tr>
<tr>
<td><strong>Inter-War Period 1921-1949</strong></td>
<td>- Great Depression, Expansion of Government</td>
<td>- Inform policy, Knowledge production</td>
<td>- Uncomplicated-professionals, small staff, discreet</td>
<td>- Urban research, Strengthening of research universities and intermediaries</td>
</tr>
<tr>
<td><strong>Post-War 1950-1969</strong></td>
<td>- Changing sociopolitical landscape, Urban renewal and other urban policies, Congressional review and investigation</td>
<td>- Public policy generation, Pilot programs</td>
<td>- Varied size and structure, Early foundations professionalized, New foundations expand portfolios</td>
<td>- Neighborhood level interventions, Social movements</td>
</tr>
<tr>
<td><strong>Close of the 20th Century 1970-1999</strong></td>
<td>- New federalism, Urban decline, Public sector retreat, Economic restructuring</td>
<td>- Systemic social change</td>
<td>- Quasi-public institutions, Struggle for strategy and relevance, Intense professionalization</td>
<td>- Affordable housing financing mechanisms, Community development support, Planning capacity, Urban research</td>
</tr>
</tbody>
</table>
Conclusion

This chapter places philanthropy in a historical context as an urban institution. While foundations work across and at the intersections of many fields such as education, arts and culture, they have participated in the development of urban systems and the schools of thought that inform urban practices. The historical framing examines punctuated moments in history in which philanthropy’s influence proved essential to city planning-related outcomes in land use, housing finance and production as well as community development. This historical context informs the overarching narrative by describing the various ways that philanthropic foundations engaged in urban evolutions throughout the twentieth century and ends with an overview of how this activity continues in the present.

For an extensive discussion of the Social Science Association, the Beneficent Building Association (pp185-187) and the social reform efforts of early industrialists see: Domenic Vitiello, Engineering Philadelphia: The Sellers Family and the Industrial Metropolis. Cornell University Press, 2013 155-191

Letter from Olivia Sage to the Trustees, New York, April 19, 1907, Russell Sage Foundation Archives, Rockefeller Archive Center.


Diana Tittle. Rebuilding Cleveland: The Cleveland Foundation and Its Evolving Urban Strategy. Ohio State University, 1992


Joel Fleishman. The foundation: A great American secret; how private wealth is changing the world. PublicAffairs, 2007. p 10


Urban historian, Michael B. Katz, describes this period, “as African Americans moved into cities, whites moved out... the population of American cities grew by ten million people, and the population of suburbs by eighty-five million. Even more than racial change, a severe urban housing shortage, a desire to escape urban congestion, and mass-produced suburban homes made affordable by federally insured, long-term, low-interest mortgages pulled whites from cities. They sped to their suburban homes along the new interstate highway system.” Michael B. Katz, “What is an American city?” Dissent, summer 2009


To expand graduate education, Ford allocated more than $360 million in grants higher education and medical schools- unparalleled grantmaking for the time. At the urging of its board, the foundation launched a formal program focused on international development. Between 1951 and 1981, the foundation committed 40% of its grantmaking to international activities. See: Francis X. Sutton, “The Ford Foundation’s Urban Programs Overseas: Changes and Continuities”11 (New York: Rockefeller Archive Center, 2000)


Mitchell Sviridoff writes that prior to the Gray Areas program, philanthropy failed to recognize the “overriding significance of the urban crisis and “the ticking time bomb of race.” In his
estimation the Gray Areas proved to be transformative for philanthropic foundations in Mitchell Sviridoff (ed) Inventing Community Renewal: The Trials and Errors that Shaped the Modern Community Development Corporation. New York Community Development Research Center, 2004.


31 Geoffrey P. Faux, CDCs: new hope for the inner city: report. Twentieth Century Fund, 1971


36 Helmut Anheier and David Hammack, American Foundations. 2010


38 Local Initiatives Support Corp (LISC). http://www.lisc.org/section/aboutus/numbers

39 Local Initiatives Support Corp (LISC). http://www.lisc.org/section/aboutus/numbers


45 Living Cities website. https://www.livingcities.org/about/history

46 Ibid.

47 Ibid.


49 Definition of “philanthropic foundation,” http://www.britannica.com/topic/philanthropic-foundation

Rockefeller Foundation. 100 Resilient Cities. http://www.100resilientcities.org/about-us/#/


The City of Detroit added a Chief Development Officer at the recommendation of the Kresge Foundation. Philadelphia’s Fund for the City of Philadelphia launched a re-branding campaign to make Philadelphia attractive to both national funders and federal government grantors.


This table was created through a synthesis of multiple sources. See: Anheier and Hammack, 2013, Bremner, 1988, and Zunz, 2013
CHAPTER 3—Investigating Philanthropy for Urban Revitalization in Legacy Cities

As enduring institutions, philanthropic foundations influence cities. They intervene in urban practice in three major ways. First, they plan, fund, and implement projects in the built environment of cities, using a range of financial tools to intervene in the physical realm. Second, they make intentional expenditures toward socioeconomic improvements in neighborhoods, cities, and regions, often focusing on workforce development and economic opportunity programs to improve the mobility of low-income residents. Third, they work with grantees as partners to build capacity to address critical urban issues, providing technical assistance or investments in planning processes.

Conceptual Framework

This study uses foundations as the unit of analysis to ask several questions about urban revitalization in Legacy Cities. It puts forth the following proposition: that local foundations influence urban revitalization policy and practices through the grants that they make and other associated activities.

The conceptual framework that guides this work shows that foundation influence is found in Legacy Cities where the composition of the growth coalition, mainly business or political interests, has weakened or departed as a result of economic change. Foundation influence will be affected by the political,
economic, and social context of the city. Influence will also be shaped by the foundation’s internal operations such as board priorities, program expertise, and directorship. (See Figure 3.1 Conceptual Framework)

The presence and strength of surrounding institutions such as government, businesses, and other nonprofits both increases and limits foundation influence. Urban revitalization is measured through interventions in the physical environment to enhance the value of land.

**Figure 3.1—Conceptual Framework**

This study poses the following questions: Under what conditions and to what extent do foundations influence urban revitalization efforts in Legacy Cities? Do foundation-led approaches translate to policy and practice? If so, how? What
are the characteristics of foundations and/or conditions of the city where this to occur?

**Propositions**

In Legacy Cities, local philanthropic foundations influence revitalization and fill a leadership gap left by the departure of private enterprises and the presence of severe fiscal constraints of local government. Two propositions guide this work. The first proposition to be tested is that high levels of local philanthropy create the conditions for influence; therefore, foundations exert more influence in cities where local philanthropy is active and present as measured by percent of locally derived grants vs. those from national funders. For example, in a city where 75% of grants made for urban revitalization come from foundations that only fund locally or regionally, those foundations will exhibit higher levels of influence. Figure 3.2 illustrates the proposition. Cities to test the proposition will be located in the upper right quadrant.
The second proposition states that philanthropy’s influence will be stronger in cities with local leaders and capable partners. Conditions in Legacy Cities encourage or constrain the ability of philanthropy to influence urban practices. Factors such as the ecology of the city, strong or weak public sector leadership, and willingness to collaborate with foundations determine the ability of foundations to have influence.
Figure 3.3—Proposition 2: Leadership

To probe these propositions, this study has two parts: Part 1—A National Scan of Grantmaking for Revitalization in Legacy Cities, 2003-2012 and Part 2—Selected Case Studies of Local Philanthropy. Part 1 reviews grants made for urban revitalization in fifty Legacy Cities. It identifies patterns and trends in philanthropic foundation focus on older industrial communities. It quantifies the amount of funding foundations provide for urban revitalization in Legacy Cities and relates national trends in philanthropy to this phenomenon. Part 2 explores foundation work in three cities. Together, Part 1 and Part 2 answer the research questions by: 1) documenting the history of philanthropy’s relationship to urban development in each city through grants and other activities; 2) determining the measures necessary to determine foundation influence; and 3) testing foundation
interventions against revitalization outcomes (increased property values, reknit market connections, physical upgrading, and socioeconomic improvement).

**Part 1—A National Scan of Grantmaking for Revitalization in Legacy Cities**

Part 1 evaluates grants made for of philanthropic giving in Legacy Cities between 2003-2012 and investigates the priorities of foundations in older industrial communities. Using data from the US Census, the US Department of Housing and Urban Development, and the Foundation Center, Part 1 explores philanthropic activities by size and socioeconomic status of city, by the type of recipient organizations, and by percent of overall resources devoted to urban revitalization in Legacy Cities overall and individually. To verify the data collected at the city level and to better understand philanthropy's place-based programming, the researcher conducted a series of participant observations at national philanthropy industry conferences and special events. Table 3.1 lists the events attended.

<table>
<thead>
<tr>
<th>Date</th>
<th>Event/Organization/Location</th>
</tr>
</thead>
<tbody>
<tr>
<td>May 2014</td>
<td>Reinventing Older Communities: Bridging Growth and Opportunity, Federal Reserve Bank of Philadelphia, Philadelphia, PA</td>
</tr>
<tr>
<td>November 2014</td>
<td>Philanthropy Network of Greater Philadelphia Annual Convening, Philadelphia, PA</td>
</tr>
<tr>
<td>December 2014</td>
<td>Prioritizing Place: A National Forum on Place-Based Initiatives, Center for Philanthropy and Public Policy, Sol Price School, USC, Los Angeles, CA</td>
</tr>
<tr>
<td>April 2015</td>
<td>Council on Foundation, Annual Conference, San Francisco, CA</td>
</tr>
<tr>
<td>June 2015</td>
<td>2015 Policy Summit on Housing, Human Capital, and Inequality, Federal Reserve Banks of Cleveland, Philadelphia, and Pittsburgh in Pittsburgh, PA</td>
</tr>
</tbody>
</table>
Defining Legacy Cities: The Sample

Taxonomies for post-industrial cities provide a time-stamped window into the scholarly debates surrounding their development. Terms like abandonment, decline, and ruin coupled with imagery transmitted via social media, film, and photographs shape the perceptions of these places. Several efforts have attempted to rebrand cities that share an industrial heritage and many of the challenges associated with their redevelopment as a result of outmigration and economic restructuring. Western Europe and North America refer to these places as shrinking cities based on the work of Phillipe Oswalt and Katrin Pallagst. In 2011, the American Assembly reconsidered cities in this category and rebranded them Legacy Cities to acknowledge the presence of considerable assets alongside the challenges they face.

The sample under analysis includes fifty cities that share common characteristics: an industrial heritage, population loss, and poverty and unemployment rates higher than the national average. Cities were selected from the literature on Legacy Cities, specifically from the Legacy City Design Project (2011) hosted by the J. Max Bond Center at City College,¹ the "Regenerating Legacy Cities" report,² and the Atlas of Shrinking Cities (2006).³ Figure 3.4 illustrates the spatial distribution of cities in the sample across the Midwestern
(42%), Northeastern (40%), and Southern (8%) regions of the United States. (Appendix X: List of Legacy Cities in Landscape Study)

**Figure 3.4—Map of Legacy Cities**

Legacy Cities range in size. The sample includes cities from all size categories. Table 3.2 (below) describes the city size categories of the sample. The six large cities of the sample make up more than 50% of the population of the total sample. It is important to note that the majority of Legacy Cities are medium and small cities with populations of more than 100,000 but less than 500,000 and contain approximately 30% of the total population in the sample. The sample also includes many smaller cities with populations of less than 100,000. These smaller cities attracted considerably less philanthropic expenditure for urban revitalization than medium and large cities in the sample.
While popular conceptions of Legacy Cities point to 1950 as the population peak and start of outmigration, the cities in the sample differ dramatically in terms of urban core population peaks. Several cities in the sample peaked as early as 1930 and others as late as 1970. This adds a layer of complexity to the time and scope of decline in these places.

Table 3.2—Legacy City Sample Description

<table>
<thead>
<tr>
<th>City Size Categories</th>
<th># in sample</th>
<th>% of total</th>
<th>% sample population</th>
</tr>
</thead>
<tbody>
<tr>
<td>Large—population of 500,000 and above</td>
<td>6</td>
<td>12</td>
<td>50</td>
</tr>
<tr>
<td>Medium—population of 250,000-500,000</td>
<td>9</td>
<td>18</td>
<td>21</td>
</tr>
<tr>
<td>Small—population of 100,000-250,000</td>
<td>14</td>
<td>28</td>
<td>13</td>
</tr>
<tr>
<td>Smaller—population of less than 100,000</td>
<td>21</td>
<td>42</td>
<td>16</td>
</tr>
<tr>
<td>Total</td>
<td>50</td>
<td>100</td>
<td>100</td>
</tr>
</tbody>
</table>

The Funding Dimensions of Legacy Cities: Sources of Data

To understand philanthropic expenditures in Legacy Cities, researchers created The Funding Dimensions of Legacy Cities database combining data from the US Census, the US Department of Housing and Urban Development (HUD) Exchange, and the Foundation Center’s Foundation Directory Online. The Foundation Directory data includes data on over 100,000 funders. These include foundations, private charities, and corporate giving programs. The data is compiled from IRS information returns (Forms 990 and 990-PF), grantmaker web sites, annual reports, printed application guidelines, the philanthropic press, and various other sources. The data included grants of $1,000 and greater. Table 3.3 below illustrates the data to be collected from each source for analysis.
Table 3.3—Data Used in Landscape Study

<table>
<thead>
<tr>
<th>Data Source</th>
<th>Information Included</th>
</tr>
</thead>
<tbody>
<tr>
<td>US Census</td>
<td>City characteristics: population, population change over time (1970-2010), poverty rate, unemployment rate, land area</td>
</tr>
<tr>
<td>HUD Exchange</td>
<td>Community development block grant (CDBG) allocation for each city between 2003-2012</td>
</tr>
<tr>
<td>Foundation Center Online Directory</td>
<td>Grants made to institutions in each city between 2003-2012—foundation name and location, grant amount, description of intervention, and name and location of recipient organization</td>
</tr>
<tr>
<td>Participant Observations at Special Events</td>
<td>Philanthropic priorities, approaches, industry emphasis on Legacy Cities and urban practice in general, identified philanthropies and partners involved</td>
</tr>
</tbody>
</table>

**Defining Urban Revitalization**

For the purposes of this study, urban revitalization covers grantmaking in community development, economic development, environment, recreation and parks, housing, historic preservation, and grants to government. These categories were selected based on definitions of urban revitalization found in the scholarly literature. The main purpose of urban revitalization is to enhance the value and use of land in cities. In general, scholars agree that urban revitalization includes physical upgrading, people-based programs to improve economic mobility, and efforts to create or improve market connectivity. These categories include both people and place-based planning interventions for urban revitalization.

Community development, housing, and economic development are vital components of urban revitalization particularly with regard to traditional planning
concerns, cover projects, programs, and/or operating support to nonprofit organizations. Examples of activities associated with these categories include funds provided to LISC for neighborhood development programs in Chicago neighborhoods or a grant made to the Detroit Land Bank Authority “to stabilize neighborhoods and stimulate economic growth through the acquisition, rehabilitation, management, and disposition to low- and moderate-income families of foreclosed and abandoned properties.”

The “government” category refers to all those grants made to city and county governments, public agencies, and public universities. Grants in this category most often were directed toward public school districts or charter schools entities. For example, in 2005, the Bill and Melinda Gates Foundation granted $4.625 million to Chicago Public Schools “for implementation of strategic planning efforts to transform Chicago high schools.” In 2012, the Charles Stewart Mott Foundation granted the city of Flint, Michigan $743,000 “for Flint 21st Century Community Policing, effort which will work in collaboration with Michigan State University School of Criminal Justice, to implement public safety plan that aims to address public safety issues in Flint.” In many Legacy Cities, the institutional ecology of grant recipients includes the public sector due to a lack of other organizations working toward revitalization.

After decades of environmental degradation due to their industrial past, environmental clean-up is part of the Legacy Cities urban renewal strategy, as is the refurbishment and upkeep of parks and public spaces. The categories
“environmental” and “recreation and parks” address these revitalization challenges. Examples of these grants range from the creation of public offices to maintenance of public space. In both Philadelphia and Cleveland, foundation grants supported the creation of city-level planning and strategizing for environmental sustainability. The William Penn Foundation in Philadelphia underwrote the cost of the *Greenworks Philadelphia* plan (2009) and the George Gund Foundation contributed to *Sustainable Cleveland 2019* strategy (2009).

Given the age and historic character of Legacy Cities, historic preservation can be a component of urban revitalization efforts; for example, in St. Louis, the PNC Foundation and others granted funds to the Old North St. Louis Restoration Group to plan the redevelopment of Crown Square.

**Part 2: Selected Case Studies of Local Philanthropy**

To disclose and measure the relationship between philanthropy and urban revitalization practice, this dissertation uses a crucial case methodology to test the proposition. The approach and methods (grant information, interviews, document and media analysis, and site visits) generate detailed information about philanthropy and urban revitalization in each city. The qualitative methods employed in this research reveal patterns of interaction between foundations and other actors working to revitalize these cities. They expose intricate details of grantmaking processes and strategizing necessary to answer the question of influence. Given the lack of control over the institutions themselves and the
contemporary nature of the phenomenon in “real life,” a case study methodology addresses the questions at hand.  

**Case Study Selection**

Based on the findings from the landscape study in Part 1, the researcher selected two cases that are exemplars of local philanthropy’s approach to urban revitalization. A third case exemplifies the effects of a hybrid model of local and national philanthropy working in the same city. Together, all three cases fall into size categories that capture 30% of the Legacy Cities in the sample. The selected case studies are Pittsburgh, Cleveland, and Philadelphia.

**Table 3.4—Characteristics of Case Study Cities**

<table>
<thead>
<tr>
<th>(Top = city, bottom = region)</th>
<th>Pittsburgh</th>
<th>Cleveland</th>
<th>Philadelphia</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>General Characteristics</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2013 Population</td>
<td>305,838</td>
<td>390,106</td>
<td>1,553,165</td>
</tr>
<tr>
<td>2010 Population</td>
<td>306,000</td>
<td>397,000</td>
<td>1,526,000</td>
</tr>
<tr>
<td>1950 (Peak Population)</td>
<td>676,806</td>
<td>914,808</td>
<td>2,071,605</td>
</tr>
<tr>
<td>Population Loss From Peak (%)</td>
<td>-55</td>
<td>-56</td>
<td>-29</td>
</tr>
<tr>
<td>Incorporated</td>
<td>1794</td>
<td>1796</td>
<td>1701</td>
</tr>
<tr>
<td>Location</td>
<td>Midwest</td>
<td>Midwest</td>
<td>Northeast</td>
</tr>
<tr>
<td>Land Area (Sq. mi)</td>
<td>55.4</td>
<td>77.7</td>
<td>134.1</td>
</tr>
<tr>
<td></td>
<td>5,281.5</td>
<td>1,997.9</td>
<td>4,602.2</td>
</tr>
</tbody>
</table>

<p>| Socioeconomic Characteristics |
|-------------------------------|------------|-----------|--------------|
| Foreign Born (%)              | 8.3        | 4.4       | 12.7         |
|                               | 3.8        | 5.6       | 10           |
| Median Household Income ($)   | 42,004     | 26,096    | 36,836       |
|                               | 51,291     | 49,358    | 60,482       |
| Per Capita Income ($)         | 28,176     | 17,545    | 22,361       |</p>
<table>
<thead>
<tr>
<th></th>
<th>29,985</th>
<th>28,686</th>
<th>32,400</th>
</tr>
</thead>
<tbody>
<tr>
<td>Poverty Rate (%)</td>
<td>22.7</td>
<td>36.9</td>
<td>26.3</td>
</tr>
<tr>
<td></td>
<td>12.8</td>
<td>15.6</td>
<td>13.5</td>
</tr>
<tr>
<td>Unemployment rate 2015 MSA* (%)</td>
<td>4.6</td>
<td>4.2</td>
<td>4.9</td>
</tr>
<tr>
<td>College Degree (%)</td>
<td>39.7</td>
<td>16.5</td>
<td>25.2</td>
</tr>
<tr>
<td></td>
<td>32.2</td>
<td>29.8</td>
<td>34.6</td>
</tr>
<tr>
<td>Median House Value ($)</td>
<td>95,700</td>
<td>66,600</td>
<td>136,800</td>
</tr>
<tr>
<td></td>
<td>130,700</td>
<td>136,100</td>
<td>233,600</td>
</tr>
</tbody>
</table>


While 70% of Legacy Cities are smaller in population, these cities did not prove to have significant diversity of local and hybrid models of philanthropy. In fact, many of them lack the presence of a local foundation and rely on national funders. In places where a local foundation was present, the priorities of the foundation may not include grantmaking for urban revitalization as defined. In many cities, the largest percentage of grants was made for education. The lack of recipient organizations in smaller cities may indicate that institutional ecology of smaller cities may not be as formalized or able to absorb philanthropic capital in the same way as larger cities with more professionalized organizational recipients. As a result, small and smaller cities with populations less than 250,000 were precluded as potential case study selections. Additionally, state capitals and Washington D.C. were also eliminated as potential case studies because statewide or nationwide NPOs comprised a large number of the recipient organizations.

Another consideration in the case selection was the importance of a philanthropic sector. For each case study, the philanthropic sector needed to
include representative foundations from the National or Large-local designations as well as local foundations. Both Large local and local foundations impose a geographical mandates at the city or regional level. Given the proposition that foundations with high levels of local philanthropy achieve greater influence, the presence of local philanthropy was essential.

Pittsburgh is a city where more than 80% of the philanthropic grants made came from local foundations. The foundations in Pittsburgh have prolonged engagement in the city and created a local intermediary to leverage capital with each other and financial institutions. Cleveland exhibited similar characteristics in not only local philanthropy but also size, history, and socioeconomic characteristics. In both cities, the philanthropic sector includes geographically specific funders of high and lower asset classes. To add a comparative dimension, the researcher selected Philadelphia as a model of hybrid philanthropic expenditure (50/50 split between national and local philanthropy).\(^8\) Philadelphia provides an opportunity to examine influence in a more crowded institutional framework.

**Table 3.5—Case Study Selection Criteria**

<table>
<thead>
<tr>
<th>Selection Criteria</th>
<th>Pittsburgh</th>
<th>Cleveland</th>
<th>Philadelphia</th>
</tr>
</thead>
<tbody>
<tr>
<td>High levels of local philanthropy</td>
<td>Yes</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>Presence of Large-local foundation(s) engaged in place-based interventions</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Prolonged engagement</td>
<td>Yes (100+ yrs.)</td>
<td>Yes (100+ yrs.)</td>
<td>Yes (60+ yrs.)</td>
</tr>
<tr>
<td>Created local intermediary</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>---------------------------</td>
<td>-----</td>
<td>-----</td>
<td>-----</td>
</tr>
<tr>
<td>Population loss from peak</td>
<td>55%</td>
<td>56%</td>
<td>29%</td>
</tr>
<tr>
<td>Philanthropic Sector (National/Large-local + local funders)</td>
<td>Yes (Heinz Endowments, Pittsburgh Foundation)</td>
<td>Yes (The Cleveland Foundation, The George Gund Foundation)</td>
<td>Yes (Knight Foundation, William Penn Foundation, Wells Fargo Regional Foundation)</td>
</tr>
</tbody>
</table>

**Case Study Format and Data Sources**

Each case study has the following components, supported by data drawn from several sources: 1) city’s socioeconomic profile 2) overview of major revitalization strategies in city between 1990 to the present, 3) description of city’s foundations and recipient institutions, 4) analysis of all data collected, and 5) policy implications.

The socioeconomic profile will use such primary public use data such as the US Census. The historical overview of each city derives from secondary literature and archival materials (e.g., plans, reports, and documents that elucidate the revitalization priorities and projects), web sources, and site visits. Table 3.4 (above) shows a preliminary overview of the data profile for each city.

To understand the revitalization patterns in each city, the case study analysis will include a brief overview of the major urban revitalization strategies attempted over the past 25 years. A brief description of the plans or strategies, the organizations involved, the roles of philanthropy (if any), and the outcomes in
each city will provide the baseline for the analysis of philanthropy’s role and influence.

A critical component of each case study is the description of the city’s foundations and recipient organization, that is, the identification of institutional networks involved in urban revitalization activities. This network includes the foundations identified in the landscape study and stakeholder groups composed of public sector officials, nonprofit leaders, business interests, anchor institution agents, and city planners. Data from the Dimensions of Funding in Legacy Cities and participant observations will inform the network analysis. In addition, 36 key informant interviews complete the primary data source for the case studies. Key informants were first identified through reviews of the recipient organizations and participant observation attendance at national meetings, and were supplemented with individuals mentioned in initial interviews. The interviewees include representatives from local foundations and local intermediary organizations, public agency officials, business representatives in each city, and national funders. The interviews were semi-structured and conducted primarily in person, with 15 conducted over the phone.

The interview protocol maps onto the larger research questions. For example, questions about grantmaking selection and process answer the how and why of foundation involvement. Later analysis of the interviews includes coding and identifying common themes to provide evidence of direct influence between foundations and urban practice: 1) amount of funding, 2) intervention
implementation (physical improvement, social investment, capacity increased), 3) partnership generated, 4) investment leveraged, and 5) decision-making replication. Other key themes will address the strategies employed and funded by foundations, the nature of the partnerships they engender in the cities in which they work, and any national influence on urban practice.

In addition, reviews of primary resources: documents and media pertinent to each city’s revitalization plans or policy strategies help identify revitalization priorities. Comparing organizational priorities and plans alongside foundation annual reports and archival materials revealed patterns of alignment and dissonance.

Table 3.6 illustrates the case study components in relation to the research questions and data sources used.

Table 3.6—Case Study Components Paired With Research Objectives and Data

<table>
<thead>
<tr>
<th>Case Study Component</th>
<th>Research Objective</th>
<th>Data Source/Method</th>
</tr>
</thead>
<tbody>
<tr>
<td>Initial data profile, historical overview</td>
<td>Understand the conditions of the city, build a descriptive data profile, describe institutional actors—RQ3</td>
<td>US Census, American Community Survey, literature, review, archival materials, foundation reports, industry reports, observations, key informant interviews</td>
</tr>
<tr>
<td>Chronology of foundation, description of current foundation activities</td>
<td>Identify foundations working in the city (from landscape study) and revitalization partners, categorize their activities and interventions—RQ1 and RQ2</td>
<td>Foundation reports, industry reports, observations, landscape study findings, key informant interviews Legacy City list, public use data, Foundation Center Database, key informant interviews</td>
</tr>
<tr>
<td>Analysis of effects</td>
<td>Organize what was funded and implemented, add up</td>
<td>Semi-structured interviews with multiple stakeholders,</td>
</tr>
</tbody>
</table>
Cross-Case Comparisons

The cross-case analysis investigates philanthropy’s influence on urban revitalization in three ways. First, it determines whether the proposition holds true in each city and identifies the observable implications of influence in each place. This refers to the assumptions that increased presence of local philanthropy translates to higher levels of influence. Next, the cross-case portion examines the political context and institutional conditions under which influence occurs in each place. Finally, inductive analysis leads to a framework for understanding the foundations themselves, their roles and contributions to urban revitalization practices, as well as the opportunities and drawbacks to their involvement.

Validity

This dissertation ensures the validity of its findings through five credibility checks built into the research. First, the research resulted from intensive, long-term involvement over two years spent studying the topic both remotely and in-city. Second, site visits occurred in concentrated periods of time and resulted in rich data through detailed interviews, descriptive note taking, and well-documented observations. Third, the researcher triangulated data collection from a variety of sources. Data collected from interview respondents was verified with
other sources such as annual reports and media accounts as well as other interviews. Fourth, a digital archive of recordings, transcripts, memos, maps, and documents ensures the study’s dependability. Finally, it was reviewed and debriefed by disinterested peer reviewers to check for discrepancies in coding and data.

**A Note on Limitations and Definitions**

This study explores the role of philanthropic foundations in the revitalization of Legacy Cities. It combines exploratory research with deductive reasoning with regard to this relatively unanalyzed phenomenon. While the dissertation creates new knowledge about philanthropy in older industrial communities, there are limits to its generalizability and scope. This research compiles data from a variety of sources to create an original data set for a systematically selected sample of Legacy Cities in the United States, but it is not a formal survey and the reader should not generalize these results to the entire population of Legacy Cities. Similarly, the research uses a sample of grants made for urban revitalization-related activities to identify patterns and trends in these grants.

This analysis paints a general portrait of grantmaking activity and serves as the groundwork for case study selection. It also demonstrates that grantmaking for urban revitalization is a wider spread practices that extends beyond the selected case study cities.
The case study analysis highlights the roles of both local and national foundations in three cities. The findings are not generalizable; however, the narratives provide detailed accounts that allow readers to apply and compare the findings to other cases in other cities. The qualitative case study approach is particularly useful to understand philanthropy’s motivations and strategies as well as the knowledge transfers they support.

1 Legacy City Design Project- “Legacy City Design (LCD) is a network that shares innovative design practices happening in Legacy Mallach, Alan, and Lavea Brachman. Regenerating America's Legacy Cities. Lincoln Institute of Land Policy, 2013. Cities - U.S cities that have experienced a continuous loss of population and jobs since their peak. LCD connects professionals working in Legacy Cities, shares information about how projects are successfully designed and implemented, hosts convenings, advocates for innovative design solutions, and develops new practice solutions through design research and pilot project collaborations.” [http://www.legacycitydesign.org/about](http://www.legacycitydesign.org/about)


5 Foundation Center Directory. Grant made by the MacArthur Foundation to LISC for the New Communities Program in 2006 and grant made from the Ford Foundation to the Detroit Land Bank Authority for $300,000 in 2012.

6 Only grants made to universities that appeared in the community development or economic development categories were included in the analysis.

7 Yin advocates the case study methodology to examine phenomenon in real life scenarios where the research has little control over the events and actors involved. Jordan Yin. Case Study Research, 1

8 Initially, the researcher selected Chicago and Detroit as additional case studies. However, early research revealed that the role of philanthropy in Detroit is an outlier given the crisis state of the cities. The size and scale of the civic institutional ecology in Chicago appeared to dilute the influence of philanthropy.

In the past ten years, philanthropic foundations extended $6.3 billion in grants in Legacy Cities for urban revitalization, a sum greater than the key public direct expenditure, the US Department of Housing and Urban Development’s (HUD) Community Development Block Grant (CDBG) program that provided only $5.2 billion to the same places in this period. Foundations distributed this funding based on collective individual decisions of foundations having great variation in size, mission, and giving ability. In contrast, HUD decisions are formula based, taking into account factors such as poverty rates, population size, housing stock, and growth.

For foundations, urban revitalization grants encompass community development, economic development, housing, environment, historic preservation, recreation and parks, as well as grants made to governments, while for HUD, CDBG grants are applied to acquisition of real property, relocation and demolition, rehabilitation of residential and nonresidential structures, construction of public facilities and improvements, public services, activities relating to energy conservation and renewable energy resources, provision of assistance to profit-motivated businesses to carry out economic development, and job creation/retention activities.
This chapter will explore the nature and mechanics of foundation grants by looking at six questions. They are:

1. What foundations engage in revitalization activities in Legacy Cities?
2. What are the characteristics of the cities in which they work?
3. Is there a typology that characterizes the work of these funders in Legacy Cities?
4. What type of organizations received funding?
5. What kinds of activities are funds used for?
6. How does philanthropic expenditure compare to other sources of funding?

The findings demonstrate that foundation grants for urban revitalization were not evenly allocated across cities. Instead, cities where local foundations are present proved to be at a distinct advantage to attract both local and national grant capital.

In 2012, the top 1,000 foundations (by assets) made 153,821 grants totaled at $22.4 billion. Between 2003 and 2012, philanthropic foundations in this sample of Legacy Cities awarded over 72,000 grants totaling over $6.3 billion for revitalization activities. The grant amounts ranged from $1,000 to more than $1 million. Two hundred forty foundations, or 6% of the funders in the sample, made one-time grants of the lowest dollar amount. In contrast, the giving associated with the top twenty-five foundations (ranked by grantmaking totals), accounts for more than 50% of the total philanthropic expenditure for urban revitalization in the sample. This variation in foundations occurs at both the national and sample scale. Nationally, 1% of foundations provide nearly 50% of all grantmaking.
Typology of Foundations

For this study, the researcher created a typology of foundations to better understand the level of giving and geographic focus of individual foundations working in cities. Figure 4.1 illustrates the typology by asset class and geographic focus. “National” refers to those foundations with assets over $1 billion with an unrestricted geography to their giving. “Large-local” designates those foundations of the same asset class with a geographical mandate, usually at the regional or city scale. It is important to note that most foundations have special funds reserves for the places in which they are located; however, the geographical mandate guides all giving of Large-local foundations. At the lower asset class levels, the “local” represents those foundations with less than $1 billion in assets that operate within the same spatial constraints as the Large-locals. All other foundations with assets of less than $1 billion fall into the “Other” category. Corporate foundations remain in their own category, largely because their priorities and structures are tied up with the corporate structure. A number of funding collaboratives emerged from this work as well. These organizations are member or affinity groups designed to leverage the contributions of all foundations for more capital opportunities.
Table 4.1—Typology of Foundations

<table>
<thead>
<tr>
<th>Type of Foundation</th>
<th>Focus</th>
<th>Asset Class</th>
<th>Examples</th>
</tr>
</thead>
<tbody>
<tr>
<td>National</td>
<td>General purpose or issue-specific</td>
<td>Greater than $1 billion</td>
<td>Ford, Rockefeller, Gates</td>
</tr>
<tr>
<td>Large-local</td>
<td>Geography-specific</td>
<td>Greater than $1 billion</td>
<td>William Penn, Cleveland Foundation</td>
</tr>
<tr>
<td>Local</td>
<td>Geography-specific</td>
<td>Less than $1 billion</td>
<td>21%</td>
</tr>
<tr>
<td>Other</td>
<td>General purpose or issue specific</td>
<td>Less than $1 billion</td>
<td>8%</td>
</tr>
<tr>
<td>Corporate Foundations</td>
<td>Corporate-related</td>
<td>All</td>
<td>Google, Citibank, Alcoa</td>
</tr>
<tr>
<td>Funding Collaboratives</td>
<td>Any</td>
<td>Collective membership</td>
<td>Living Cities, Fund for Our Economic Future</td>
</tr>
</tbody>
</table>

Foundations Engaging in Urban Revitalization Activities in Legacy Cities

Between 2003 and 2012, at least 4,050 foundations granted over $6.3 billion toward urban revitalization in fifty Legacy Cities spread across 21 states. This is 31% of the total 12,981 foundations that exist in the Legacy Cities of the sample. The top ten foundations giving for urban revitalization include Nationals such as the Kresge, Ford, and MacArthur Foundations and Large-local foundation such as the Richard K. Mellon, William Penn, and Cleveland Foundations.

A look at the funders in this sample illustrates some unique characteristics of the foundations at work in Legacy Cities. (See Figure 4.2) The chart shows funders with philanthropic expenditure of over $100 million. Together these thirteen funders account for just over 40% of the total philanthropic expenditure across the entire sample. 7 of the 13 funders listed here are local funders, meaning they are mission bound to give in the city or region in which they are
located. While most foundations do have a specialized grant allocation for the city in which they are located, local foundations allocate all their grant monies in the defined geography.

The Kresge Foundation, a Titan, tops the list of funders in the sample with more than $293 million in grants made across all cities. This foundation, located in Troy, MI, pursues a unique mix of local and national priorities. In 2006, newly appointed president and CEO, Rip Rapson, announced that Kresge would abandon its tradition of matching capital challenge grants to embark on a new form of grantmaking. Part of the shift in strategy designated a special program with 20% of grantmaking to focus on the revitalization of Detroit, MI, where the foundation’s founder, Sebastian Kresge made his fortune through the creation of the five and dime store that eventually become the K-Mart franchise. While the Detroit program plays a significant role in the foundation’s urban revitalization grantmaking portfolio, Kresge has made grants for urban revitalization-related activities in 52% of the sample (26 cities).

Half of the funders predominantly make grants at the regional or city scale in the places in which they are located. As mentioned in an earlier chapter, the nature of community foundations, particularly those with donor-directed funds, limits the geographical scope of their grantmaking. Other foundations, as exemplified by Kresge and Ford, create special funds for the cities in which they are located. Still other foundations limit their entire mission to funding their home region/city. The Lilly Endowment, Inc. of Indianapolis dedicates its grantmaking
efforts in the City of Indianapolis and the State of Indiana. Even though they remain locally committed, many philanthropic foundations participate in national funder networks dedicated to knowledge sharing. They prioritize shared issues of interest. These networks create opportunities for funders to learn from the experiences of one another and the partners, such as practitioners or researchers, they work with to generate knowledge and best practices.

Table 4.2—Top Funders of Legacy Cities

<table>
<thead>
<tr>
<th>Funder</th>
<th>Location</th>
<th>Philanthropic Expenditure (% of Total)</th>
<th># of Cities</th>
<th>Focus City</th>
<th>% of Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>The Kresge Foundation</td>
<td>Troy, MI</td>
<td>293,754,236</td>
<td>26</td>
<td>Detroit</td>
<td>5%</td>
</tr>
<tr>
<td>The John D. and Catherine T. MacArthur</td>
<td>Chicago, IL</td>
<td>254,357,049</td>
<td>14</td>
<td>Chicago</td>
<td>5%</td>
</tr>
<tr>
<td>Foundation</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ford Foundation</td>
<td>New York, NY</td>
<td>223,230,576</td>
<td>26</td>
<td>Detroit</td>
<td>3%</td>
</tr>
<tr>
<td>Richard King Mellon Foundation</td>
<td>Pittsburgh, PA</td>
<td>218,416,029</td>
<td>7</td>
<td>Pittsburgh</td>
<td>3%</td>
</tr>
<tr>
<td>The Cleveland Foundation</td>
<td>Cleveland, OH</td>
<td>215,174,627</td>
<td>13</td>
<td>Cleveland</td>
<td>3%</td>
</tr>
<tr>
<td>Lilly Endowment Inc.</td>
<td>Indianapolis, IN</td>
<td>204,779,435</td>
<td>5</td>
<td>Indianapolis</td>
<td>3%</td>
</tr>
<tr>
<td>Charles Stewart Mott Foundation</td>
<td>Flint, MI</td>
<td>199,424,222</td>
<td>16</td>
<td>Flint</td>
<td>3%</td>
</tr>
<tr>
<td>The Annie E. Casey Foundation</td>
<td>Baltimore, MD</td>
<td>199,380,792</td>
<td>24</td>
<td>Baltimore</td>
<td>3%</td>
</tr>
<tr>
<td>The William Penn Foundation</td>
<td>Philadelphia, PA</td>
<td>184,832,526</td>
<td>6</td>
<td>Philadelphia</td>
<td>3%</td>
</tr>
<tr>
<td>Bill &amp; Melinda Gates Foundation</td>
<td>Seattle, WA</td>
<td>163,322,909</td>
<td>26</td>
<td>Chicago</td>
<td>3%</td>
</tr>
</tbody>
</table>
### Characteristics of Legacy Cities

Cities with a local foundation garnered more grants. Those cities with a small number of foundations attracted considerably less funding. This proved true across city sizes. For example, Flint, MI, with a population of 102,434, captured over $186 million in grants; the Charles Stewart Mott Foundation, located in Flint, provided 85% of that total. However, smaller cities without local foundations attracted less philanthropic capital. Therefore, the presence of legacy money in the form of foundations from heritage industry or wealthy individuals in cities proved to be a better indicator of the level of philanthropic investment.

For the purposes of this study, local philanthropy is defined as foundations that exist in the same state as the cities in which their grantmaking occurs. The Foundation Center data used for this study only identifies the state in which grantmakers are located. Additional research reveals that in cities with the highest levels of local philanthropy, many of the foundations that contribute are located within the city or region.
From this analysis of local philanthropy, Legacy Cities in the sample exhibit three different models of grant origination—local, hybrid, and outsider philanthropy. Table 4.3 illustrates the major distinctions. 54% of cities in the sample received the majority of philanthropic expenditure from local philanthropy, defined as over 60% of grants made from foundations located in the same state, and often the same city. For example, both the Cleveland Foundation and the George Gund Foundation are located in Cleveland, which is also the city where the majority of their grant making for urban revitalization occurs. Hybrid philanthropy occurs in cities that received 40-60% of their philanthropic expenditure from local sources and the remainder comes from outside foundations such as the John S. and James L. Knight Foundation; both Chicago and Philadelphia are examples. Outsider philanthropy characterizes 22% of the cities in the sample. In these places more than 60% of grants flow from funders outside their home state.

Table 4.3—Model of Grant Origination

<table>
<thead>
<tr>
<th>Model</th>
<th>Funding Balance</th>
<th>Examples</th>
</tr>
</thead>
<tbody>
<tr>
<td>Locally funded city</td>
<td>More than 70% of philanthropy comes from local giving</td>
<td>St. Louis, MO and Indianapolis, IN</td>
</tr>
<tr>
<td>Hybrid city</td>
<td>Even distribution of local vs. national funder 40-60% either way</td>
<td>Chicago, IL and Philadelphia, PA</td>
</tr>
<tr>
<td>Outsider city</td>
<td>More than 70% of funding comes from outside city</td>
<td>Camden, NJ or Erie, PA</td>
</tr>
</tbody>
</table>
When examined in these categories, cities with the highest per capita philanthropy correspond to those with higher levels of local philanthropy. The highest per capita philanthropic expenditure in the sample is found in Pittsburgh at a level of approximately $2,200/person with a rate of 90% local philanthropy. However, local philanthropy does not always indicate high levels of per capita or even total philanthropic expenditure.

In cities that receive the lowest levels of both overall and per capita philanthropic expenditure, most of this grant making came from local philanthropy. Levels of local philanthropy for Niagara Falls, NY and Fall River, MA at 91% and 100%, respectively, do not translate to overall and per capita philanthropic expenditure, which are both among the lowest levels in the sample. In the cases of the smaller cities with populations of less than 100,000, philanthropic expenditure tends to be lower. Exceptions to this characterization do exist. Most notably, Flint, MI attracts larger levels of philanthropic investment than the other cities in its size bracket. Flint, MI exhibits approximately $1800 in per capita philanthropic expenditure at a 95% rate of local philanthropy. While Flint, MI is an outlier in this regard, the presence of local foundations such as the Charles Mott Foundation in Flint does not always correspond to high levels of philanthropic expenditure.

Regardless of this variability, the presence of foundations in Legacy Cities indicates a certain level of commitment to the surrounding environment both in-
city and statewide. This finding suggests that cities with legacy money in the form of foundations may be at a slight advantage when trying to attract grants for urban revitalization. Perhaps the most important feature of this can be found not in the location of foundations themselves but in the institutional landscape of the Legacy Cities.

**Philanthropic Expenditure in Legacy Cities**

As expected, the largest cities in the sample accrued the most philanthropic capital. Chicago captured more than $934 million in grants for urban revitalization from foundations included in the directory. However, while size mattered significantly, when comparing grants at the city level per capita, a different picture emerged. Pittsburgh, with just over 300,000 residents, captured $2,200/per resident, a total that far surpasses all other cities in the sample using the per capita measure. Pittsburgh benefits from a high number of local foundations such as the Heinz Endowments, the Buhl Foundation, and the McCune Foundation.

While the sample included only six large cities, they accounted for just over 50% of the total grant amount in the analysis. Both large and medium cities together make up 85% of the total philanthropic expenditure of over $6 billion across the entire sample of fifty Legacy Cities. The majority of funding is concentrated in fifteen cities; however, these fifteen cities, listed below in Table 4.4, account for 74% of the population. Cities with populations under 100,000
attracted less philanthropic capital overall. Smaller cities accounted for 70% of the Legacy Cities studied in the sample.

**Table 4.4—Top 15 Cities for Total Philanthropic Expenditure**

<table>
<thead>
<tr>
<th>Cities (listed from highest to lowest)</th>
<th>Total Philanthropic Expenditure</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chicago, Detroit, Pittsburgh, Philadelphia, Cleveland</td>
<td>More than $500 million</td>
</tr>
<tr>
<td>Indianapolis, Baltimore</td>
<td>$250-499 million</td>
</tr>
<tr>
<td>New Orleans, Milwaukee, Flint, St. Louis, Hartford, Newark, Providence,</td>
<td>Less than $250 million</td>
</tr>
<tr>
<td>Wilmington</td>
<td></td>
</tr>
</tbody>
</table>

Cities in the sample range in population size from 2 million to less than 50,000. Less than 10% of the sample (3 cities) witnessed a 5% or more increase in population between 2000 and 2010. Just over 20% achieved stability in that they achieved 0-5% population gains in the same period. The remaining 35 cities declined in population over in the census period. Only two large cities are considered stable; the rest continue to decline.

Eleven cities in the sample stabilized with population increases between 0-5 percent following decades of decline. Table 4.5 lists the stabilized cities. Even though these cities have turned the corner in terms of depopulation, they grapple with poverty rates that are higher than the national average of 15.8% in 2013 (US Census American Community Survey 2013), over 5% in population.
When ranked by city size, philanthropic grant expenditure is higher in both large and medium cities; however, when measured by total grant amount, city size proves to be less significant. As shown in Figure 4.5, the cities with higher levels of philanthropic expenditure are also cities with large legacy foundations. For example, the William Penn Foundation in Philadelphia and the Eli Lilly Foundation in Indianapolis are both the legacies of local wealth created in the cities where the foundations are located.

Many foundations remain in the Legacy Cities in which they were originally founded. They invest in these places that once thrived as centers of commerce and industry. This can be seen in the cities in the sample. Large philanthropic expenditures take place in cities such as Pittsburgh where the Mellon bank and Heinz food processing company originated in the late nineteenth century and still operate. Corporate heads of both entities formed foundations that focus their investment portfolios in southwest Pennsylvania broadly and the city specifically.

### Table 4.5—Stable Cities by Philanthropic Expenditure

<table>
<thead>
<tr>
<th>Legacy City</th>
<th>Population Change%</th>
<th>Poverty Rate %</th>
<th>Grants Per Capita (in millions)</th>
<th>Grant Total (in millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Philadelphia, PA</td>
<td>0.6</td>
<td>26.2</td>
<td>$428</td>
<td>$652.5</td>
</tr>
<tr>
<td>Indianapolis, IN</td>
<td>0.0</td>
<td>22.5</td>
<td>$1,536</td>
<td>$588.2</td>
</tr>
<tr>
<td>Minneapolis, MN</td>
<td>3.6</td>
<td>19.9</td>
<td>$506</td>
<td>$414.9</td>
</tr>
<tr>
<td>Newark, NJ</td>
<td>2.6</td>
<td>33.9</td>
<td>$1,124</td>
<td>$140.5</td>
</tr>
<tr>
<td>Norfolk, VA</td>
<td>1.3</td>
<td>28</td>
<td>$466</td>
<td>$129.1</td>
</tr>
<tr>
<td>Richmond, VA</td>
<td>2.5</td>
<td>27.9</td>
<td>$523</td>
<td>$93.0</td>
</tr>
<tr>
<td>Providence, RI</td>
<td>3.2</td>
<td>26.7</td>
<td>$324</td>
<td>$66.1</td>
</tr>
<tr>
<td>Hartford, CT</td>
<td>2.3</td>
<td>25.4</td>
<td>$166</td>
<td>$16.3</td>
</tr>
<tr>
<td>Albany, NY</td>
<td>1.4</td>
<td>21.6</td>
<td>$61</td>
<td>$5.8</td>
</tr>
<tr>
<td>New Bedford, MA</td>
<td>3.6</td>
<td>18.2</td>
<td>$14</td>
<td>$3.4</td>
</tr>
<tr>
<td>Utica, NY</td>
<td>0.1</td>
<td>30.1</td>
<td>$15</td>
<td>$1.0</td>
</tr>
</tbody>
</table>
An analysis of the funders provides a unique forensic trail to the industrialists, financiers, and business leaders who seeded the contemporary foundations.

**Types of Grants Made for Urban Revitalization**

The total for grants made for urban revitalization approximated $6 billion for the decade under study. Figure 4.1 illustrates the changing levels of grant making over the course of the ten-year period. The levels of philanthropic investment reached an all-time high in 2007 and fall in 2008 and 2009, the same time of the Great Recession. Given these amounts it is helpful to examine the categories of funding over the same time period. It is important to note that when totals in each year were put into present dollars, total philanthropy for urban revitalization increased from 2003 levels by an approximated $100 million.

**Figure 4.1 Totals of Urban Revitalization Grants, 2003-2012**
Grants made for community development surpass all other categories at 55% total grantmaking. Table 4.6 shows the grant amounts allocated by category. These levels remain consistent over the ten years of the sample with the exception of a spike in grantmaking for community development between 2005 and 2007 and a steep decline in 2008. This may be related to the foreclose crisis and build up to the global recession in 2008. The data also indicates a steady climb in grants made for economic development between 2006 and 2008 and a drop in 2009.

Table 4.6—Philanthropic Expenditure by Grant Category

<table>
<thead>
<tr>
<th>Grant Category</th>
<th>Grant Total 2003-2012</th>
<th>% of all</th>
</tr>
</thead>
<tbody>
<tr>
<td>Community Development</td>
<td>$3.4 billion</td>
<td>55</td>
</tr>
<tr>
<td>Government</td>
<td>$920 million</td>
<td>15</td>
</tr>
<tr>
<td>Economic Development</td>
<td>$820 million</td>
<td>13</td>
</tr>
<tr>
<td>Housing</td>
<td>$443 million</td>
<td>7</td>
</tr>
<tr>
<td>Historic Preservation</td>
<td>$252 million</td>
<td>4</td>
</tr>
<tr>
<td>Environmental</td>
<td>$190 million</td>
<td>3</td>
</tr>
<tr>
<td>Recreation/Parks</td>
<td>$190 million</td>
<td>3</td>
</tr>
</tbody>
</table>

By far, the most common mechanism for influence is grantmaking. Through grants made for community and economic development, housing, investment in public spaces, and support for public agencies, foundations provide an influx of resources into often fiscally-constrained environments in Legacy Cities. Grants fund pilot programs, support general operations, develop property, and build organizational capacity. They enhance development through the provision of flexible capital that can be leveraged with other financial sources for
large-scale urban revitalization projects. Yet, the funders themselves do not operate in isolation. Rather, they require strong local grant recipients that work on the ground to carry out these tasks.

**Follow the Grant: Nonprofit Recipients in Legacy Cities**

The presence of strong nonprofit organizations (NPOs) is essential for philanthropic investment in urban revitalization. In an era of high impact philanthropy, the capacity of NPOs to implement and evaluate their revitalization efforts leads to the attraction of grant capital. An analysis of the recipient organizations in the Legacy Cities of the sample provides insight into the institutional ecology working to revitalize these places.

Recipient organizations in the sample differed by city. In large cities, national intermediary organizations such as Local Initiatives Support Corporation (LISC) and large community development financial institutions (CDFIs) received larger shares of grants. Anchor institutions such as universities and cultural institutions received some grants, most often in categories such as community development and economic development. Local NPOs received significant numbers of grants in cities across the sample; however, in some cities, public sector agencies and school districts captured a majority of the funding. For example in St. Louis, MO, the school district and city of St. Louis netted nearly $28 million in grant dollars of the $146 million total for urban revitalization. Three
different types of recipient organization emerge from the data—intermediaries, local development NPOs, and public sector/governmental recipients.

Intermediary organizations serve as clearing houses for a variety of revitalization activities. Historically, this definition referred to one of three organizations—Local Initiatives Support Corporation (LISC), NeighborWorks, and Enterprise Community Partners. All three were founded in the early 1980s and engaged in community development activities. While these organizations remain today, the introduction of other institutional structures that operate similarly on local, regional, and national scales expands the field of potential recipients to include community development finance institutions (CDFIs), revolving loan funds, and community foundations. These organizations re-grant philanthropic funds for their endeavors and leverage grant monies along with other capital from additional sources to fund projects and programs. They often align themselves with local development NPOs.

Local development NPOs work on the ground to revitalize Legacy Cities at the regional, citywide, and neighborhood scale. While still dominated by first, second, and third generation community development corporations, the increased presence of nongovernmental actors in the provision of affordable housing and public realm development more generally enlarges the scope of stakeholders operating in this space to include development alliances, business improvement districts,¹ and anchor institutions. Often, these organizations control geographically-defined districts of the city and develop public amenities. As the
largest employers in many of these cities, anchor institutions such as universities and medical centers undertake a variety of revitalization activities that include property development and economic development. Other organizations provide social services, especially in cities with particularly stressed public sectors.

Legacy Cities with populations over 250,000 exhibit a mix of recipients with the majority of grants going to large intermediaries such as LISC in the multiple cities in which they work and The Reinvestment Fund in Philadelphia. Collectives or alliances also garner significant amounts of philanthropic support from multiple funders for larger scaled development projects. For example, East Baltimore Development Inc. represents the largest grant recipient in Baltimore. The organization is a collective endeavor to develop a large section of the city adjacent to John Hopkins University. Its partners include Johns Hopkins University, the Annie E. Casey Foundation, Atlantic Philanthropies, the City of Baltimore, and other stakeholders. In St. Louis, Forest Park Forever, a dedicated park conservancy, receives the most philanthropy expenditure, while the City of St. Louis is the second largest recipient.

The grant activity in the entire samples shows that public sector/government agencies receive some level of grant funds; often the city and/or county governments were direct recipients. However, in 22% of the cities in the sample public agencies and local governments received the highest proportion of the philanthropic grants made. The recipients tended to be public school districts, city and county governments, and public agencies. According to
the data, the types of support most often cited are project funds and operating support. Most of the cities with this type of recipient are small with high levels of decline as indicated by continued population loss and high poverty and unemployment rates.

The nature of philanthropic grantmaking requires a ready and able cadre of institutional recipients. While the data under review identify only those organizations that actually received grants, the question arises to what extent these numbers capture the range of urban revitalization activity underway. Do cities where the largest recipients are government and public sector institutions experience a lack of institutional capacity for urban revitalization? To what extent, does a multiplicity of nonprofit stakeholders indicate a capacity for revitalization? Why do cities with seemingly robust institutional ecologies as evidenced by the diversity of recipients remain unable to move revitalization indicators such as population and poverty and unemployment rates?

**Other Funding Sources**

Funding for urban revitalization comes from a variety of sources. State and local governments are by far the largest contributors to the capital stack of most development projects. A comparative analysis of federal Community Development Block Grant (CDBG) funds contextualizes philanthropic expenditure along with a public capital stream that flows through cities to achieve goals in line with urban revitalization. The Community Development Block Grant
(CDBG) program, established in 1974, is one of the longest running programs of the US Department of Housing and Urban Development (HUD). Throughout its long history, CDBG monies have consistently decreased.

Overall, total philanthropic expenditure exceeded total CDBG by close to $1 billion. Total CDBG for the sample over the same period amounted to $5.4 billion, where the total grant amount exceeded $6.3 billion. This finding proved true in the large and medium cities with populations over 250,000 where philanthropic grants exceeded CDBG allocations for the same time period in most cases. When measured at the per capita level, the case reversed in small and smaller cities with populations of less than 250,000. In those cities, CDBG surpassed philanthropic expenditures through grant making.

This comparison suggests that philanthropic grant making provides significant levels of capital for urban revitalization activities. It also indicates that philanthropy is not a replacement for government support in these cities, as federal CDBG makes up only a portion of government funding sources in any city or region.

**Discussion and Conclusion**

Both national and local foundations dedicate funds to the cities in which they are located. The results indicate that foundations invest in revitalization-related activities. Cities with a foundation anchored locally are at a distinct advantage in attracting both local and national philanthropic grants; the investment by local
institutions may signal capacity to outside funders as well. Philanthropic foundations of all sizes engage in national funder networks for the revitalization of older industrial communities. These working groups provide a voice in national urban and program decisions about these places.

This study shows that philanthropy provides a significant amount of resources to those organizations engaged in the revitalization of Legacy Cities. Resource allocations differ across cities in the sample. The largest share of grants goes to community development activities. The next closest share goes to support government operations—most often school districts in Legacy Cities.

By and large the recipients of grants for urban revitalization in cities demonstrate a variety of stakeholders and actors involved revitalization activities. This roster includes public sector agencies and institutions and nonprofit organizations that vary in mission, size, and sophistication. While grants for urban revitalization are a small percentage of the overall foundation grantmaking in these cities, the total dollar amount of grants is comparable to federal funding sources as measure by CDBG.

Urban-focused local philanthropy matters. When compared to CDBG funding allocated over the same period, the level of philanthropic grantmaking exceeds CDBG funding. This varies by city size. In large and medium cities, foundation grants surpass CDBG funds. In small cities, however, CDBG funds top philanthropic capital.
Business improvement districts (BIDs) are considered public-private partnerships. However, BIDs can and do receive philanthropic grants.
Chapter 5—Cleveland: A Tale of Two Foundations or Locally Focused, Nationally Connected

On September 29, 1920, The Cleveland Trust Company celebrated its twenty-fifth anniversary. As the parent company of the Cleveland Foundation, the bank asked one of its speakers to shape his remarks as if he were commemorating the work of the foundation in 2014, a hundred years after its founding. The speaker, Leonard P. Ayers, Director of Education and Statistics at the Russell Sage Foundation, painted a prescient portrait of the foundation’s future activities.

In his speech, Ayres predicted, “that once the foundation secured the intellectual and educational centers of the city…trustees found themselves confronted with problems of increased revenues and changed public needs…[they] turned attention to the unlimited improvement of the city itself as a place to live.” He foresaw that the foundation would be “gathering information, molding public opinion, giving conditional grants, and carrying on research as they grappled with the city’s problems.” He saw the foundation’s accomplishments as environmental cleanup, fostering a transition from the day’s “smoke evil” city to a “faultlessly clean community tomorrow.” Next, he saw the foundation as tackling city streets invoking images of “permanent, smooth and durable pavements in every street as well as continuous and level sidewalks.” Finally, he envisioned
reclamation of the lakefront, allowing access to clean air and beautiful vistas for all of Cleveland’s citizens.

While Ayers mentioned other priorities, his inclusion of urban development projects is noteworthy. It identified urban development as a consistent priority of the foundation from its earliest days. Specifically highlighting improvements to the built environment demonstrates a connection between the city’s fortunes and the foundation’s progress. However, Ayres and the other attendees at the celebration did not envision the extreme challenges their city would encounter in the upcoming century. Yet, their view of the Cleveland Foundation and its relationship to the city proved to be nearly 100% accurate.

Today, the Cleveland Foundation enjoys a level of influence similar to that experienced by the Cleveland Trust Bank and Standard Oil in the early portion of the twentieth century. As a consistent actor across time and space, it, along with its peer the foundations, proved to be uniquely positioned to weather the economic cycles and shifting fortunes of the city. As local, national, and global forces exerted tremendous pressure on less resilient institutions, philanthropy remained wealthy and nimble enough to withstand social and market upheavals.

This chapter describes local foundation involvement in revitalizing the City of Cleveland. It examines the ways that foundations contribute to urban revitalization through physical development and capacity building. It provides detailed examples of these activities. The Cleveland Foundation emerges as a
leader, behind the scenes agitator, and wise steward. It works with its philanthropic peers and local business interests in a tireless fight to address the city’s problems and redefine its future.

City Profile

The City of Cleveland is the second largest city in the state of Ohio. It is the core city of the Cleveland-Elyria metropolitan area. Cleveland is the county seat of Cuyahoga County. Located on the south shore of Lake Erie, at the mouth of the Cleveland’s favorable geographic location on the south shore of Lake Erie and at the mouth of the Cuyahoga River, the city’s land areas covers city’s land area covers 77.7 square miles. (See Figure 5.1)

Several key neighborhoods are involved in the city’s urban revitalization history. The city’s two major job centers, Downtown Cleveland and University Circle are separated by a four-mile corridor along Euclid Avenue. Downtown Cleveland includes the historic area around Public Square where the Terminal Tower and the Tower City Center are located. University Circle, on Cleveland’s east side, is America’s densest concentration of anchor institution (more than 40 NPOs). “The Circle,” as it is referred to locally, is surrounded by four neighborhoods and two smaller municipalities. The Glenville neighborhood to the north is the site of a resident/police shootout in 1968. Buckeye Shaker to the south is actually two neighborhoods. Buckeye was once home to the largest
Hungarian population outside Hungary and is now almost entirely African American. Shaker is the neighborhood built around Shaker Square, a historic shopping district and rapid transit stop. Its west and southwest neighbors respectively are Hough and Fairfax. Hough is the site of the notorious race riots in 1966 where 30 people were killed and hundreds were injured. It is also a major site of community development intervention. To the east lie the cities of East Cleveland and Cleveland Heights. (See Figure 5.2)

As of 2014, the city has 389,524 residents, while the metro area population is over two million.\(^1\) The city’s population declined by more than 50% from its peak of 900,429 in 1950. A majority of Cleveland’s residents identify as Black (53%) with 32% identifying as White, 11% as Hispanic, 2% as Asian, and 2% as two races or more.\(^2\) The median household income is $24,701 in the city and $49,889 in the metro area. More than 39% of Cleveland’s resident live below the poverty line.

In the nineteenth century, Cleveland became a transportation hub for rail and waterways serving as reception point for Ohio manufacturing and agriculture products bound for the East via the Erie Canal, which connected Lake Erie to New York via the Hudson River. By 1920, Cleveland was the fifth most populous city in the US. Between 1900 and 1920, the population more than doubled, going from 381,000 to 797,000. Immigrants from Southern and Eastern Europe and African American migrants from the South made their way to Cleveland in search
of employment. Prosperity was fleeting. Over the next three decades, Cleveland witnessed changing conditions in its neighborhoods and industry that led to the flight of residents and firms. Mired in neighborhood unrest, economic crisis, and political conflict, the city careened into fiscal default in 1979.

Today, Cleveland’s economy relies on jobs from the healthcare and high technology industries, most located within anchor institutions. The Cleveland Clinic and University Hospitals are the largest employers in the city and the region. Other large employers include the federal and local governments. The city struggles with unemployment rates higher (7.1%) than the national average (5.5%).

While Cleveland continues to lose residents, the wealth generated in the days of its industrial dominance remains in the city in the form of the philanthropic foundations. This is particularly true of the Cleveland Foundation, a community foundation born out of multiple contributions from wealthy Clevelanders.

Table 5.1—Chronology of Revitalization Projects in Cleveland

<table>
<thead>
<tr>
<th>Year</th>
<th>Project Name/Type</th>
<th>Description/Leadership &amp; Contributors</th>
</tr>
</thead>
<tbody>
<tr>
<td>1960</td>
<td>Erieview</td>
<td>Urban renewal project—downtown mixed use City of Cleveland, developers</td>
</tr>
<tr>
<td>1961</td>
<td>Neighborhood Development</td>
<td>Ford Foundation pilot to focus on community development at neighborhood scale Ford Foundation, Cleveland Foundation, Leonard Hanna, Jr. Fund</td>
</tr>
<tr>
<td>1968-1970</td>
<td>Cleveland NOW!</td>
<td>Plan of Mayor Carl P. Stokes to revitalize inner city Public-private funding, local foundations, proposed tax</td>
</tr>
<tr>
<td>Year</td>
<td>Organization</td>
<td>Description</td>
</tr>
<tr>
<td>------</td>
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<td>-------------</td>
</tr>
<tr>
<td>1970</td>
<td>University Circle, Inc.</td>
<td>Operation and physical maintenance for anchor institutions&lt;br&gt;<em>Anchor institutions, City of Cleveland</em></td>
</tr>
<tr>
<td>1981</td>
<td>Cleveland Tomorrow</td>
<td>CEO only membership organization forms to address future of downtown and regional economic development needs&lt;br&gt;<em>Cleveland Foundation contributes seed money, sustained through membership dues</em></td>
</tr>
<tr>
<td>1985</td>
<td>Formation of Cleveland Neighborhood Partnership</td>
<td>Ford Foundation pilot to accelerate neighborhood development efforts&lt;br&gt;<em>Ford Foundation, Cleveland Foundation</em></td>
</tr>
<tr>
<td>1988</td>
<td>Civic Vision 2000</td>
<td>APA award winning comprehensive plan update&lt;br&gt;<em>Cleveland City Planning Commission, Cleveland Foundation</em></td>
</tr>
<tr>
<td>1990</td>
<td>Tower City</td>
<td>Conversion of Cleveland Union Terminal into high end shopping mall&lt;br&gt;<em>Cleveland Tomorrow, City of Cleveland (UDAG)</em></td>
</tr>
<tr>
<td>1994</td>
<td>Gateway Sports Complex</td>
<td>Open air baseball stadium and basketball stadium&lt;br&gt;<em>Cleveland Tomorrow, public subsidy</em></td>
</tr>
<tr>
<td>1995</td>
<td>Northcoast Harbor Site</td>
<td>Rock’n’Roll Hall of Fame and Great Lakes Science Center&lt;br&gt;<em>Public-private partnership- financials- state- 55%, federal-13%, county-6%, city-6%, Cleveland Tomorrow-10%, local philanthropy-10%</em></td>
</tr>
<tr>
<td>1997</td>
<td>Playhouse Square</td>
<td>Downtown theatre district renovation&lt;br&gt;<em>State, corporate community, and local foundations</em></td>
</tr>
<tr>
<td>2004</td>
<td>Fund for Our Economic Future</td>
<td>Regional economic development membership organization—public-philanthropic partnership&lt;br&gt;<em>Membership includes local foundations, local municipalities, and anchor institutions</em></td>
</tr>
<tr>
<td>2007</td>
<td>Greater University Circle Initiative</td>
<td>Plan expansion of University Circle into neighborhood development and homeownership program&lt;br&gt;<em>Cleveland Foundation and University Circle, Inc.</em></td>
</tr>
<tr>
<td>2009</td>
<td>Evergreen Cooperatives</td>
<td>Job creation and wealth building strategy for local procurement of anchor institutions&lt;br&gt;<em>Cleveland Foundation, anchor institutions</em></td>
</tr>
<tr>
<td>Present</td>
<td>Opportunity Corridor</td>
<td>Planned boulevard that will run from East 55th Street at Interstate 490 to East 105th Street in University Circle across five neighborhoods&lt;br&gt;<em>City/state—road construction, foundations to plan and implement LEED ND mixed-use development</em></td>
</tr>
</tbody>
</table>
Profile of Foundations

Cleveland has 400 registered foundations with combined assets of $3.3 billion. Of these, two large foundations, The Cleveland Foundation (1914) and the George Gund Foundation (1952), and a special consortium of foundations invested in economic development, The Fund for Our Economic Future (2004), account for the majority of the grants made for urban revitalization in the city. The Cleveland Foundation, with assets of over $2.1 billion, is part of the Large-local category. The Gund Foundation with assets of $530 million and the Fund for Our Economic Future with assets of over $9 million are part of the local foundation category. All together, they accounted for $291 million or 57% of philanthropic expenditure for urban revitalization related activities between 2003 and 2012.\(^5\)

The total philanthropic expenditure for urban revitalization was $509 million or $1,282 per capita. This sum surpasses the amount of money the city received in Community Development Block Grants ($270 million) in the same period, nearly 47%.

The Cleveland Foundation, the oldest community foundation in the country, influenced urban development since its inception in 1914 by oil-man and banker Frederick Goff. As head of the Cleveland Trust Bank, Goff sought new ways to liberate funds from the “dead hands” of individual bequests so that they could serve the living more effectively. He created the community trust model and, in turn, spread his model to cities across the country. For the first 50 years
of its existence, the Cleveland Foundation acted on its own with few local philanthropic contemporaries interested in urban revitalization.

Established in 1952, the George Gund Foundation primarily served as a vehicle for the philanthropic interests of its founder, George Gund, a banker and President of the Cleveland Trust Company. Gund focused his philanthropy on education and the arts. He also served as President of the Cleveland Institute of Art. Motivated by the belief that the “private foundation concept provided the most positive, farsighted vehicle for intelligent underwriting of creative solutions to social ills,” Gund ensured that following his death the foundation would take on a professional staff to direct the funds. Upon his death in 1966, he bequeathed $600 million to the foundation. Since its inception, the foundation has made over $586 million in grants.

In 2004, local Cleveland foundations formed the Fund for Our Economic Future, a membership organization to support regional economic development in Northeast Ohio. They attracted members from large and small regional foundations, local governments, and anchor institutions. The fund uses a “one member, one vote” model to ensure that smaller foundations have an equal voice in the decision-making process. The fund aims to “(1) promote shared civic understanding of economic growth and opportunity principles and their adoption into the strategies of key stakeholders; (2) advance a regional economic competitiveness strategy that results in growth and opportunity; and (3) shape
and support growth and opportunity initiatives that lead to improved job creation, job preparation and job access."\(^7\)

### Table 5.2—Cleveland Foundations Involved in Urban Revitalization

<table>
<thead>
<tr>
<th>Foundation</th>
<th>Purpose/Programs</th>
</tr>
</thead>
</table>
| The Cleveland Foundation          | **Purpose:** “The Cleveland Foundation’s mission is to enhance the lives of all residents of Greater Cleveland, now and for generations to come, by working together with our donors to build community endowment, address needs through grantmaking, and provide leadership on key community issues.” \(^8\)  
   **Programs:** arts and culture, economic development, human services/youth development, neighborhoods and housing, program related investment, public education |
| Established 1914                   |                                                                                                                                             |
| Assets: $2,185,366,489             |                                                                                                                                             |
| Total giving: $101,651,046         |                                                                                                                                             |
| The George Gund Foundation         | **Purpose:** “The Foundation’s mission is “the sole purpose of contributing to human well-being and the progress of society.” \(^9\)  
   **Programs:** arts, economic development and community revitalization, education, environment, human services. |
| Established 1952                   |                                                                                                                                             |
| Assets: $530,341,218               |                                                                                                                                             |
| Total giving: $22,425,190          |                                                                                                                                             |
| Fund for Our Economic Future       | **Purpose:** “The mission of the fund is “to advance economic growth and increase access to opportunity for all people of Northeast Ohio.” \(^10\)  
   **Programs:** civic engagement, EfficientGovNow initiative, grantmaking and research |
| Established 2004                   |                                                                                                                                             |
| Assets: $9,887,814                 |                                                                                                                                             |
| Total giving: $3,541,347           |                                                                                                                                             |

From “Mistake on the Lake” to “City That Rocks”

Cleveland foundations participate in and lead urban revitalization efforts that utilize both traditional and trending revitalization strategies. The principle goals of these activities are to attract population and investment, improve
neighborhood conditions, and cultivate institutional and planning capacity. They have done this in two ways. First, the foundations contribute to development projects. They fill capital gaps to bring projects to completion in the downtown and neighborhoods. Second, Cleveland’s foundations contribute millions to increase institutional capacity\textsuperscript{11} for planning and urban revitalization. Each of the descriptions that follow provides key examples of how foundations participate in urban affairs.

\textbf{Partners in Downtown Development and Real Estate}

In the post-war period, many cities used urban renewal monies to modernize their downtowns—Cleveland was no exception. In 1954, the Cleveland Foundation provided a seed grant and early operating support for the Cleveland Development Foundation (CDF), a fundraising vehicle to support the construction of low-income “relocation” housing for residents in areas targeted by the slum clearance programs associated with urban renewal. CDF released Erieview, a downtown redevelopment plan, in 1960, the costs of which were partially underwritten by the Cleveland Foundation. Conceived by the I.M. Pei and Associates, the mixed-use project redeveloped blighted land northeast of downtown overlooking the lake. It included government offices, apartment buildings, and a shopping mall organized around a central common space with a reflecting pool. In the succeeding years, the Cleveland Foundation supported
many more projects "typically by providing planning, site analysis or design
grants or supplementing construction budgets with funding for public amenities." Foundations contribute to fill gaps in predevelopment phases and enhance those development projects.

**Strategic Partnerships with Corporate Community**

Cleveland’s foundations supported the interests and leadership efforts of the corporate community. In 1979, the City of Cleveland defaulted on its debt, in part, due to a political maneuver by the Cleveland Trust Company and local businesses to impede the mayoralty of Dennis Kucinich who ran on a populist platform that championed neighborhood development over downtown, saving the public utility and opposed tax abatements for downtown developers. Kucinich’s reluctance to sell the municipally-owned utility company Municipal Light to the private company Cleveland Electric Illuminating Company prompted a showdown with the business community. Some cite Kucinich’s populism, other suggest his brash style raised the hackles of the business leaders, many of whom owned shares in Cleveland Electric Illuminating Company. Four of six local banks and the Greater Cleveland Growth Association contributed over 30% of the $128,681 ($420,271 in today’s dollars) in funds raised to recall Kucinich after the default.

Following the ousting of Kucinich in 1980, the business community sought to decouple development from politics. Toward this end, they created a CEO-only
membership organization, Cleveland Tomorrow, to leverage investments for economic health, mostly through real estate development. With seed money from the Cleveland Foundation, the Greater Cleveland Growth Association and Cleveland Tomorrow identified and prioritized strategic investments necessary to revive the region’s economy. The model of corporate and philanthropic leadership ushered in significant downtown development.

Cleveland Tomorrow oversaw the development of major downtown development projects such as Gateway sports complex (1994), the completion of Playhouse Square’s theatre renovations, and a major waterfront redevelopment project anchored by the Rock’n’Roll Hall of Fame (1995). Cleveland Tomorrow executed these projects through complex capital and financing structures that used public, private, and philanthropic capital to see projects through to development.

While outsiders praised Cleveland as a model “comeback city,”¹⁵ the local press raised questions about the fiscal wisdom of the public-private financing and closed-planning process. Roldo Bartimole, Cleveland journalist, criticized the 20-year property tax abatement for the downtown development.¹⁶ He also questioned the legitimacy of Cleveland as the center of Rock’n’Roll, claiming, “these same corporate interests forced the closing of the kinds of night spots that might have furnished the ferment for this kind of music.”¹⁷
Between 1980 and 1996 building construction contracts in downtown Cleveland totaled about $3.7 million ($5.9 billion in 2016 dollars).\textsuperscript{18} Of that amount, 60\% was invested in commercial and retail buildings, 21\% was allocated to entertainment or visitor attractions, and 19\% on additional expenses. Between 1979 and 1990, private property holdings increased significantly.\textsuperscript{19} The increase in development projects and property values is an indicator of revitalization, which is indirectly a result of foundation efforts as they contributed to many of the projects and planning. Due to the tax abatement policy, little of this development translated into actual revenue in the form of property taxes for Cleveland.

The dissolution of a central clearinghouse for the business community and the continued depopulation and economic relocation in the early twenty-first century changed the tide of nongovernmental leadership. Cleveland Tomorrow merged with the regional chamber of commerce (Greater Cleveland Growth Association) and the Greater Cleveland Roundtable to form the Greater Cleveland Partnership (2004), which focuses on providing business with regional resources. This shift is significant; it indicated a change in the priorities of business interests from local to regional and it pushed the foundations to fill the leadership roles vacated by corporate leaders.
Capitalizing on Anchors as Assets

Foundation changed the focus from a downtown-centric model to one that embraced the growing importance of anchor institutions to the city’s economic based. In 2003, the Cleveland Foundation began making strategic investments in University Circle, Inc., a management association on the order of a business improvement district (BID). Established in 1957, University Circle, Inc. acquired land for the future expansions of the area’s institutions and oversaw and maintained landscaping, parking, and shuttle buses. In 1970, University Circle, Inc. reorganized, “moving from being the caretaker of the Circle’s physical environment to being a catalyst for development, an integral service provider, and an advocate for University Circle as a center of innovation in healthcare, education, arts and culture, and residents.”

Between 2003 and 2012, local foundations gave University Circle, Inc. more than $13 million in grants for programming, projects, and development. In addition to funding, the foundations offered leadership. In 2003, The Cleveland Foundation convened the CEOs of the University Circle anchor institutions to address transportation and physical upgrades in the district. The foundation then contributed $1.6 million toward planning and implementation of the Greater University Circle Initiative, which included transportation and quality of life improvements. In 2008, the Healthline, a bus rapid transit (BRT) project along
Euclid Avenue, began running the three miles between Public Square, Downtown, and East 105th Street, University Circle (See Figure 5.4). A later product of that early effort, the Living in University Circle Initiative offered homeownership opportunities to employees of the more than 40 anchor institutions in a one square mile area adjacent to University Circle, resulting in an increase of residents in the six neighborhoods surrounding University Circle. To harness the economic opportunity of anchor spending—more than $3 billion annually—the Cleveland Foundation invested $1.15 million in the Evergreen Cooperatives (2009), a worker-owned business offering industrial scale laundry service, hydroponic greenhouse space to grow fresh produce, and solar panel installation service. The examples presented here indicate different ways that foundations influence, intervene in, or support urban development.

Relationships and partnerships are important to the role foundations play in growth coalitions. At various points in the history of the city, foundations aligned themselves strategically with local leaders. During the urban renewal period, the foundation established partnerships with government and business leaders. As the city’s fortunes changed, Cleveland’s foundations strengthened relationships with corporate interests in Cleveland Tomorrow. Together they worked remake the downtown in the 1970s and 80s. In most of these efforts, foundations play supporting, behind the scenes roles. However, at the dawn of the twenty-first century, foundations took affiliated themselves with anchor
institutions to shape the new jobs center, University Circle. From there they led and took part in efforts to improve the quality of these places by shifting from a downtown model to an amenities-based one. Rather than large scale development, they contributed to quality of life improvements in the public realm. These shifts indicate that foundations are dynamic members in the city’s growth coalition.

**Building Capacity for Planning and Development**

Beyond grantmaking and investment, Cleveland foundations provide multiple forms of capacity to the organizations they create and support. First, they attract resources from outside the city to support very local activities. Next, the foundations seed and support organizations to fill gaps in existing systems. Finally, they provide support for planning. They support planning across the spectrum of public, private, and nonprofit sectors, thus creating new networks.

**Alliances with National Philanthropy**

Through a national to local resource transfer, the Ford Foundation provided early support for the creation of neighborhood development organizations. In 1961, Paul Ylvisaker, Director of Public Affairs at the Ford Foundation, provided a $1.25 grant ($9.9 million in today’s dollars) to the Cleveland Foundation, which then established a separate foundation focused on “urban problems,” the Greater Cleveland Associated Foundation (GCAF).
Ylvisaker aimed to demonstrate what a professionally-run philanthropy could accomplish through action research as well as strengthen the community foundation model and “sharpen its focus of on the tough urban problems of today.” He originally called for pilot programs in existing community foundations in three cities—Cleveland, Kansas City (Missouri), and Chicago. Through this program, Ylvisaker charged community foundations “to move out of safe and sane hospital, university and similar do-nothing grants…to begin getting after the more gutsy urban problems.” The Cleveland Foundation enacted its own agenda with CGAF, which aimed “to encourage research to define community needs, to establish priorities for philanthropic attack on those needs, to initiate experimental or pilot projects to help meet the needs, and to work with other foundations as a source of information, counsel and coordination upon request.”

For the next ten years, the Greater Cleveland Area Foundation (GCAF) oversaw Cleveland’s neighborhood development efforts and seeded the growing community development movement. A five-year evaluation by the Ford Foundation found the organization “had done a remarkable job in a short time of establishing itself from scratch as an organization of stature and influence in Cleveland.” The evaluation counted among the foundation’s accomplishments of “awakening Cleveland business, intellectual and civic leaders to various crises
in their metropolitan affairs and to the necessity of doing something about these problems."

Through the 1960s, the foundation contributed to a climate of reform, specifically around issues such as education, race relations, and city governance. The foundation provided support and resources to then-Representative Carl Stokes in the wake of the 1966 Hough riots, six nights of civic unrest in the city’s East-side neighborhood. The following year Stokes was elected mayor. He was the first Black mayor of Cleveland, a city with a majority White and 37% Black population at the time. GCAF supported Mayor Carl Stokes (1968-1971) with his Cleveland NOW! Plan, an effort to revitalize Cleveland neighborhoods. However, in 1968, neighborhood unrest in the Glenville neighborhood and the revelation that the lead gunmen in a shootout with police used funds from Cleveland NOW! to purchase guns caused the foundation to withdraw support for the mayor’s plan, which then swiftly disintegrated. The Greater Cleveland Area Foundation continued working exclusively on neighborhood issues until it merged with the Cleveland Foundation in 1971.

Seeding Community Development

Much has been written about Cleveland’s community development industry, the strong connection between the neighborhood CDCs and their innovative use of available development tools. Local community based
organizations used tools such as the historic preservation tax credit program, to stabilize and revitalize neighborhoods. The strength of the industry would not exist but for the efforts of local foundations, with the occasional help of the Ford Foundation. In the wake of devastating race riots, the foundations formed intermediaries to support the growing community development movement in Cleveland.

Following the riots in Hough in 1966 and the Glenville shootout in 1968, neighborhood fortunes continued to decline. Neighborhoods continued to empty out as middle class residents departed for the suburbs. The Cleveland Foundation funded neighborhood organizing efforts but grew impatient with the results of the nearly three-dozen community based organizations. In an effort to shore up development in declining neighborhoods and create a systematized approach to neighborhood revitalization, the Cleveland Foundation supported the creation of the Cleveland Housing Network (CHN) in 1981, “an umbrella organization to coordinate the complex financial details of financing and developing housing for its member CDCs.” Cleveland's community development efforts attracted the attention of national intermediaries Local Initiative Support Corporation (LISC) and Enterprise Community Partners. The Cleveland Foundation raised the local capital necessary to bring LISC to the city. They put in $500,000 and raised $464,000 from the Gund Foundation, Standard Oil Company, and several other local corporations.
In 1985, the Cleveland and Gund foundations, Standard Oil Company, and the City of Cleveland joined forces with the Ford Foundation to increase resources for neighborhood development by supporting local community development corporations. They launched the Cleveland Neighborhood Partnership Program (CNPP) with $1 million ($2.2 million in 2016 dollars).\(^3^2\) Ford matched the local commitment. CNPP commissioned a study of neighborhood development best practices by James Pickman and Associates, the results of which guided the strategy. Pickman advised that the partnership could stabilize neighborhoods increasing homeownership among the middle class rather than the poor.\(^3^3\) By 1987, six community development corporations (CDCs) from across the city were selected to participate. Giving each one a two-year grant of $85,000, they expected the CDCs to stimulate an additional $13 million for neighborhood development.

Following the success of this pilot project in 1988, the foundations recruited other partners, namely Cleveland Tomorrow, which recommended that they establish a local intermediary organization, Neighborhood Progress, Inc., (renamed Cleveland Neighborhood Progress in 2013) to provide operational, financial, and technical assistance for the nonprofit development organization they were supporting in neighborhood revitalization efforts. Cleveland Tomorrow housed Neighborhood Progress, Inc. in its offices and the Cleveland Foundation paid for its coordinator.\(^3^4\) They abandoned Pickman’s strategy altogether in favor
of consolidating the CNPP into Neighborhood Progress, Inc. The Cleveland Foundation committed $500,000 to the first three years of operations, as did the Gund Foundation.

Foundations continue to support neighborhood-scale development through investment, leadership, and technical assistance to Cleveland Neighborhood Progress, Cleveland Housing Network, and University Circle, Inc. as assets to the city. Between 2003 and 2012, they expended $77.5 million on the three institutions. Also, they serve as board members and routinely evaluate the community development industry. According to one prominent officer, the foundations had “created an intermediary [Cleveland Neighborhood Progress] so that they could leverage their money but also have an institution that could do the work.” Over time, Neighborhood Progress evolved to include a certified community development financial institution (CDFI), the Village Capital Corporation. This enabled over $65 million in loans to support over $873 million in total development costs for more than 200 separate real estate projects. Village Capital’s financing activities have helped to create and preserve over 7,400 residential units and more than 1.7 million square feet of commercial space.

The intermediaries created by local philanthropy provided invaluable contributions to neighborhood revitalization. The foundations fund the operations and their contributions are leveraged with other sources of financing to provide a
secondary local market for development. While capacity building for non-profits is a major component of philanthropic influence, local foundations underwrite planning capacity in the public sector.

Providing a Vision for Planning

In 1969, the Cuyahoga River caught fire. Years of pollution from industrial use culminated in a very public climax. A picture supposedly from the fire with flames shooting off the water graced the cover of *Time Magazine*. The image was actually from a 1952 fire that received little press. Still, the image tarnished public perceptions of Cleveland; ironically, Clevelanders had been taking actions toward environmental cleanup. City residents passed a $100 million bond to fund environmental cleanup of the Cuyahoga the previous year. The attention raised concerns about environmentalism.

Following the negative press from the fire, Cleveland was in search of a boost. Cleveland Foundation director, James Norton, invited noted city planner Lawrence Halprin to conduct an “urban diagnosis” of the city in 1975. Norton was impressed by a presentation he saw of Halprin major waterfront redevelopment in San Francisco, Ghirardelli Square. Halprin pointed to three prospective projects for the city: 1) the redevelopment of Playhouse Square, 2) mixed-used development in the city’s industrial flats, and 3) Euclid Transit Corridor, a transit connection between the city’s major job centers—downtown and University
Circle. While it took nearly thirty years, the first and third suggestions have both been realized with the help of local foundations through planning capacity.

Competing Planning Processes

In 1986, the foundation allocated $300,000 (30%) of the costs to update the city’s comprehensive master plan. Under the direction of Cleveland’s Director of City Planning Hunter Morrison, who oversaw a two-year planning process, *Civic Vision 2000-Citywide* emerged. It envisioned the re-creation of town centers through consolidation of retail development and community facilities, improved transit connections between Downtown and University Circle, and the creation of housing on vacant sites. The City Planning Commission adopted *Civic Vision 2000-Citywide* in 1989 and embarked on its implementation.

In 1998, Cleveland Tomorrow followed up the City’s Comprehensive Plan (1989) by sponsoring its own privately-funded *Civic Vision 2000 and Beyond*. This plan together with the group’s regional economic development efforts outlined three major priorities: 1) regional economic development, 2) commercial and industrial development, and 3) neighborhood development. Cleveland Tomorrow and the Greater Cleveland Growth Association, the regional chamber of commerce, maintained a strategic framework while the overlapping memberships and participation facilitated the necessary working relationships.
Steven Litt, architectural critic for the *Plain Dealer*, applauded the far-reaching scope of the plan but described it as "a top-down document" that is an "[un]wise way to do civic business." Others characterized Cleveland Tomorrow and its agenda as monolithic, exclusionary, and operating completely outside the political process. These competing plans, both supported by local philanthropy, demonstrate the responsiveness and flexibility of foundations. They are nimble opportunistic organizations that can move across sectors as priorities shift.

**Convening a Network for Sustainability**

In 2004, the Cleveland and Gund Foundations provided seed grants for the formation of the Mayor’s Office of Sustainability in the amount of $226,000. In 2009, the Office gathered support from the Surdna Foundation, local foundations, and the city to convene a Sustainability Summit to begin a planning process that 12 months later would yield *Sustainable Cleveland 2019*, having tangible goals to reduce greenhouse gas emission. More importantly, *Sustainable Cleveland* has served as a catalyst for maintaining a broad civic coalition that convenes Annual Sustainability Summits to keep the momentum alive for the climate action plan. These efforts provided a basis for a major regional planning effort.

The Cleveland and Gund Foundations funded several meetings of regional players who had never worked together before to figure out how to apply
for a highly competitive regional planning grant from the federal government in 2009. The successful bid resulted in, Vibrant NEO, an award-winning regional plan for Northeast Ohio developed with a $4.2 million federal grant under the Partnership for Sustainable Communities, an interagency collaboration between the US Department of Housing and Urban Development (HUD), the US Department of Transportation (DOT), and the US Environmental Protection Agency (EPA). The plan’s authors acknowledged the foundations’ critical input:

The Partnership supported the Sustainable Communities Initiative, a competitive planning grant program administered by HUD and designed to promote the adoption of sustainable development practices at the local and regional levels. In 2010, leaders of communities across the Northeast Ohio region began to discuss how best to respond to the opportunity presented by the Sustainable Communities Initiative.

Early in these discussions, the Fund for Our Economic Future, a unique multi-county coalition of Northeast Ohio philanthropies and allied civic organizations, convened governmental and non-governmental organizations from each of the region’s four metropolitan areas (Akron, Canton, Cleveland, and Youngstown/Warren) and encouraged them to apply jointly for funding from the first round of the highly-competitive Sustainable Communities Initiative.

The Fund provided the catalytic funding essential to convene a diverse “proposal team” representing the 12 counties and prepare a competitive grant proposal. With the Northeast Ohio Areawide Coordinating Agency (NOACA) serving as the lead applicant, in 2010 the region secured a $4.25 million, three-year Sustainable Communities Regional Planning Grant from HUD to develop a strategic regional framework.45 Foundations play an important role in funding planning and development among public and nonprofit leaders. However, in funding the planning process,
they do not necessarily increase the capacity of the people doing the planning.
Planning does not guarantee implementation.

**Restoring Market Demand by Supplying Amenities**

The revitalization strategies employed in Cleveland mirror traditional approaches while reflecting emerging trends across US cities. Traditional approaches take the form of 1) physical upgrading in the downtown and neighborhoods, 2) socioeconomic development, including job creation and workforce related strategies, and 3) capacity building for community based organization through support for planning and management. Emerging trends focus on the supply of amenities such as pedestrian-only streets and walkable corridors lined with vibrant street life with the logic that quality of life improvements can stimulate market demand. Included in this approach is the promotion of such physical features as lake front attractions, bike paths and public spaces, social/economic programs such as programming, small scale retail, and reconfiguring capacity building to focus on technology and the public sector. As one program officer from the George Gund Foundation captured, this sentiment is apparent across grantmaking portfolios of local foundations in Cleveland:

How do we seize that in a way by within our community development system providing the kinds of amenity packages creating walkable
neighborhoods, providing amenities that give neighborhood feel at a retail level certain kinds of grocery shopping and coffee shops and wired neighborhoods and transit orientation and lessening of car dependence...maximizing the sort of neighborhood assets, historic buildings to be preserved or parks that have long serviced a neighborhood that can find a new generation to enjoy them.46

Given Cleveland’s significant population loss of more than 508,000 people (57% of peak population) in the past six decades, the amenity-provision strategy doubles as a repopulation platform to recruit the working young or middle aged—Millennials or Generation Y, those born between 1980 and 2000. Planners are focusing on this group because they not only promise to contribute to the city’s economy, but also have a propensity for dense urban living. The program officer outlined,

We are trying to seize the documented, clearly perceivable trend of Millennials to increasingly prefer urban living and to find that Cleveland is a place that fits a lot of their desires and needs as they become emancipated as they get into the workplace as they establish their lives.47

More recently, the foundations are working with the Greater Cleveland Partnership on a new project, the Opportunity Corridor, a boulevard project that connects inner city neighborhoods to University Circle, the city’s job center. Once complete, the three-mile boulevard will traverse five older distressed neighborhoods: (Slavic Village, Central, Kinsman, Buckeye-Shaker, and Fairfax) that formerly had been cut off from access to economic activity. The partnership aims to redevelop these neighborhoods according to Leadership Energy Efficient Development in
Neighborhood Design (LEED ND) standards that call for mixed-use, walkable communities, and features attractive to the new populations the city is seeking to attract.

**Attempts at Equitable Development**

While foundation staff use the language of markets to talk about the work they do and many of their activities are geared toward the restoration of markets in distressed urban areas, core and peripheral, they also embrace more progressive planning techniques to accomplish their goals—using the language of wealth building, shared prosperity, accessing economic opportunity. In 2014, the Fund for Our Economic Development celebrated 10 years and over $100 million invested in economic development for regional collaboration, entrepreneurship, and innovation as well as in sponsor research and civic engagement. At a special event, CEO Brad Whitehead addressed the growing challenge of income inequality that faces the region. "Jobs are coming back unevenly across the region and are often out of reach of the people who need them most. If we don't get this right, our growth stalls. More important, if we don't get this right, what kind of society are we?"48

Some foundation driven activities aim to ameliorate conditions for existing low-income residents. For example, The Cleveland Foundation’s cooperative, Evergreen Cooperatives, focuses on local procurement in order to provide
employment pathways and wealth creation for low-income residents. The
foundation used its initial $750,000 contribution to attract $5 million more in
financing. Representing one of the first attempts of its kind by philanthropy, the
program has received many citations as a best practice in economic
development.\textsuperscript{49} The twenty eight-year-old Cleveland Neighborhood Progress has
long addressed increasing access to economic opportunity in the city’s
disadvantaged neighborhoods.

Influencing Urban Revitalization—Grantmaking, Leadership, and Planning
Capacity

Cleveland foundations have influenced urban revitalization strategies in
three ways. First, they engaged in targeted grantmaking, providing capital for
development planning and projects. Second, they convened city leaders,
assuming leadership roles alongside corporate executives and sometimes in lieu
of them. They helped determine the type and direction of growth, thus becoming
new players in the city’s traditional growth coalition. Third, they contributed
heavily to capacity building for planning and development among public and
nonprofit sector actors by providing grants, loans, time, and expertise.

Cleveland’s foundations, broadly, and The Cleveland Foundation, more
specifically, deploy their assets strategically to advance revitalization goals. They
gave “first-in” capital to attract government and private funders or fill financing
gaps for many downtown projects. This was the case for Playhouse Square, waterfront redevelopment (Rock’n’Roll Hall of Fame) and University Circle redevelopment. They also created tranches of patient capital to offer emergency funding for unanticipated costs on selected projects that proved critical for their completion. The effect of these financial contributions was to absorb risks associated with development and, thus, make them financially feasible. The ability of foundations to match, loan, and disperse flexible monies has elevated their standing in the decision-making process.

**Convening City Leadership**

In the early twenty-first century, Cleveland foundations assumed leadership by using their convening power to bring together leaders around the city's urban revitalization efforts. For example, they organized the CEOs of the anchor institutions to develop and expand the mission of University Circle, Inc.; they participated in the largescale downtown development projects and all aspects of neighborhood revitalization efforts. Notably, they used their networks and reputations to attract support from such national funders as the Ford Foundation to invest in the city, especially in pilot programs for neighborhood development. This work has had long-term institutional outcomes: the creation of the Cleveland Housing Network that provides home ownership opportunities for low-income residents and the creation of Cleveland Neighborhood Progress that
marshals all community development activity through its CDC capacity building, loans and grants, and placemaking programs.

“Three P” (philanthropic-public-private) relationships permeate Cleveland’s urban revitalization efforts. They have emerged through the foundations’ cultivation of cross-sectoral relationships within local government, businesses, and civic communities. Foundations used their leadership power to set the agenda for economic development activities throughout the region. A philanthropy research affiliate at Cleveland State University stated, “In Northeast Ohio, philanthropy has been active in being the agenda setter…to take leadership decision roles in setting the agenda.” Some of the agenda-setting work happened behind the scenes; for example, the Gund Foundation commissioned the initial study that made the case for the formation of Cleveland Tomorrow. The Cleveland Foundation funded the Rand Corporation’s regional analysis that provided the data for many of the activities undertaken by the downtown development groups. With Cleveland Foundation funding, Rand continued to guide economic development activities undertaken by the city and Cleveland Tomorrow. The foundations’ consistent and prolonged engagement engendered respect for them as honest brokers in the face of changing political and business leadership.

The foundations’ extensive work on regional, city, and neighborhood revitalization has given them certain legitimacy such that potential grantees value
their verbal consent even when denied funding. Their approval lends credibility to projects outside the scope of foundation activities and helps potential grantees secure funding elsewhere. Thus, foundations wield influence in many ways.

As can be seen in the descriptions of their work in the past two decades, foundations are responsive to the contexts in which they operate and, therefore, are contributors to and actors in a new growth coalition. Many reasons exist for their involvement in urban growth strategies. First, foundation leaders and program officers tend to have experience as practitioners in the city’s community development or public sector and therefore exhibit a sophisticated knowledge of Cleveland’s challenges. Second, their philanthropic priorities further demonstrate that knowledge. In addition to the deep knowledge and expertise of the foundation practitioners in this area comes a network that spans public, private, and nonprofit sectors. The density of this network mimics the social interactions of a small town—it is a relatively small group of people who routinely work in partnership or competition in the same space.

The continuity in local foundations’ relationship to urban development and revitalization enable them to assume leadership positions as they choose. Their strong relationships across sectors, while not always strategically aligned, enable them flexibility and freedom that is not constrained by the profit motives of business or the political cycles of local government leadership. They piloted new
ways of working in neighborhoods by embracing and connecting to the pilot projects of national funders.

Cleveland foundations use their local knowledge to respond to the changing needs of Cleveland through their philanthropic work. They enhance the existing assets with potential for urban revitalization through their leadership positions and grantmaking. At the same time, they develop and implement their own programs when the local network fails to act.

**Institutional Capacity and Planning**

Cleveland foundations embrace planning and its capacity to address urban issues. While foundations across the United States are widely acknowledged for efforts to build capacity for community based organizations (CBOs), in Cleveland these efforts extend to public sector agencies such as the City Planning Commission and the Mayor's Office.

Foundations have continuously seeded new institutions to advance economic, downtown, and neighborhood development efforts. For example, they provided the start-up monies for Cleveland Tomorrow and Cleveland Neighborhood Progress. Through Cleveland Neighborhood Progress, the foundations delivered the majority of capital for neighborhood-level revitalization—for example, the recently completed $63 million renovation of St. Luke’s Hospital includes 137 units of affordable senior housing, a high quality
early childhood education center, and several other nonprofits. They developed or capitalized 10 grocery stores throughout the regions, five of which are located in the city of Cleveland. Village Capital, the community development financial institution component, provided $63 million in loans to support $873 million in total development costs for more than 200 real estate projects, which translates into 7,400 residential units and more than 1.7 million square feet of commercial space. Finally, they supported Cleveland’s new business/employment center, the anchor-filled University Circle area, in many ways. Local Cleveland foundations funded planning and physical improvements, they contribute to overall operating costs, and they funded the “Living in University Circle” campaign to increase housing, retail, and safety.

Conclusion

For more than 100 years, foundations have been important actors in Cleveland, especially in the area of urban revitalization. The Cleveland Foundation, with assets of $2.2 billion, has been a force in the city since its founding in 1914. The George Gund Foundation, with assets of $530 million, founded in 1952, has followed in its footsteps. These two foundations, Cleveland’s largest, often work together on a number of neighborhood redevelopment projects. Their most notable effort is Neighborhood Progress and its subsidiary, Village Capital, the jointly founded intermediary and CDFI. Overall,
these foundations have poured $407 million into urban revitalization programs and projects, for an annual average of $40.7 million. This sum is greater than the federal community development block grants (CDBG) they have received in this time, $27 million/year. They invested in studies and plans for regional, local, and neighborhood development, in nongovernmental organizations for downtown and anchor institution development, and in the community development intermediary that supports CDCs engaged in housing production.

Indicators of foundation influence take the form of easily measured programs and projects that would not have existed but for philanthropic funding. Such Indicators also include a less tangible item, namely, the social capital foundations have engendered. In Cleveland, the foundations have not worked alone, but have helped create and participate in many partnerships, networks, and working relationships that underlie the development and execution of the numerous programs and projects described in this case. As products of the sociopolitical environment in which they exist, Cleveland’s foundations are intertwined through their associations in the public and private sectors. This phenomenon, the “Three P” (philanthropic-public-private) relationship, describes a new kind of growth coalition. Its characteristics replicate those attributed to growth coalitions of yesteryear, yet foundations provide a stable continuity of resources dedicated to the development of the City of Cleveland where other interests, namely local politicians and business leaders, are more susceptible to
both internal (i.e., fiscal crisis) and external (i.e., economic change) forces in their involvements with urban development. Regardless, foundations in Cleveland have assumed leadership roles in the growth coalition as more traditional actors waiver in their commitment to urban revitalization.

The lack of alignment of these interests along with that of the new large employers, in this case anchor institutions, poses challenges to the overall potential for urban revitalization. The foundations cannot be the only leaders in this effort. The entirety of foundation contributions toward urban revitalization over the ten-year period under study here ($470 million) is less than the City of Cleveland’s annual operating budget ($567 million). While foundations provide influence urban revitalization, they are not substitutes for government leadership and action.
Figure 5.1—Map of Cleveland
Figure 5.2—Cleveland Distressed Area Map (Fund for Our Economic Future)\textsuperscript{53}

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<thead>
<tr>
<th>Figure 5.2—Cleveland Distressed Area Map (Fund for Our Economic Future)\textsuperscript{53}</th>
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<tbody>
<tr>
<td>Figure 5.2—Cleveland Distressed Area Map (Fund for Our Economic Future)\textsuperscript{53}</td>
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</tbody>
</table>

\begin{figure}[h]
\centering
\includegraphics[width=\textwidth]{cleveland_map.png}
\caption{Economically Distressed Neighborhoods in the City of Cleveland: with Statistical Planning Areas, using 2008/12-ACS data based on 2010 Census Tracts}
\end{figure}

\begin{enumerate}
\item US Census, American Community Survey, 2014
\item US Census, American Community Survey, 2014
\item The Funding Dimensions of Legacy Cities data set, grant information from The Foundation Online Directory
\item The George Gund Foundation, http://gundfoundation.org/about-the-foundation/biography-of-george-gund/
\item Fund for Our Economic Future website http://www.thefundneo.org/our-work/what-we-do
\item The Cleveland Foundation website. https://www.clevelandfoundation.org/about/quick-facts/
\item The George Gund Foundation website. http://gundfoundation.org/about-the-foundation/mission/
\item Fund for Our Economic Future website, http://www.thefundneo.org/
\item Institutional capacity here refers to the five areas of capacity set out by Servon and Glickman-resource, organizational, programmatic, network, and political see Norman J. Glickman and Lisa
\end{enumerate}


17 Ibid.


19 Ibid, Private property holdings in 1979 were valued at $1.286 billion in 1994 dollars. The value in 1990 rose to $2.7 billion.

20 University Circle, Inc. [http://www.universitycircle.org/about/history](http://www.universitycircle.org/about/history)

21 In 2016 dollars $9.9 million; the grant is detailed in Diana Tittle. *Rebuilding Cleveland*. Ohio State University Press. 1992, p102

22 The Cleveland Foundation. Annual Report 1968. Also see: Tittle, Rebuilding Cleveland 1992 p 100


24 Ibid.


26 Ibid.

27 Diana Tittle, Rebuilding Cleveland, p114.


29 Foundation officers voiced concerns that the outcomes of community organizing efforts proved difficult to measure. See Jordan S. Yin and Diana Tittle.


31 Diana Tittle, Rebuilding Cleveland.
130
Chapter 6—Pittsburgh: A Tradition of Collaboration

“Philanthropy is about leadership and leadership is about choices.” – Teresa Heinz

On June 7 and 8 in 2008, the tallest building in Pittsburgh received a startling makeover. For nearly four decades the US Steel Tower stood as a testament to the city’s industrial heritage. The building’s rust-colored, fireproof columns and iconic triangular shape with indented corners symbolized a moment in time when steel was synonymous with Pittsburgh. As a helicopter dangled four gold and white letters, “UPMC,” over the building’s edge to be attached to the physical structure on all sides, Pittsburgh collectively sighed. (See Figure 6.1)

Debate over the building’s new occupants, the University of Pittsburgh Medical Center, and their planned alterations to the building’s façade played out on two fronts. The first front was in the City Planning Commission, even though the signage was well within the allowable limit, two separate votes were needed to approve the change. The second front was found in the Pittsburgh Post-Gazette editorial pages that carried negative comments from critics and columnists. One editorial suggested, “the dramatic aesthetics of the building would have been impaired by such signage” and would never have been allowed under the leadership of the previous tenants and building’s designers.

In 1970, when US Steel built its headquarters, the city supported more than 300,000 manufacturing jobs. A decade later fewer than 60,000 jobs remained. The University of Pittsburgh Medical Center’s (UPMC) lease of the
tower exemplifies the dramatic shifts in the city’s economy since 1970. US Steel was the city’s largest employer then; UPMC took over that role in 2008.

When the tower rose, it was not only the tallest building in Pittsburgh, but was also the tallest building in the United States outside of Chicago and New York. It signified corporate wealth, character, and progress. At the time, US Steel ranked 12th on the Fortune 500 list—today it has fallen to 176th. The dramatic drop is an indication of the circumstances the city continues to struggle against.

Between 1970 and 2000, Pittsburgh lost more than 50% of its population and three fourths of its industrial jobs. The steel industry transitioned due to a combination of increased competition and decreased demand. High production costs led to mass layoffs. Under Mayors Richard Caligiuri (1977-1988) and Tom Murphy (1994-2006) the city grappled with the byproducts of depopulation and economic change. From the late 1970s through his death in 1988, Caligiuri facilitated industrial site redevelopment and the diversification of the economic base with a large group of stakeholders such as universities and foundations. Murphy’s tenure coincided with the height of fiscal insecurity in the mid-1990s and early twenty-first century. He orchestrated the redevelopment of the riverfronts through the remediation of brownfield sites and development of two sports stadiums, PNC Park and Heinz Field, along with the David L Lawrence Convention Center.
By 2005 Pittsburgh achieved rock star status as indicated by the external perceptions of the city from media and other sources. The *Economist* and *Forbes* have both designated Pittsburgh as “America’s Most Livable City.” In 2014, the Grovesnor Group, an international real estate development company, named Pittsburgh, the world’s 5th most resilient city. Pittsburgh’s ability to transcend its circumstances resulted from carefully orchestrated relationships between and among public, private, and philanthropic sector leaders. They prioritized the city’s external image.

This chapter describes the creation and evolution of Pittsburgh’s revitalization efforts in the context of a “Three-P” mode of public-private-philanthropic leadership that conceived and implemented a collective urban development strategy. The chapter concludes with an assessment of the continued role of philanthropy in the city’s revitalization through an analysis of these efforts to jumpstart innovation and restores market connectivity. It finds that Pittsburgh foundations leverage their considerable resources and network to achieve these goals.

**City Profile**

Pittsburgh’s location at the convergence of the Allegheny, Monongahela, and Ohio Rivers provided a natural setting for industrial manufacturing to thrive. The mill towns located throughout the region’s sloping topography promote the
feeling of urban density as they limit sprawl. The city’s land area covers 55.4 square miles. (See Figure 6.2)

Pittsburgh’s Downtown neighborhoods, referred to as the Golden Triangle, are located at the intersection of the Allegheny and the Monongahela, which forms the Ohio River. The Triangle is a continuous site of urban revitalization as Pittsburgh regenerates itself. Pittsburgh neighborhoods are divided into districts. The Hazelwood neighborhood is located in the southeast; it was home to the last operating steel mill in Pittsburgh. The East Liberty neighborhood in Pittsburgh’s East End is the site of recent revitalization investment. The Northside refers to a collection of 18 neighborhoods all involved in transition. (See Figure 6.3)

As of 2014, there were 305,434 people residing in the city, a slight decrease of 270 from the 2010 numbers. The population decreased more than 50% from its peak in 1950 at 676,806 residents. The majority of Pittsburghers identify as White (65%), while 24% identify as Black, 6% as Asian, 3% as Hispanic, and 3% as two races or more. The city’s median household income is $41,074, about 80% of that at the metro level ($52,293). Approximately 24% of Pittsburghers live below the poverty line.
<table>
<thead>
<tr>
<th>Year</th>
<th>Era</th>
<th>Description/Leadership &amp; Contributors</th>
</tr>
</thead>
<tbody>
<tr>
<td>1940s</td>
<td>Environmental Crisis/Cleanup</td>
<td>Formation of the Allegheny Conference on Community Development to address the environmental damage created by industry to stop/slow corporate relocation Business community (Richard K. Mellon), city</td>
</tr>
<tr>
<td>1946-1973</td>
<td>Renaissance I</td>
<td>Transportation infrastructure (2 expressways and airport) Golden Triangle Redevelopment Point State Park, Gateway Center Business leaders, Urban Redevelopment Authority</td>
</tr>
<tr>
<td>1980-1990s</td>
<td>Renaissance II</td>
<td>Strategy 21, new infrastructure, arts anchored redevelopment district City, URA, remaining business and foundations</td>
</tr>
<tr>
<td>2015</td>
<td>P4 Pittsburgh: People, planet, place, and performance</td>
<td>Vision for sustainable development includes brownfield remediation and land assembly Heinz Endowments, City of Pittsburgh, URA</td>
</tr>
</tbody>
</table>

**Profile of Foundations**

Today, Pittsburgh has a high ratio of foundations to population: 56:8. It has 1,739 foundations with combined assets in 2013 of more than $18.4 billion, or $60,162 per capita. Between 2003 and 2012, two foundations, the Heinz Endowments (1941) and the Richard K. Mellon Foundation (1947), supplied 55% of philanthropic expenditures for urban revitalization. Both The Heinz Endowments and the Richard K. Mellon Foundation fall into the Large-local category with assets of over $1.6 billion and $2.4 billion, respectively. A number of smaller local foundations also contributed. Total contributions by local philanthropy for urban revitalization between 2003 and 2012 total approximately $692 million, or $2,263 per capita. This amount surpasses the CDBG allocations ($174 million) over the same period by nearly 4 times. The size of the foundation
network lends well to extensive partnership opportunities amongst each other and other sectors.

Pittsburgh foundations, many established in the post-war era, support a variety of urban-related expenditures (See Figure 6.1). In stark contrast to that of Cleveland’s philanthropic landscape, Pittsburgh foundations range in size and scope of involvement. A staff member from the Pittsburgh Urban Redevelopment Authority noted:

We have a blessing in Pittsburgh because we have the significant concentration of foundation assets and there’s another twist here that’s really important. When most of the local foundations were set up, they were set up by their bylaws that most of their giving if not all has to be here in the region. So not only do we have one of the highest per capita concentration of foundation assets in giving in the United States, but then a disproportionate percentage of it has to stay here.12

Pittsburgh foundations represent a legacy of the diverse wealth-generating activities in a city representative of an industrial heritage. While the Richard K. Mellon Foundation is a legacy of the Mellon family in Pittsburgh, the Heinz Endowments includes funds from Howard Heinz, son of food manufacturing innovator Henry J Heinz, and his wife Vira I. Heinz. The McCune foundation is a product of financier Charles L. McCune.
<table>
<thead>
<tr>
<th>Foundation</th>
<th>Purpose/Programs</th>
</tr>
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<tbody>
<tr>
<td>The Buhl Foundation</td>
<td><strong>Purpose:</strong> “To create community legacies by leveraging its resources to encourage people and organizations to dream, to innovate and to take action.”[^13]</td>
</tr>
<tr>
<td>Established 1927</td>
<td><strong>Programs:</strong> Education, youth development, human services, economic and community development</td>
</tr>
<tr>
<td>Assets: $83,120,429</td>
<td></td>
</tr>
<tr>
<td>Total giving: $3,638,772</td>
<td></td>
</tr>
<tr>
<td>The Heinz Endowments</td>
<td><strong>Purpose:</strong> “To help our region thrive as a whole community, economically, ecologically, educationally and culturally, while advancing the state of knowledge and practice in the fields in which we work.”[^14]</td>
</tr>
<tr>
<td>Established 1941</td>
<td><strong>Programs:</strong> arts and culture, environment, children/youth/families, community and economic development, education and program related investments</td>
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<tr>
<td>Assets: $1,620,611,867</td>
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</tr>
<tr>
<td>Total giving: $73,537,684</td>
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</tr>
<tr>
<td>The Pittsburgh Foundation</td>
<td><strong>Purpose:</strong> “Works to improve the quality of life in the Pittsburgh region by evaluating and addressing community issues, promoting responsible philanthropy, and connecting donors to the critical needs of the community.”[^15]</td>
</tr>
<tr>
<td>Established 1945</td>
<td><strong>Programs:</strong> self-sufficient individuals and families, healthy communities, and vibrant democracy</td>
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<tr>
<td>Assets: $1,158,788,711</td>
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<tr>
<td>Total giving: $50,131,328</td>
<td></td>
</tr>
<tr>
<td>Richard K. Mellon Foundation</td>
<td><strong>Purpose:</strong> “The Foundation seeks to improve the competitive position of the region; strengthen the vitality of southwestern Pennsylvania, particularly the city of Pittsburgh and its neighborhoods; and protect precious green and natural infrastructure, particularly in western Pennsylvania.”[^16]</td>
</tr>
<tr>
<td>Established 1947</td>
<td><strong>Programs:</strong> conservation, program related investments, and southwestern PA</td>
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<tr>
<td>Assets: $2,365,151,629</td>
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<tr>
<td>Total giving: $127,606,870</td>
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<tr>
<td>The Hillman Family Foundations</td>
<td><strong>Purpose:</strong> Umbrella for a collection of eighteen family foundations</td>
</tr>
<tr>
<td>Established 1964</td>
<td></td>
</tr>
<tr>
<td>The McCune Foundation</td>
<td>Programs: Arts and culture, education, environment, health and human services, community and economic development, and civic affairs</td>
</tr>
<tr>
<td>-----------------------</td>
<td>------------------------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Established 1979</td>
<td>Purpose: “The McCune Foundation supports non-profit organizations that advance the quality of life for the people of southwestern Pennsylvania by fostering community vitality and economic growth to improve the region for current and future generations.”</td>
</tr>
<tr>
<td>Assets: $399,034,668</td>
<td>Programs: none specified</td>
</tr>
<tr>
<td>Total giving: $20,277,076</td>
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<thead>
<tr>
<th>The McCune Foundation</th>
<th>Purpose: “The McCune Foundation supports non-profit organizations that advance the quality of life for the people of southwestern Pennsylvania by fostering community vitality and economic growth to improve the region for current and future generations.”</th>
</tr>
</thead>
<tbody>
<tr>
<td>Established 1979</td>
<td>Programs: none specified</td>
</tr>
<tr>
<td>Assets: $360,887,399</td>
<td></td>
</tr>
<tr>
<td>Total giving: $27,007,000</td>
<td></td>
</tr>
</tbody>
</table>

**From Steel Valley to Rodoburgh**

Local foundations participated in urban revitalization efforts in Pittsburgh in three ways. First, they played a role in the creation of the Allegheny Conference for Community Development (ACCD) and its involvement in shaping the city’s downtown, the region’s infrastructure, and economic development efforts.

Second, foundations conceived, planned, and led the implementation of physical development projects in both downtown and neighborhoods throughout the city.

Third, they invested in capacity and planning efforts for public and nongovernmental partners. The examples that follow provide examples of foundations acting together with partners and alone to achieve urban revitalization goals.
The Three-P Model

During World War II, Pittsburgh hosted critical defense industries, supplying the materials for artillery and machinery. City manufacturers provided over 30% of steel production for the United States and 20% worldwide. While this effort helped win the war, it wreaked havoc on the city as continuous production increased air pollution and consistent flooding from river overflows. These conditions were so unpleasant that they threatened to drive business out of the city.

To address this threat, a number of leaders from industry and civic sectors formed the ACCD in 1943. Accounts of the Conference cite the extensive corporate involvement and fail to acknowledge the presence of municipalities, universities, and local foundations in the early membership. Pittsburgh foundations grew out of corporations as wealthy individuals and their family members established charitable priorities. For example, the President of the H.J. Heinz Co. also directed the activities of the Howard Heinz Endowments. The Buhl Foundation was a founding member of ACCD. Other members represented business interests such as Westinghouse, US Steel, Heinz Co., and civic sector organizations such as Carnegie Institute of Technology, University of Pittsburgh, Buhl Foundation, Falk Foundation, and United Steelworkers of America. ACCD
drew its financial support from membership dues along with corporate and foundation contributions.\textsuperscript{20}

The ACCD produced a collective agenda focused on ameliorating pressing urban conditions through research driven approaches. However, a deep concern about the city’s image drove redevelopment practices.\textsuperscript{21} The role of Pittsburgh’s foundation is inextricably tied with the creation and activities of the ACCD. As founding members, the activities of the conference demonstrate the indirect influence of foundations, but also the deep partnerships formed with the establishment of this organization.\textsuperscript{22}

**Renaissance I- Downtown Development**

The ACCD launched an aggressive campaign to remake Pittsburgh’s downtown, building and improving aged infrastructure. These efforts emphasized clearance and physical development. City leaders razed many of the city’s neighborhoods, especially the Hill District, displacing 1,500 residents, many of them African American, and 400 business, replacing them with the Civic Arena, the first retractable sports venue in the world.\textsuperscript{23} Outcomes from this effort included the Greater Pittsburgh Airport, two expressways, Point State Park, and the 23-acre Gateway development. By the time it was over, nearly a quarter of downtown was redeveloped.
ACCD’s overriding goals became to improve the city’s image and public opinion in order to enhance the cities assets by raising property values and improving its competitive position with other industrial cities. The ACCD rallied behind Mayor David Lawrence who served for four terms (1946-1958) to craft what would become known as Renaissance I. First, the Conference sought to ensure continued “corporate autonomy and prestige” in the face of expanded government power from the New Deal and urban renewal policies. Second, business leaders were anxious about the continued public perception issue. Their goals were to clean up the city to address pollution and flooding, but almost as importantly, to remake the city’s image from Smoky City to something more progressive and modern. To accomplish these goals, ACCD maximized the relationship between Richard K. Mellon and Mayor David Lawrence (1945-1961). Together they planned a tremendous upgrade for downtown using the city’s Urban Redevelopment Authority (URA), established in 1946.

**Renaissance II—Philanthropy Cultivates a Creative City**

The decline of steel and related minerals was swift. In the early 1980s, employment dropped by 74%, or 150,000 jobs. In 1983, Pittsburgh’s unemployment rate surged to 17%. Between 1970 and 1990, more than 300,000 Pittsburghers emigrated to other parts of the United States. Recovery required a new kind of pluralism that the corporatist-governance style once considered a
national model of corporate-social responsibility with the ACCD would not accommodate.

Mayor Richard Caligiuri (1977-1988), led the city to develop more inclusive kinds of public-private partnerships, ones that included anchor institutions, community based organizations, and foundations.\textsuperscript{26} ACCD survived but turned its attention to regional economic development; however, it did not lose sight of the importance of the city and the necessity to deal with its image problem. ACCD released in 1984 \textit{A Strategy for Growth: An Economic Development Program for the Pittsburgh Region}, which purported, “Time and again, Pittsburgh’s negative image was mentioned as a barrier to recruiting talent, attracting businesses and giving the Pittsburgh market area the economic stature it deserves.”\textsuperscript{27} Quality of life improvements, namely cultural amenities, historic preservation, and neighborhood development fell largely to the philanthropic foundations.\textsuperscript{28}

Strategy 21, a strategic partnership between the City of Pittsburgh, Allegheny County and ACCD continued physical redevelopment to bolster the urban core and develop the Pittsburgh International Airport.\textsuperscript{29} In addition to the airport, Mayor Caligiuri’s efforts added six high-rise buildings, a light rail, and a short subway; however, office space and transit connections offered little benefit to the city in the face of the larger challenges posed by the changing economy. Substantial efforts were undertaken to foster economic development through
investments in research and development to take advantage of the anchor institutions.

In the mid-1980s, Pittsburgh’s abrupt economic pivot from preservation and expansion of manufacturing to investment in research and development with anchor institutions leveraged state money through the Ben Franklin Partnership, an initiative of Pennsylvania Department of Community and Economic Development, with technology venture capital. The anchor institutions’ willingness to seize these opportunities catalyzed the economic transition from manufacturing to innovation through a series of strategic investments in technical assistance and seed money. Innovation Works, a financial intermediary and technical assistance provider for technology investment, connects universities with state and other forms of capital to seed research and development as well as entrepreneurship. The Richard K. Mellon Foundation and others provided start-up and continuous operating support.

Not only did they fund vehicles for economic development, local foundations in this period struck out on their own to form intermediaries for community development at the neighborhood level. In this way, they mimicked the larger model of development created by the ACCD. While the ACCD continued its efforts at the city and regional scale, the foundations led revitalization efforts at the district and neighborhood scales using their funds to leverage investment with financial institutions and connections within ACCD.
Within the economic development framework that characterizes revitalization activities, city leaders embraced arts and culture as a tool for revitalization. Foundations provide significant support for arts and culture in Pittsburgh.\(^{31}\) In 1965 when the historic Loew’s and United Artists’ Penn Theater, once a glamorous film palace, was slated for demolition in the plans for the Civic Arena, the anchor of a cultural complex planned for the Lower Hill District, the Howard Heinz Endowment, under the leadership of Jack Heinz, partnered with the A. W. Mellon Educational and Cultural Trust, the Allegheny Conference on Community Development, and the Urban Redevelopment Authority to purchase the theater and construct a modern concert hall, a major component of the downtown development plan. Heinz Hall, dedicated in 1971 in the final years of Renaissance I, served as a home for the Pittsburgh Symphony and the Civic Light Opera. Years later, it provided an anchor for the development of the Pittsburgh Cultural Trust.

For years, Heinz Hall inhabited the corridor of the city alone. Then, in the 1980s, the Heinz and Richard K. Mellon Foundations took on a leadership role to enhance the corridor with a cultural district. They funded the initial start-up and early operating costs for the Pittsburgh Cultural Trust (PCT) (established in 1984), the development and implementation vehicle to transform the area.\(^{32}\) The program had the following objectives: 1) remove vice industries that operated in the warehouse district, 2) replace vice industries with nightlife, 3) cultivate
additional cultural offerings, and 4) provide support to Heinz Hall and the Convention Center.\textsuperscript{33} The PCT used historic tax credits and other development tools to create a destination cultural district. They leveraged multiple strands of capital to acquire, renovate, and open cultural institutions such as the Benedum Center for the Performing Arts. The foundations continue to support operations and programs for the PCT. The Cultural District it maintains has become an active corridor for the downtown.

\textbf{Renaissance III? Rediscovering the Riverfront}

In the Heinz Endowments Annual Report for 2000, James Watson, Chairman of the Vira I. Heinz Endowment, reinforced a call to action from Teresa Heinz, Chairwoman of the Howard Heinz Endowment. This coincided with a change in strategy for the foundation. In a newspaper column, Heinz urged Pittsburghers to reclaim their riverfronts.\textsuperscript{34} The report laid out a new area of interest, civic design and planning, and the foundation’s approach to it. It read:

Conscientious civic design involves a balance of design excellence, environmental stewardship and community participation. It is a process that more than merely benefiting from interdisciplinary collaboration, positively requires it. In keeping with that reality the endowments have formed an internal collaborative civic design team to guide their grantmaking in this area [place]. This team draws fluidly on the foundation’s entire staff, but primarily on Arts & Culture, Environment and Economic Opportunity programs.

The team’s mission is to help the Pittsburgh region recognize and enhance the important relationship that exists between people and their environment, both natural and built. This relationship speaks to
the right of the area’s residents to thrive not just economically but also as human beings. And it speaks to the right of the place itself to thrive such that our community’s mark upon the land is not one of exploitation and indifference but of respect and appreciation for all that it provides.

The Endowments believes that “plan” begins with a set of values or goals that can guide the community as it considers new projects and undertakes new development. In such cases, the foundation believes the region should strive to:

- Create distinctive and memorable locales
- Promote the vitality of community life in all its aspects
- Foster a sense of place, a positive community self-image and an awareness of shared destiny
- Protect and reflect the unique character of the local built and natural environment
- Advance design excellence in all areas of the public realm
- Facilitate interaction between people and nature
- Build communities that people love to live in

With these words the foundation launched a decade of increased programming and “civic design” along Pittsburgh’s waterfront.

The previous year, Teresa Heinz, Paul O’Neil, and then editor of the Pittsburgh Post-Gazette John Craig hosted a task force of 44 representatives from the public, private, and philanthropic communities to discuss a strategy to reclaim 13 miles of riverfront property. Riverlife, an organization charged to reclaim, restore, and promote Pittsburgh riverfronts, was born from that convening. The organization commissioned a study to estimate the economic impact of the effort. The study found:
$129 million invested in Three Rivers Park over the past 15 years has helped to catalyze nearly $2.6 billion in riverfront development activity and nearly $4.1 billion in total riverfront and adjacent development.

Analyzing the $2.6 billion riverfront yield, the ratio between park investment and riverfront development is 20:1.

Property values inside the zone of influence have increased by 60% and those just outside by 32%.

The Heinz Endowments, McCune Foundation, Benedum Foundation, Grable Foundation, the Hillman Foundation, the Richard K. Mellon Foundation and the Pittsburgh Foundation sponsored the planning process of the Riverlife Task Force and the publication of “A Vision Plan for Pittsburgh’s Riverfronts.” The plan was presented to Mayor Tom Murphy and implemented over the next 15 years. Between 2003 and 2012, Pittsburgh foundations contributed more than $20 million in operating and program support. They continue to sit on the board of Riverlife and contribute operating support.

**Neighborhood Development**

Neighborhood development in Pittsburgh mirrors that of early philanthropic efforts to construct model housing development, as the Buhl Foundation did with Chatham Village. More contemporary efforts seek to ameliorate neighborhood conditions caused by decades of disinvestment. In some cases, foundations have a connection to the neighborhood in which they work and in others they do not. Regardless, foundations are designing, planning, and implementing neighborhood revitalization projects. One prominent representative from the Urban Redevelopment Authority noted the change:
There’s been some sense that community development has been a failure and that they want to take more direct control. It used to be that the foundations would fund community development into an intermediary and everybody could come to the trough. Now that’s not happening. Now Mellon [Foundation] has staked out its territory…Hillman [Foundation] has staked out its territory. Everybody is picking at geography.  

Local foundations across the city work in particular neighborhoods to work with communities to advance shared revitalization goals. One program officer from the Heinz Endowments described the approach:

We tend to believe that you know, nonprofits are the vehicles of production and we have the capital to sit with that…so what that translates to is we believe that the organizations and the community should be sort of leading the charge and should be the ones generating new ideas and we are responding to that. Rather than sort of us coming up with all of the ideas and the new ideas and then looking for partners to implement those things.

The geography of foundation involvement mirrors the locations in which the foundation founders earned their wealth. These efforts are unique in that rather than working through community development organizations such as community development corporations (CDCs) or even intermediaries, the foundations discussed here are leading and implementing these efforts themselves.

**The Buhl Foundation from One Era to the Next**

The Buhl Foundation (established in 1927) as a legacy of Henry Buhl Jr., the founder of the successful Boggs and Buhl department store located in Pittsburgh’s wealthy Northside neighborhood built Chatham Village to
demonstrate high-quality affordable housing.\textsuperscript{40} The foundation supported the development as a means of housing workers during the Depression. It served as one of Pittsburgh’s more progressive efforts to ameliorate the difficulties of the modern city. According to the foundation,

Chatham Village offered residents attractive and affordable rental housing, a commodity in short supply in Pittsburgh. The Board of Managers favored a long-term rental policy over ownership because of the volatile economy of the day. Chatham Village gave families the opportunity to "ride out" the Depression until the economy improved…The Foundation maintained Chatham Village as rental property until 1960 when it was turned into cooperative housing and sold to owner occupants.\textsuperscript{41}

Designed according to Garden City principles, Chatham Village, located in the Mount Washington neighborhood, a hilltop neighborhood in a park-like setting, was emblematic of the qualities of fresh air, walkability, and mixed-use that the film’s author, noted architectural critic Lewis Mumford, hoped to invoke.

The foundation followed up the successful model housing development with the design and construction of the Buhl Planetarium and Institute of Popular Science, one block north of the Buhl and Boggs department store. When completed, the building, its equipment, and its furnishing was presented by the foundation as a gift to the City of Pittsburgh while the foundation continued to fund its operations until it merged with the Carnegie Institute of Technology (now Carnegie Mellon
University) in 1944. This range of investments was typical of foundations in the early twentieth century.

Decades later, the Buhl Foundation launched One Northside, a strategic planning process in the Northside neighborhoods of the city where the founder's department store, Buhl and Boggs was once located. What began as a strategic community visioning process with participants from the eighteen neighborhoods that make up Pittsburgh's Northside, morphed into a ten-month social survey of resident needs and the area's conditions. The resultant plan outlines strategies for Year 1 along three programmatic lines—education, employment, and place.

**Heinz Launches Its Own Neighborhood Initiative**

Pittsburgh's Hazelwood neighborhood, located on the banks of the Monongahela River, lost nearly 70% of its population between 1960 and 2010. In 2002, the Heinz Endowments, Benedum, McCune, and Richard K. Mellon Foundations formed Almono, LP to purchase a 173-acre brownfield site in Hazelwood for $10 million. According to Jeff Fraser, writing about the project for *H Magazine*, “The philanthropies were convinced that “patient money” and the site’s proximity to the river, downtown and the city’s research-and-university hub in the nearby Oakland neighborhood offered a rare opportunity to set new standards for brownfield development.” They plan to develop a mixed-use project once the site is fully remediated. The project aims to attract private
investment that will result in quality job creation and increased revenue for the city through property taxes.  

Before diving headfirst into a full place-based strategy in Hazelwood, the Heinz Endowments commissioned a national scan of philanthropic place-based interventions (April 2012). Urban Ventures Group, Inc. outlined the contours of place-specific philanthropic initiatives in several cities. The report identified four types of engagement “1) Build on the work of a strong indigenous organization already working in the areas, 2) Select a local or national intermediary as a partners, 3) Invest in and create a new intermediary or 4) Working directly with the community.” In the fall of the same year, Heinz awarded $2.3 million to projects in Hazelwood. The Almono LP development is included in the priorities of the P4 Pittsburgh vision strategy discussed earlier. The land is adjacent to a high tech robotics labs associated with Carnegie Mellon University that is located in old warehouse space.

**McCune Transforms the Eastside**

The McCune Foundation, required to spend down its endowment by 2029, has made substantial investments in Eastside neighborhoods. The East Liberty project is an example of how local foundations in addition to McCune have contributed to dramatic neighborhood change. East Liberty Development Incorporated (ELDI), founded in 1979, serves neighborhood residents in areas of
affordable housing property management, advocacy, planning, and investment. A community plan completed in 1999 with support from PPND became the guiding strategy behind an economic transformation.

Over the last decade and more, ELDI transformed the neighborhood. Home Depot was just the beginning; a retail development anchored the neighborhood and included a Whole Foods, Trader Joe’s, and Target. Local foundations invested early on in the development process to secure the real estate through program-related investments. The McCune Foundation provided a predevelopment and “first-in” and patient capital for the project. In addition, the foundation invested in some community development enhancements.

Success comes with a new set of challenges. Speaking on behalf of the McCune Foundation one interviewee said:

You know, for the first time we’re really being challenged with affordable housing issues in East Liberty. East Liberty before was a place nobody wanted to live….So I think we’re now all of a sudden really within the last five years, we’ve been the first period of time was trying to stem the tide of decline how to sort of restart markets and restart an economy. We’re now being faced with growth and so how do we make really sound investment in growth that have lasting impacts and impacts for kind of a broader set of residents and neighborhoods.\textsuperscript{48}

One quantifiable outcome has been a swift reduction in crime. Between 2008 and 2012, crime in East Liberty dropped 49\%.\textsuperscript{49} Issues associated with rapid
neighborhood change haunt many foundations as they become community development practitioners.

As was the case in Cleveland, local foundations in Pittsburgh also provide multiple forms of capacity to the organizations they create and support. First, they attract external funders to invest in intermediaries. Next, foundations seed and support their own intermediary organizations to support a system of community development. Finally, they provide support for planning. Also like those in Cleveland, they support planning across the spectrum of public, private, and nonprofit sectors, thus creating new networks.

Creating Intermediaries for Community Development

During the Renaissance II period, the ACCD began to focus on affordable housing. It raised the funds from local business and philanthropy to bring the Ford Foundation-sponsored national intermediary, Local Initiative Support Corporation (LISC) to Pittsburgh in 1981.50

Two years later, the Heinz Endowments and the Pittsburgh Foundation partnered with the Ford Foundation to create the Pittsburgh Partnership for Neighborhood Development (PPND), a local intermediary that would increase the capacity of five local community development corporations (CDCs). In its early stages, PPND operated out of the Heinz Endowments until it grew into a full-fledged organization. Its mission was to fund and provide technical assistance to
the strongest, most capable community development corporations. With the continued support of Ford and local foundations, PPND expanded to control local resources and subsumed the LISC portfolio to take over real estate and economic development in 1989.

Through PPND, the foundations supported the work of ten committed community development corporations (CDCs). Between 1989 and 1993, the foundations provided 75% of the organization’s budget. Strategic partnerships with neighborhood employers—Nabisco in East Liberty and Krumans Equipment Company in Lawrenceville—enabled CDCs to increase their economic development and workforce ambitions. They created a strong network for community development that became a hub-and-spoke example of strategic partnership for other cities. (See Figure 6.4) However, as the economy continued its spiral, these connections dissipated and diminished the ability of community development organizations to take on risky real estate development projects. The departure of employers such as Nabisco (1998) and the dissolution of others left the network without the deep connections to industry that made them effective in pursuit of economic development.

PPND became part of the Community Development Partnership Network, a group of 12 national community development partnership organizations. In 2003, they participated along with counterparts in Cleveland, Philadelphia, and Baltimore in a study of revitalization efforts geared toward weak market cities.
The report established a framework for restoring market connectivity and pursuing equitable development in older industrial communities.\(^{56}\)

In 2012, the local foundations, the Pittsburgh City Planning Commission, the Urban Redevelopment Authority commission Mt Auburn Associates, a consulting firm, to evaluate the health of the community development system in Pittsburgh. The report, “The Big Rethink,” identified financial gaps and concerns. One criticism of the financial gaps concluded:

Pittsburgh’s community development organizations have a relatively undiversified revenue base. The research shows that Pittsburgh-based foundations remain the most important source of funds for the city’s community development organizations. This problem is magnified for smaller CBOs with lower capacity and funding that does not appear to be performance-based, which has created an entitlement mentality that may have kept alive unsuccessful organizations at the expense of innovation.\(^{57}\)

Other concerns were lack of predevelopment funding and inadequate streams of capital dedicated to loans and debt. The assessment found that the financial gaps and redundancies in the services provided by four local intermediaries contributed to uneven growth and development across neighborhoods.

The evaluation culminated in a set of recommendations in two broad themes. First, the community development system should develop into a system “that supports more market driven, comprehensive and collaborative approaches.”\(^{58}\) Second, the system must incorporate economic, workforce, and transportation linkages to serve low-income residents and address distressed neighborhoods. These efforts must cross neighborhood boundaries. The
assessment urged a strategic planning process to identify goals and track outcomes system wide.

As a result of the assessment, the foundation restructured PPND into Neighborhood Allies, Inc. New staff and board members entered into a more strategic planning and execution process to provide CDC support, invest in economic opportunity, and support the creation of safe and healthy environments.

**Investing for Economic Development**

Pittsburgh foundations participate in the tradition of public-private partnerships. They operate through a variety of intermediaries, which serve as execution arms of the foundation. Intermediaries include the traditional neighborhood-level organizations, but also regional economic development intermediaries, such as Innovation Works, that assist in the cultivation of entrepreneurship and accelerate technology investment.

Even as foundations create new mechanisms for economic development, they maintain steady support of existing institutions. They serve as members of the Allegheny Conference for Community Development and contribute 20%, or approximately $1.7 million, of their operating support each year.\(^{59}\) Whereas the Conference mission in the early Renaissance I period focused on environment
and physical development, they’ve shifted their priorities to regional economic
development. One prominent member describes the new agenda:

So the strategy then shifted from being primarily about quality of life in
the broadest sense of the term. You know, smoke control,
environmental issues, to being much more about diversifying the
regional economy, workforce development, skilling people for a new
knowledge based economy. Although we never completely lost the
quality of life work either. I mean if you look at the last 35 years…big
efforts by the Allegheny Conference in arts and culture as an economic
development strategy in riverfront development, rails to trails, those
types of projects as well as stuff activities related to green building.60

The conference regularly engages with 8-10 of the local foundations on projects
and the Heinz Endowments, Richard K. Mellon Foundation, Benedum
Foundation, and the Jewish Healthcare Foundation serve as board members.
While the work of the conference in not necessarily driven by the foundations,
they are important participants and the relationships nurtured here permeate
other spheres of revitalization.

Planning for Innovation

In 2014, Bill Peduto, former City Councilmember, assumed the mayoralty.
Within his first year of taking office, Peduto worked with the Heinz Endowment to
launch a new vision for the city *P4 Pittsburgh: People, Place, Performance and
Planet*. The website promoting the plan’s release read, “The City of Pittsburgh
and The Heinz Endowments are spearheading a major effort to forge a new
model of urban growth and development that is innovative, inclusive and
Critics question the unprecedented involvement of the Heinz Endowments and the Mayor’s office:

Heinz in particular has embedded itself in the mayor’s office and has complete influence over the agenda. I’ve never seen anything like it. They took two people out of the mayor’s office and moved them into Heinz philanthropy and they’re running a whole new program that is completely devoted to city administration. It’s as penetrated as I’ve ever seen it in my career or ever read about it actually.62

Over two days, planners, policy makers, and philanthropists watched as the plan was revealed. The central focus of the plan was sustainable land development of over 500 acres within the city core.63 The plan identified partners as assets:

The city has a rich set of philanthropies, technology and environmental intermediaries, arts and cultural organizations, and civic stewards. Organizations like Innovation Works, Sustainable Pittsburgh and Riverlife—as well as initiatives around the Pittsburgh 2030 District and the Phipps Conservatory and Botanical Gardens—are considered national models.64

Once again, the city’s external image took precedence. Within the plan’s promotional website, an entire section acknowledges the external praise the city garnered and added that the P4 plan would bring more accolades. National experts were also in attendance. Bruce Katz of the Brookings Institute said:

A lot of what was described yesterday—even though it was in the language of sustainability, inclusion or equity—was about unleashing market forces in particular ways and having this city become the vanguard of innovation around some really hard—not just domestic challenges, but global challenges.

Once again, image is of great concern to Pittsburgh.
Influencing Revitalization on Their Own

Pittsburgh’s high levels of philanthropic expenditure and strong partnerships alone do not fully explain the ability of foundations to influence urban revitalization. Foundations influence revitalization in Pittsburgh in two ways. First, they plan, advance, and implement development projects in the downtown and neighborhoods of the city. Second, they invest in capacity building and planning activities. These efforts are advanced by the partnership they’ve cultivated but are driven by the foundations themselves.

Foundations continue to be nimble in partnerships while remaining individually committed to special projects. It is this versatility that also enables foundations to assume leadership roles in aspects of these development projects. The creation of the Pittsburgh Cultural Trust, Riverlife, and the neighborhood projects demonstrate that foundations find opportunities to guide urban development. While the neighborhood projects are too recent to measure outcomes, the result of the first two examples point to foundations’ ability to capitalize on their extensive relationship within the philanthropic sector, but also across other sectors. They mobilize partners, make plans, develop property, and support the steward organizations they create in these efforts.
In their capacity building efforts, foundations seeded intermediary organization for community development. They used their extensive network to attract support from the Ford Foundation, first to get an LISC affiliate and then to create the Pittsburgh Neighborhood Development Partnership (PNDP), and became a national example of community development efforts through the support if provided in the form of loans and technical assistance to the city’s CDCs. The organization still exists and continues this work.

The P4: Pittsburgh plan illustrates the foundation’s influence in City Hall with the Mayor and URA. It is unclear in this project where the foundation’s influence begins and ends. The project demonstrates an alignment of priorities between the foundations and the Mayor’s office. Many of the projects foundations are already working on, such as the Almono project led by the Heinz Endowments and Benedum Foundation in Hazelwood, are included in the strategy.

A City Susceptible to Influence

Pittsburgh’s tradition of the Three-P model, public-private-philanthropic partnership, ensures some measure of influence in decision making as a result of the interdependence. The ethos of partnership is deeply embedded in the political culture of the city’s growth coalition. Even as Pittsburgh is susceptible to political cycles, two entities beyond the
foundations, the ACCD and the URA, provide continuity in the
development and redevelopment of the city.

The ACCD has shaped growth and development. As a body representing
the interests of the business community, but also foundations, anchor institutions,
and regional governments, the ACCD represented a continuous force in the city.
Even as the goals and scope of its work change, the ACCD’s body of work
earned respect and convening power even before the foundations.

Almost as long-standing, the city’s Urban Redevelopment Authority
oversees the implementation of all city-generated projects. As the
“implementation arm” of the planning commission, it presides over revitalization
activities. One prominent director of the URA described the revitalization
hierarchy,

I would say the Urban Redevelopment Authority’s at the top of the food
chain, no question. I mean we provide the most resources both in
terms of time, talent, employee base, there’s 100 employees here. You
know, we have a $30M budget, that doesn’t include our project budget
and we’re turning a lot of money in Pittsburgh every year but in the city
itself, in the city government. The next tranche would probably be the
philanthropies...Heinz, Mellon, McCune, Hillman, Colcom [foundations].

The legacy of public-private partnerships in Pittsburgh includes the active
participation of philanthropy. From the earliest manifestations of coalitions
working toward urban growth, philanthropy has been involved. The close
alignment between the local foundations and corporations makes a seamless
transition inevitable given the changing focus of the ACCD in recent years. The interests of business leaders transitioned to philanthropists with foundation monies to leverage toward urban development.

Foundations in Pittsburgh show strong civic influence. The alignment with the Mayor’s Office, investments in place, and economic restructuring indicate a measure of inclusion in the growth coalition. Demonstrations of their collective power further solidify their active participation in the public sphere. In 2002, the Heinz Endowments, the Grable Foundation, and the Pittsburgh Foundation suspended support in the form of grants to the Pittsburgh School District citing “a declining standard of fiscal management and a breakdown in governance.”

Other foundations followed suit. Foundations provided a fraction of the overall district’s budget, approximately $3 million in total for the year. The act of defiance set off a public conversation with many supporting the foundations, including local business and public educators, for taking a stand.

Conclusion

Since their inception, a handful of Pittsburgh’s local foundations influenced urban revitalization. Motivated by both their individual missions and a collective concern to improve public perceptions of the city, they developed downtowns, built institutions, worked in neighborhoods across the city, and cultivated a vast economic restructure. Consistently, these efforts have been supported and
sometimes led by strong city leadership and a robust assembly of private and nongovernmental organization partners. These foundations actively participate in the growth coalition.

The observable evidence of both the direct and indirect influence can be seen in projects across the city. Many of the city’s prime amenities and cultural institutions owe their existence to the local foundations and their ability to leverage their resources with local, state, and private capital. The parameters of these partnerships are inherent in the DNA of Pittsburgh’s public-private-philanthropic partnership. As one informant said:

We understand ourselves. We have our own identity. We’re not trying to compete with the next tier of the cities that are possibly more prosperous than us or have a larger middle class or I’m not sure. I’m not sure what the target is except I think we want to be a little glamorous and sexy and we want the New York Times to write about us a lot.68
Figure 6.1—US Steel Building, Pittsburgh

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Figure 6.2—Map of Pittsburgh
Figure 6.3—Map of Pittsburgh Neighborhoods

Figure 6.4—Artistic Perspective of Chatham Village Development
6 Ranked number 2 on Top 10 Cities for Achieving American Dream through absolute mobility measure of how children’s economic opportunity compares to that of their parents)- Economist Intelligence Unit name Pittsburgh “most livable city on the continental United States” for the first time and the city’s Market Square ranked 8th on the Top 100 Public Space in the US and Canada, a joint project between Planetizen and Project for Public Space, http://www.planetizen.com/toppublicspaces
9 ACS 2014 US Census Data
10 National Center for Charitable Statistics data, Urban Institute
11 Funding Dimensions of Legacy Cities database (2015)
12 Key Informant, Public Agency, interview Pittsburgh, 2015, Name withheld
15 The Pittsburgh Foundation website, https://pittsburghfoundation.org/mission
20 Ibid.
21 Ibid, 9


Ibid.


Margaret Cowell, Dealing with Deindustrialization, 2015, p90-91

Ibid.

For an extensive discussion of arts and culture in Pittsburgh as well as the creation of the Pittsburgh Cultural Trust see Amanda G. Johnson. Developing Urban Arts Districts: An Analysis of Mobilization in Dallas, Denver, Philadelphia, Pittsburgh, and Seattle. ProQuest Dissertation, University of Pennsylvania, 2011

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Ibid.
Ibid.
Ibid.
Ibid.
Key Informant, Allegheny Conference of Community Development, interview, Pittsburgh, 2015, Name withheld
Key Informant, Allegheny Conference of Community Development, interview, Pittsburgh, 2015, Name withheld
P4 Pittsburgh website, http://www.p4pittsburgh.org/p4-focus.html
Ibid.
Key Informant, Urban Redevelopment Authority, Interview, Pittsburgh, Name withheld
Key Informant, Public Agency, Interview, Pittsburgh, 2015, Name Withheld
Source: Jon Dawson, US Steel Tower, Flickr Commons (2009)
Buhl Foundation Photographs, MSP 187, Detre Library Archives at Senator John Heinz History Center
Chapter 7—Philadelphia: The Planning Revolution

“Returning Philadelphia to Design Excellence,” read the front page of the Philadelphia Inquirer’s Currents section on Sunday, November 9, 2003. In the article that followed, Harris Steinberg of PennPraxis provided a scathing indictment of Philadelphia’s moribund planning and design efforts in the latter decades of the twentieth century. He wrote, “A shortfall of civic vision coupled with anemic public funding had dumbed down the physical fabric of our public realm.”¹ He called on city leaders “to rediscover the legacy of civicmindedness” so that they might “recapture a sense of architectural integrity.”²

Mired in the consequences of fiscal crisis, depopulation, and economic restructuring, city planning in Philadelphia had fallen into a mode of transactional development projects with the goal of economic development. The prevailing strategy for planning had become “any development is good development” and the city lacked a public process for making decisions that could impact growth.³ One example, Penn’s Landing, the seven mile section of riverfront along the central banks of the Delaware waterfront, sat underutilized after four decades of failed attempts at revitalization.⁴

In 2002, a coalition of local leaders slowly emerged to challenge the status quo. Harris Steinberg joined PennPraxis, the civic arm of the School of Design at the University of Pennsylvania created by the school’s dean, Gary Hack, who
also served on the City Planning Commission. The two joined forces with Harris Sokoloff of the Penn Project for Civic Engagement and Chris Satullo of the editorial board of the *Philadelphia Inquirer*. Together they developed a public engagement process for a number of forums to discuss the fate of the waterfront. Over 400 residents, 28 designers, and others participated. The newspaper covered the forums. Steinberg recalls:

> It was the first time in a very long time where there was just an honest publication about planning and honest opportunity to have a public conversation about planning Philadelphia that wasn’t controlled by the power structure, the development lawyers or the politicians. We had an impact.\(^5\)

The dialogue and resultant coverage in the *Philadelphia Inquirer* reinforced the importance of the waterfront as a key asset to the city. James Corner, then Chair of the landscape architecture program at the University of Pennsylvania, wrote:

> The city has a chance to remake itself, transforming its image from that of an inward-looking fabric of streets and squares to a contemporary, outward-facing “river city” with an extensive waterfront park system and new residential and mixed-use neighborhoods overlooking the water. In so doing, the city may attract a new class of resident from the suburbs who might find in a revitalized riverfront all the amenities they seek: open space, vistas, convenience, culture, shopping and restaurants.\(^6\)

Not only did the process restore the possibility of civic planning to Philadelphia, it attracted the attention of two program officers at the William Penn Foundation, the city’s largest foundation. The process led to an executive order signed by
Mayor John Street (2000-2008) in 2006 that authorized a planning process for Penn’s Landing. The William Penn Foundation funded the creation of the plan that followed. Philadelphia’s planning culture changed dramatically as a result.

This chapter examines the role of the William Penn Foundation and its peer local foundations in the revitalization of Philadelphia. It presents a detailed account of philanthropic involvements in the city’s redevelopment efforts at key moments in recent history. Finally, it analyzes these efforts to determine the foundations’ levels of influence.

City Profile

Philadelphia is the fifth largest city in the United States. Its location within the Northeastern corridor in close proximity to New York City and Boston to the north and Washington D.C. to the south make it the center of the Northeast mega region. Philadelphia is the largest city in the Commonwealth of Pennsylvania and serves as its center of economic activity. Locate in the Delaware Valley, it is the core city of a metropolitan region that also includes Camden, New Jersey and Wilmington, Delaware. The city is its own county seat. (See Figure 7.1 for map)

Philadelphia comprises 142.6 square miles. Two bodies of water, the Delaware River on the east side and the Schuylkill River running through the west side are the essential components of the city’s growing linear park system.
The city is divided into four general areas: Center City, West Philly, North Philly, and South Philly.

Center City which extends from the Vine Street north to Pine Street south between the two rivers, contains the downtown central business district. Its many densely populated neighborhoods include Old City, Society Hill, Chinatown, Washington Square West, Rittenhouse Square, and Fitler Square. The areas is also home to many cultural and tourist attractions such as the Avenue of the Arts and Independence Mall. (See Figure 7.2 for map)

In its more than 300-year history, Philadelphia has endured numerous cycles of growth and decline. The city’s population peaked at 2.1 million in 1950. Between 1960 and 1980, Philadelphia County lost 35.8% of its share of population and 36.8% of its share of employment. By the 1980s, more than two-thirds of the region’s jobs relocated to the industrial parks and shopping malls of the suburbs. For the first time since 1950, the city’s population grew in 2006. Between 2010 and 2012, the city’s population increased by 1.3%. Population has grown consistently for eight years.

Today, Philadelphia is home to 1,560,297 residents. The racial and ethnic composition of the city in 2014 was 45.3% White (35.8% Non-Hispanic), 44.1% Black or African American, 0.8% Native American and Alaska Native, 7.2% Asian, 0.1% Native Hawaiian and Other Pacific Islander, 2.5% Two or More Races, and 13.6% were Hispanic or Latino. The median household income in
Philadelphia is $37,460, which is about 60% of that of the surrounding metropolitan area.

Philadelphia’s annualized unemployment rate in 2014 was 7.8% which is higher than the national average of 6.2%. The city’s local industries include information technology, healthcare, oil refineries, food processing, and financial services. The large local employers are the federal and city governments and the University of Pennsylvania.

Table 7.1—Chronology of Revitalization in Philadelphia

<table>
<thead>
<tr>
<th>Year</th>
<th>Era</th>
<th>Description/Partners</th>
</tr>
</thead>
</table>
| 1950-1969| Urban Renewal        | Urban renewal project—development of residential towers and other buildings to revitalize Fifth Ward neighborhood, i.e., Society Hill  
*Federal monies, financial institutions, corporations and developers, Old Philadelphia Development Corporation* |
| 1970-1989| Project-Based        | Suburban style shopping mall development—incremental development led by Rouse Development  
*Philadelphia Redevelopment Authority, developers* |
| 1992-1999| Economic Development | Arts—anchored redevelopment district along Broad Street  
*State and city monies, local foundation contributions, business improvement district* |
| 2000-present| Sustainable Development | Renewed planning culture, investments in green infrastructure  
*City, state and federal government, local foundations, developers, nongovernmental organizations* |

Profile of Foundations

Between 2003 and 2012, the sum of all philanthropic expenditure toward urban revitalization total $615 million or $428 per capita. This total allocation surpassed Community Development Block Grants’ (CDBG) allocation ($538) in
Philadelphia in the same period by 13%. Philadelphia is home to 604 foundations. (See Table 7.2) This includes one very large foundation, the William Penn Foundation, and several smaller foundations. William Penn, with assets totaling $2.3 billion, falls into the large local foundation category. Its total giving toward revitalization made up 30% of the total.

National foundations also contribute to urban revitalization in Philadelphia. As a hybrid city—approximately 50% of the philanthropic grants for urban revitalization in the city came from national foundations such as the MacArthur Foundation, the Kresge Foundation, and the Robert Wood Johnson Foundation. These foundations fall into the Titan category. They fund activities in a number of Legacy Cities. In Philadelphia, they supplement the funding provided by local foundations.

Of the foundations that provide support for local urban revitalization-focused work in Philadelphia, the William Penn Foundation, established in 1945, is one of the largest family foundations in the country and one of the most significant to Philadelphia and the surrounding region. In 2014, the foundation allocated $110,498,903 in grants overall. A small fraction of that amount goes toward revitalization activities. The foundation’s early areas of interest were support for widows and children of veterans killed in World War II. As is the case with many family foundations, the board changed from one generation to the next and the foundation’s grantmaking coalesced around broad areas of interest. It
currently focuses on creative communities, watershed improvements, and education.

The Philadelphia Foundation is one of the oldest community foundations in the country. Established in 1918 by The Fidelity Trust Company, the founding board members followed the model created by the Cleveland Foundation. Since its formation, the foundation awarded nearly a quarter of a billion dollars in grants to local nonprofit organizations. Its priorities are decided upon by its board members and contributors.

In 1989, Walter Annenberg, former Ambassador, chairman of Triangle Publications, and local philanthropist, established the Annenberg Foundation with a $1.2 billion endowment. Annenberg and his wife, Leonore, contributed extensively to universities and arts and culture institutions. They established Annenberg Schools for Communication at both the University of Pennsylvania and University of Southern California. The foundation’s grantmaking is not limited to the local geography. While located in Philadelphia, the foundation contributed extensively to local institutions and catalytic urban development projects. Following the death of Walter, the surviving family moved the foundation to California in 2002.

Also changing its status in 2002, the Pew Charitable Trusts transitioned from a collection of family foundations to a public charity, operating foundation. The Trusts emerged between 1948 and 1979 from family members invested in
Sun Oil. The combined assets are over $753 million. The foundation supported a variety of nonprofit organizations in the Philadelphia area. Since the change in status, the foundation primarily focuses on research and moved a portion of its operations to Washington D.C.

**Table 7.2—Foundations Involved in Urban Revitalization in Philadelphia**

<table>
<thead>
<tr>
<th>Foundation</th>
<th>Purpose/Programs</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>The Philadelphia Foundation</strong></td>
<td>Established 1918</td>
</tr>
<tr>
<td>Assets: $369,681,157</td>
<td>Purpose: “1) building philanthropic resources; 2) managing those resources well; and 3) distributing those resources effectively. The foundation fulfills that mission by: convening, leading and supporting, and focusing on vulnerable populations, donors and the nonprofit sector.”&lt;sup&gt;12&lt;/sup&gt;</td>
</tr>
<tr>
<td>Total giving: $24,987,948</td>
<td>Programs: nonprofits, journalism, scholarships</td>
</tr>
<tr>
<td><strong>The William Penn Foundation</strong></td>
<td>Established 1945</td>
</tr>
<tr>
<td>Assets: $2,332,928,903</td>
<td>Purpose: “The foundation is dedicated to improving the quality of life in the Greater Philadelphia region.”&lt;sup&gt;13&lt;/sup&gt;</td>
</tr>
<tr>
<td>Total giving: $110,498,440</td>
<td>Programs: creative communities, watershed protection, education</td>
</tr>
<tr>
<td><strong>The Pew Charitable Trusts</strong></td>
<td>Established 1957</td>
</tr>
<tr>
<td>Assets: $753,245,419</td>
<td>Purpose: “The Pew Charitable Trusts is driven by the power of knowledge to solve today’s most challenging problems.”&lt;sup&gt;14&lt;/sup&gt;</td>
</tr>
<tr>
<td>Total giving: $131,988,597</td>
<td>Programs: research, Philadelphia Initiative</td>
</tr>
</tbody>
</table>
| The Annenberg Foundation | Purpose: “Encouraging the development of more effective ways to share ideas and knowledge.”
1989-2002 |
<table>
<thead>
<tr>
<th></th>
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<tbody>
<tr>
<td><strong>Assets:</strong> $1,663,095,893</td>
<td></td>
</tr>
<tr>
<td><strong>Total giving:</strong> $71,678,320</td>
<td></td>
</tr>
<tr>
<td>Programs: All giving takes place in Southern California since the foundation departed Philadelphia</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>The Knight Foundation</th>
<th>Local Philadelphia Branch</th>
</tr>
</thead>
<tbody>
<tr>
<td>Established 1974</td>
<td>Purpose: “To make Philadelphia the city where talent thrives. We are working to retain the region’s young and immigrant talent by building and strengthening their networks and their social capital, particularly in comeback neighborhoods.”</td>
</tr>
<tr>
<td>Assets: $2,395,608,862</td>
<td>Programs: arts, communities, journalism, media innovation</td>
</tr>
<tr>
<td>Total giving: $120,694,865</td>
<td></td>
</tr>
</tbody>
</table>

**Contributing to Downtown and Neighborhood Development**

During the 1990s, foundation involvement in downtown-style revitalization in Philadelphia was ad-hoc and project-based. No coherent strategy guided their participation. More often, local leaders sought foundation support either through the formal grants process or for capital contributions to fund projects. For the most part, public-private partnerships drive urban revitalization in Philadelphia. As a result, local foundations helped to realize projects with “first-in” or patient capital to large scale development projects.

When Mayor Edward G. Rendell (1991-1999) took office, Philadelphia was on the brink of fiscal collapse. The Mayor needed to raise capital to fund an arts anchored redevelopment district along Broad Street. He asked the foundations
for assistance and the Annenberg Foundation responded with $25 million for the project. Eventually, the Pew Charitable Trusts and the William Penn Foundation contributed to various portions of the project. Together with money from the state, the Avenue of the Arts was developed. In this case, the foundations contributed directly to the capital project at the request of the Mayor.

Another example of foundation contributions to development occurred in 2002 when Paul Levy, CEO of the Center City District and Central Philadelphia Development Corporation sought funding for improvements on the Benjamin Franklin Parkway. Rather than implement the plan wholesale, Levy was able to incrementally improve lighting and pedestrian access to the parkway. Some of these improvements were funded by the William Penn Foundation through grants made to the Center City District. The foundations responded to requests from the local business improvement district to fund upgrading projects.

In 2012, the foundations contributed to the Center City District and Central Philadelphia Development Corporation’s Sister Cities Park on the Benjamin Franklin Parkway. As was the case with the Avenue of the Arts project, multiple foundations contributed. Along with William Penn, the Pew Charitable Trusts and the Knight Foundation, a national funder with a local affiliate office, provided funding for a portion of the capital costs.

These examples illustrate the responsiveness of the foundations to requests for support from local leaders engaged in downtown-style development
project. In both cases, the foundations did not play a leading role nor were they part of any strategic coalition planning for revitalization. They participated through their financial contributions. In the case of the Avenue of the Arts project, the district would not have been created but for the initial contributions of the foundations. Both the William Penn Foundation and the Knight Foundation continue to support public realm improvements in their grantmaking.

In Philadelphia, the local philanthropic agenda includes a portfolio of priorities where foundations contribute to these downtown efforts through the requests of local leaders, in the case described above the Mayor and CEO of the business improvement district. This relationship, one where philanthropy responds rather than leads, indicates a perpetuation of local interests in the development process. While the concept of the traditional concept of the growth coalition includes local politicians, the new actor in downtown development may be local leaders in the form of the Center City District and also the University of Pennsylvania connection mentioned in the introductory paragraphs. Local foundations contribute to and are supportive of these leaders.

**Finding Capital for Community Development in Neighborhoods**

Philadelphia possesses a strong recent history of local pluralism in the face of development. Like Cleveland, Philadelphia received early support for community development from the Ford Foundation. In 1960, Paul Ylvisaker
selected Philadelphia site as a Gray Areas program site. He invited a proposal from the city’s local organizations and leadership. He received four independent proposals from the City, Health and Wellness Council, the Great Philadelphia Movement, and the Citizen’s Committee on Education. Citing a lack of coordination, Ylvisaker returned their proposals unfunded and urged a collaborative proposal focused on one geography. In contrast to Cleveland and other cities, Philadelphia’s diverse interest groups failed to rally around one proposal.

Eventually, a partnership emerged and untied competing stakeholders from various neighborhoods in the city. The city formed the Philadelphia Council for Community Advancement (PCCA) in 1962 as the organizing committee of seventeen representatives- four from city government, two from the Board of Education, two from the Greater Philadelphia Movement, and one each from the Citizen Community Education, the Health and Welfare Council, University of Pennsylvania, Temple University, one local foundation, the National Association for the Advancement of Colored People (NAACP), and the local labor and business community. It was a broad coalition.

This example shows the diversity of interests that historically exist in Philadelphia’s neighborhoods and the efforts of national philanthropy to mobilize them around a preconceived platform. Ultimately, the variation in priorities and constituent interest proved to be incompatible with the Ford Foundation’s agenda.
and the subsequent Model Cities program in North Philadelphia. The result is a community development sector that operates with the support of national foundations and large intermediary organizations. Where these early efforts of the Ford Foundation in Cleveland and Pittsburgh cascaded into local intermediaries, supported by local foundations, Philadelphia CDCs rely on support from a combination of large national intermediaries with local affiliations and the corporate foundations of financial institutions.

**Complementing Outside Investment**

Intermediary organizations improve the leverage potential of philanthropic capital with other sources of funding. They braid various streams of funding together toward neighborhood programs and development projects. Not only do they contribute to the development activities they fund intermediaries also provide significant technical assistance to grant recipients, develop tools and research and evaluate their own programs to further knowledge about the areas in which they work.

Since 1981, the Philadelphia branch of Local Initiatives Support Corporation (LISC) has served as the local intermediary for Philadelphia. In the time since, the organization has invested $353 million in local neighborhoods and leveraged $1.3 billion in investment as a result. LISC’s local work is supported by financial institutions as well as local and national foundations. Between 2003
and 2012, the William Penn Foundation contributed $3.45 million to the Sustainable Communities Initiative located in Western and Eastern Philadelphia neighborhoods. They also donated $200,000 toward the design of the Mantua walking trail. These grants add up to 76% of the total for foundation grants made to Philadelphia LISC between 2003 and 2012. LISC attracts significant contributions from outside of Philadelphia as well.

As one of the oldest local LISC affiliates, Philadelphia LISC uses two-thirds of its annual Philadelphia budget, approximately $2 million, to leverage project support in the range of $25-30 million for the neighborhood organization in the Northeast and West Philadelphia whose efforts it supports. The intermediary provides funding but also technical support and capacity building for community-based organizations. While philanthropic foundations contribute through LISC, none sit on the local advisory board and their contributions make up a small portion of overall support.

LISC Philadelphia receives little support from local foundations, rather, they attract seek funding from national sources. As a LISC program director put it,

So there are relatively few foundations in the Philadelphia area who both support community development in an active way and who support organizations of our size...so most of our local foundation relationships are either with larger foundations, Pew Charitable Trusts or William Penn Foundation, or our non-funding relationships with many sorts of collegial and aligned relationships with local foundations.
where they don’t give us money…we co-invest but they don’t put foundation dollars through LISC.  

Between 2007 and 2011, the William Penn Foundation contributed $4.52 million to LISC’s Sustainable Communities Initiative, a project that operates in West Philly and Northeast Philadelphia neighborhoods. It is a comprehensive community initiative program aimed at improving neighborhood conditions and simultaneously investing in local residents through entrepreneurship and jobs programs. Most of the contributions for these activities come from outside funders.

Philadelphia is also home to a pioneering regional intermediary. The Reinvestment Fund (formerly TRF) began in 1985 as an investment vehicle to restore market conditions in inner city neighborhoods. Founder Jeremy Nowak described the intermediary’s mission as, “We’re organizing people as a way to organize money and we’re organizing money to back projects for people who don’t normally have that kind of money on their side.”  

The community development financial institutions (CDFI) started with a $10,000 grant from a local foundation. Since that time, Reinvestment Fund has invested $1.7 billion into the low-income neighborhoods it serves. The outcomes reported include 21,205 homes, 71,460 jobs, 160 grocery stores and fresh food retail. National funders such as the Ford Foundation and the MacArthur Foundation contribute to project and loan funds. Local foundation contributions to the organization mainly
support research, evaluation, and the development of tools such as PolicyMap
and CultureBlocks. These tools support the revitalization work of foundations and
development organizations throughout the region. This is one example of the
capacity building outcomes of local philanthropy.

**Capacity Building for Government**

Philadelphia foundations support of capacity building functions of extends
beyond intermediaries to public agencies. The Mayor's Fund for Philadelphia,
another intermediary, serves as a financing vehicle for the Mayor to raise capital
for special events and initiatives in the city. Its earlier iteration, the Council for
Community Progress, began in 1979 as a specialized event-planning arm of the
city. Under Mayor Wilson Goode (1984-1992), the fund transitioned to its current
purpose. Each mayor has used the fund differently. Philanthropic grants are
leveraged with private contributions toward the needs of the city.

Under Mayor Michael Nutter (2008-2015), the Fund became a
clearinghouse for injections of federal monies coming into the city under the
American Recovery and Reinvestment Act of 2009. The office oversaw the
allocation and reporting for over $350 million of federal funding. The mayor
realized rather quickly that to maintain the activities undertaken by the Fund,
funding streams must include corporate and philanthropic contributions. The
Fund’s staff set about making the organization attractive to outside contributors.
One staff member recalls a major obstacle to this effort, “Philanthropic and corporate funds…don’t just give to the city of Philadelphia as an organization. There’s a belief that it’s a black box and somebody will re-appropriate it [donated funds].”

The administration’s early forays into attracting philanthropic capital failed in large part because the efforts were led by political fundraisers. The former director of the Fund noted, “Philanthropy operates on a relationship based model. The ask is different and the product is different.” Eventually, the Fund was able to cultivate some local philanthropic connections and used the mayor to develop relationships with national funders. The former director shared, “We [the Fund] became a lot more kind of, structured and strategic about how we used the mayor.”

Using this model, the Fund launched a series of Mayoral Initiatives that included the Citizen’s Planning Institute (2011) and the Philadelphia affiliate of President Obama’s My Brother’s Keeper initiative.

The Fund’s efficacy in urban revitalization is determined by the priorities of the sitting mayor. It serves as a tool for capacity building and it dependent on the leadership for direction. In other capacity building efforts, foundations influence longer term planning efforts by the city and other groups.
Demonstrating the Potential of Public Planning

In 2007, PennPraxis released “A Civic Vision for the Central Delaware Riverfront,” the resultant plan from the process described above. It represented a civic planning process unseen before in Philadelphia and was funded by the William Penn Foundation. The foundation contributed more than $3 million to planning through PennPraxis. The foundation described the planning effort in their 2006 Annual report:

Steinberg and public engagement specialist Harris Sokoloff invested marathon days and nights meeting with neighborhood people, importing experts from other cities, touring successful riverfronts elsewhere, and brainstorming with architects, designers, and city planners, all with the goal of turning the seven miles of central Delaware River banks into a ribbon of accessible beauty and practical use.29

The effort coincided with the ongoing support for the construction and maintenance of the Schuylkill River Park on the city’s west side. Of the foundation’s involvement in both riverfront efforts the annual report’s editor wrote:

The Foundation has long been committed to the waterways that shape Philadelphia’s geography, economy, and quality of life. The Delaware and Schuylkill rivers serve to connect Philadelphia and its surrounding communities, and are critically important to the future of our region. Through investments in ecological restoration, public amenities, community development, environmental advocacy, civic engagement, public visioning, and planning, the Foundation seeks to reinvigorate Philadelphia’s waterfronts and reconnect its neighborhoods and residents to their rivers.30
In addition to the waterfront efforts, the foundation funded other major public planning efforts in the city. Philadelphia’s comprehensive plan had not been updated since 1960. The planning culture of the city remained fragmented and core function dispersed across a number of agencies.

Both the city’s comprehensive plan update, Philadelphia 2035, and the plan for sustainability, Greenworks, relied heavily on support from the William Penn Foundation. The Delaware Valley Regional Planning Commission is the largest recipient of the foundation’s grants for urban revitalization-related activities at $13.9 million between 2003 and 2012. This accounted for 8% of the total investment in urban revitalization by the foundation. Most of these grants are transactional in that the foundation approves the proposed activity and does not involve itself in the day-to-day management and implementation of the activity.

To further information sharing around planning issues, the foundation funded the creation of a robust digital information apparatus that reports on a full range of planning activities. PlanPhilly.com launched in 2006 on the heels of the initial civic dialogues hosted by PennPraxis. The website provides a central resource for planning, design, and development related news around the Philadelphia region. Until 2015, the website ran out of PennPraxis. Currently, it operates as a project of WHYY/NewsWorks, the local National Public Radio affiliate. The William Penn Foundation funded the creation and maintenance of
the site through PennPraxis. At WHYY, the site will develop a revenue-generating strategy to become more self-sufficient.

**Restoring Belief in Planning**

Much of Philadelphia’s local foundation giving for revitalization supports large and small scale planning. In many cases these planning efforts would not go forward without funding from the foundations. Philanthropy invests in planning for three reasons. First, grants for planning require little in the way of partnership or additional leverage. Second, by investing in a qualified, effective planning apparatus the resultant implementation leads to visible outcomes. Third, planning manages changes to the built environment and often leads to investment. The William Penn Foundation and others have transformed the city’s public realm and increased investment.

Given the real lack of significant partners and the foundation’s reluctance to create and direct its own programs, planning provides the William Penn Foundation and other like-minded philanthropies with a tool that they can effectively manage toward greater impact. Planning grants are somewhat noncommittal to a program or project. Essentially, they fund the initial stages of fact finding and development. The investment on the part of the funder is low risk.
Planning done well yields significant results. Philadelphia foundations invest in the honest brokers of the city to carry out large planning processes. The case of the continued alignment with Harris Steinberg and PennPraxis serves as an example. Philadelphia foundations continually seek to invest in organizations or agencies that exhibit high standards of efficiency. Where that capacity does not exist, they create it through the use of consultants or other known quantities.

Finally, planning serves as the means to an end, which is renewed investment in the city. Foundations know this. One program officer said, “Our public space strategy grew out of the success of things. So that it funds all of the activities that lead to investment...so planning, engagement, along with actual capital physical projects.”³¹ The William Penn Foundation and others have transformed the city’s public realm and have increased investment.

An unintended but welcome consequence of the foundation-funded planning efforts has been the restoration of a civic planning culture and dialogue with the city where it previously failed to exist. Inga Saffron, architectural critic for the Philadelphia Inquirer, wrote about the Philadelphia 2035 plan updates:

We are once again living in a time of pulse-quickening civic visions, thanks both to Mayor Nutter, who has made good on his campaign pledge to untie the hands of city planners, and the William Penn Foundation, which has picked up the tab for many of the studies. The planning frenzy is a huge turnaround from the Rendell and Street years. It now feels as if a new report comes out every month.”³²
Equity through Planning and Public Space

Foundations in Philadelphia do not directly express priorities for equitable development through their grantmaking toward urban revitalization. However, the robust citizen engagement and commitment to rigorous planning processes do suggest an ethos of community empowerment. Citizen involvement in planning would be quite limited without the contributions of local funders.

The investments in public agencies for planning signal an interest in improving the efficiency of government in this area. The long-term results of these investments continue to pay off. The Greenworks plan initiated the creation of the Mayor’s Office of Sustainability. The plan set forth a series of implementation strategies that have been carried forward, many of them realized, often with the help of philanthropy. Through the Philadelphia 2035 plan, the City Planning Commission continues to create local district plans with residents and other interested parties to attempt some even development across the city. These efforts offer the potential of equitable solutions.

The promise of well-designed and accessible public spaces for Philadelphians motivated the work of Philadelphia’s largest local foundations. In fact, in the few times the local foundations aligned on any large scale, the projects involved public space improvements. Carol Colletta, former head of the Knight Foundation’s Cities program, described the foundations strategy as, “an
opportunity to create public spaces so great, everyone will want to be there…they have the potential to bring people from all over the city together.\textsuperscript{33}

Foundations came together to fund the Benjamin Parkway lighting plan and then again in support of Sister Cities Park with over $800,000 in the implementation phases of the project.\textsuperscript{34} More recently, foundations contributed to the Center City District toward the planning, renovation, and public art associated with the restoration of Dilworth Park in front of City Hall. The Knight Foundation contributed a total of $1.25 million\textsuperscript{35} and the William Penn Foundation contributed approximated $1.7 million.\textsuperscript{36} Combined with extensive contributions toward waterfront trails and smaller park improvements, foundations are improving access in and adjacent to Center City.

While Center City attracts a larger share of grants, foundations support public space improvements in other neighborhoods of the city as well. The distribution is far from even. Foundations view their efforts to improve public spaces as a “priming” strategy for investments first. Improvements along the riverfronts on the city’s east and west side as well as in the public realm of Center City accomplish that goal more readily than in other locations.

**Influencing Revitalization—Planning and Public Space Improvements**

Philadelphia foundations influence urban revitalization through capacity building and physical upgrading. These approaches fall under the heading of
traditional revitalization—planning capacity building for governmental and nongovernmental organizations and improvements to the public realm. They also align with more recent trends that aim to restart market connectivity through amenities. Public space improvements such as bike shares, public spaces, and transit connectivity are key interventions that signal a place is ripe for investment.

**William Penn Stands Alone**

As the only major contributor to urban revitalization activities, the William Penn Foundation influences planning and policy through the creation of open spaces, environmental investments, and support for planning. They work behind the scenes and tend to eschew the spotlight. A program officer from the William Penn Foundation suggests change in this approach may be imminent:

> Historically, the foundation was not quite as comfortable in a civic leadership role. There are other players in the field Pew and many others...that landscape has shifted significantly...we are now the largest private foundation of the region. I think we've realized that and embrace more of a regional civic— more of a civic leadership role.37

This is an important turn for the city's largest local foundation but evidence from the previous decade suggests otherwise.

Philadelphia foundations, specifically the William Penn Foundation, refuse to be directed by the local political context and critical city needs. Rather than drive an agenda, the foundations make their investments in alignment with their board leadership. Their agendas are aligned with political leadership insofar as it
expands their mission. For examples, the majority of their planning practice work largely revolves are public space, environment, and arts and culture. Evidence of their reluctance to be drafted into city-led projects and economic development schemes such as downtown development or neighborhood community development on a large scale demonstrates this hesitation. Their limited number and assets contribute to this reluctance.

Unlike foundations in Cleveland and Pittsburgh where partnership opportunities existed or were plentiful, the lack of available philanthropic partners constrains the foundation’s ability to influence beyond specific areas it funds. In addition to the William Penn Foundation, approximately 150 smaller local foundations work in areas of urban revitalization. These philanthropic expenditures make up less than half of the total spent on urban revitalization by the William Penn Foundation and national funders.

In lieu of philanthropic partners, the foundation supports strong leaders in the city. The William Penn Foundation supports the projects of strong public and nongovernmental organizations to seed and/or enhance activities and ideas. The foundation enjoyed a productive relationship with Mayor Nutter and invested over $120 million in many of his initiatives, which included the Central Delaware planning process, Greenworks, and the Office of Sustainability. It also supported various public space and planning projects of the Center City District led by Paul Levy, CEO and Chairman of Center City District/Center City Development.
Corporation. Since Center City District began in 1997, foundations contributed nearly 10% of capital project downtown. These outcomes translate to influence though capacity building. However, the foundation remained reluctant to fully embrace a role beyond their areas of interest.

Assessment: New Growth Coalition?

Philadelphia’s foundations have a behind-the-scenes role in the city’s growth coalition, a new role for William Penn Foundation. They fund quietly, preferring to stay out of the spotlight. In spite of their size local foundations, mainly the William Penn Foundation, carved out niche areas for themselves in planning and public space. In doing this, they support local leaders who have remade the growth coalition from its original composition.

Given the vast diversity of actors with equally varied interests in the revitalization of Philadelphia and the lack of place-focused local foundations, the new growth coalition includes an array of local development organizations, anchor institutions and business interests. Example are Center City District/Central Philadelphia Development Corporation, LISC, and The Reinvestment Fund. Together with strong mayoral leadership, these actors mute the philanthropic sector’s potential for leadership in urban revitalization.

Philadelphia does not lack strong leadership in revitalization efforts. Strong mayors such as Michael Nutter and Ed Rendell were able to raise capital
for revitalization efforts. A number of nongovernmental organizations such as assessment based-business improvement districts, anchor institutions, and community based organizations, shape development practice in the city. Foundations enhanced their efforts and provided planning support and “first-in” or gap-filling contributions on some projects. These contributions are important and in many cases satisfy the “but for” criteria when applied to foundations. Meaning that they would not exist but for the support of philanthropy. This only proved to be the case in some areas of revitalization.

Philadelphia foundations do not actively coordinate community development, an area of urban revitalization that foundations have played very important roles in in cities across the country. The community development industry in Philadelphia thrives with the support of national and regional financial institutions along with their affiliate foundations. Rather than take on the work of community development internally or develop and maintain local intermediaries, as foundations in other cities have done, Philadelphia foundations selectively contribute to LISC or some CDCs.

Many Philadelphia foundations do not have an expressly urban-related or place-based mission because their board and directors do not mandate it. As mission driven institutions, foundations remain subject to the ambitions of their governing boards; they are bound by the program areas that are defined for them. This is most apparent in the recent efforts of the local affinity group,
Philotropy Network of Greater Philadelphia, to start a local place-based funders group. The dominant focus of local foundations beyond green space is education. In a survey of regional foundation, Philanthropy Network found that in 2013, respondents granted $221 million in the Philadelphia region. Funders directed 30% or $67 million toward education. The next largest category was arts and culture, which garnered 22% or $49 million in philanthropic expenditure.

Conclusion

In many ways, place-based philanthropy originated in Philadelphia. Following his death in 1790, Benjamin Franklin left his fortune as a bequest to be used in Philadelphia and Boston for 200 years. Stephen Girard (1750-1831), local financier who was also at one time the wealthiest man in the country, left the entirety of his fortune to cultural and municipal organization in Philadelphia and New Orleans. In Philadelphia, he expressly designated money to be used for road improvements after being run over by a horse-drawn carriage. In the twenty-first century, Philadelphia foundations represent the distinctive interests of their founders.

While these interests generate investment in certain areas of urban life, they do not coalesce around a concentrated strategy for urban revitalization. The foundations themselves are reluctant to embrace the responsibility for creating such a vision. While strong mayors have exerted significant influence over urban
revitalization, the city on the whole lacks an overall strategy for the management of urban change and economic restructuring. The strategy is diffuse through multiple municipal agencies without a designated steward to align interest and resources.

The city is not without local leaders in urban revitalization. In the realm of planning, the work of Harris Steinberg and his team while at PennPraxis garnered widespread support from local foundations, nongovernmental organizations, and public agencies. For downtown public realm, Paul Levy presides over the Center City District and marshals resources from all sources to maintain and implement improvements. The city is carved up into small districts, each with a representative organization. While this approach ensures vibrant public spaces and assured maintenance, the configuration dampens the ambitions that might lead to a city-wide revitalization agenda that foundations and others could work toward.
Figure 7.1 Map of Philadelphia

1 Harris Steinberg, “Returning Philadelphia to design excellence,” Philadelphia Inquirer, November 9, 2003
2 Harris Steinberg, “Returning Philadelphia to design excellence,” Philadelphia Inquirer, November 9, 2003
3 Harris Steinberg, “Creating a Central Vision for the Central Delaware Riverfront,” National Civic Review, Fall 2010, 29
5 Key informant, Penn Praxis, Interview, Philadelphia, 2015, name withheld:
Caroline Adams et al 1991
Caroline Adams et al...
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The Philadelphia Foundation website, https://www.philafound.org/
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Marris and Rein, “Dilemmas of Social Reform” 1982
Ibid.
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Key Informant, Local Initiatives Support Corporation, Phone Interview, 2015, Name withheld
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Former staff. The Fund for Philadelphia, Interview, Philadelphia, 2015 Name withheld.
Former staff. The Fund for Philadelphia, Interview, Philadelphia, 2015 Name withheld.
Ibid.
Program Officer, William Penn Foundation, Interview, Philadelphia, 2015
Carol Colletta, Philadelphia Association of Community Development Corporations convening, Federal Reserve Bank, 2014
Dimension of Funding in Legacy Cities Database, 2015 See also: Center City District, State of Center City Report, Section 110, (2015) p8
Dimension of Funding in Legacy Cities Database, 2015 See also: Center City District, State of Center City Report, Section 110, (2015) p8
Ibid.
Program officers, William Penn Foundation, Interview, Philadelphia, 2015, Name withheld

Dimensions of Philanthropy in Legacy Cities data base, 2015


Chapter 8—Conclusions

In pursuing two queries about urban revitalization in Legacy Cities, whether high levels of local philanthropic expenditures would result in high levels of influence over local urban revitalization practice and whether in these circumstances, foundation leaders would reshape the leadership patterns of the growth coalition, this study examined the amount, character, recipients, role and outcomes of nation-wide and local foundation giving. To explore the phenomenon nationwide, it analyzed foundation contributions in 50 Legacy Cities. To detail the local conditions, it developed case studies of Cleveland, Pittsburgh and Philadelphia. This foundational research provides the basis for answering the two queries mentioned above.

Amount of Philanthropic Expenditure in Legacy Cities

Between 2003 and 2012, U.S. philanthropic foundations committed $6.3 billion for urban revitalization in a representative sample of Legacy Cities. This sum was greater than the direct national government allocation (the Community Development Block Grant [CDBG]) of $5.9 billion for the same purpose in the same places during the same period. This pattern held true for the case study cities, where philanthropic funding exceeded CDGB grants by 47% (Cleveland), 75% (Pittsburgh) and 13% (Philadelphia).

Notably, funding urban revitalization is not a major focus of all Legacy City philanthropic foundations but is concentrated in only a few. Of the 12,981
foundations that exist in the sample cities, only 4,050 (31%) engaged in the area. Of these, twenty-five contributed $3.3 billion (52%) of all giving and the other 4,025 foundations contributed the remaining $3 billion (48%) of that total. Here, large local foundations\(^1\) dominated in terms of numbers (56%) and giving ($1.7 billion or 52%), focusing the funding on their home cities due to a sense of locational loyalty. National foundations also engaged in urban revitalization dictated by their institutional missions. While some have an allegiance to the city in which they are located, their grantmaking is not relegated to that specific place. Finally, corporate foundations provide limited support to urban revitalization.

As in the national study, large local foundations dominated urban revitalization grant making in Cleveland and Pittsburgh. In Cleveland, 84% of grants made for urban revitalization came from local foundations. The Cleveland Foundation, a large community foundation, led the charge with over a hundred years of engagement in city affairs. A relative newcomer, the Gund Foundation, led projects that had a more environmental focus. These two often as partnered on many of the same projects, particularly those that involved large capital contributions or capacity building. The Gund and the Cleveland Foundations were also supported by the consortium of smaller foundations that followed a collective impact model\(^2\) to leverage investment for economic development.
In Pittsburgh, local foundations accounted for 90% of grants made for urban revitalization. Large local foundations, the Heinz Endowments and Richard K. Mellon Foundation also led philanthropic efforts. They were surrounded by a number of smaller local foundations. They established partnerships with each other through organizations such as the Pittsburgh Cultural Trust and projects such as the Almono neighborhood development project which includes multiple philanthropic investors. With the highest concentration of philanthropic foundations in the country (1,739), the number of foundations involved in the city’s revitalization effort is comparatively small.

Local foundations in Philadelphia accounted for only 45% of the grants made for urban revitalization. In Philadelphia, the William Penn Foundation is the city’s sole large local funder and accounted for 28% of grants made for urban revitalization. The William Penn Foundation works through a variety of non-governmental local leaders and organizations. The James S. and John L. Knight Foundation, a national foundation, operates locally as well. Both foundations support the same projects but not through a partnership model. The lack of peer foundations, those of similar size and focus, makes collaboration within the sector difficult.
Character of Giving

Under the rubric of urban revitalization,Legacy City foundations expended 55% of the total on community development, 18% on supporting government, 12% on economic development and 15% on other categories. Within these categories, they funded three types of activities: physical upgrading, economic development, and capacity building. Grants for physical development funded housing rehabilitation and construction, waterfront redevelopment, and parks and public space improvements. Grants for economic development funded workforce training programs, public education, employer attraction initiatives and entrepreneurial investment strategies. Capacity building grants provided recipients with operating support, program development, planning and research.

As the case studies demonstrate, in many instances, the philanthropic contributions contributed to the financial feasibility of selected projects, stimulated local development in the absence of market investments and/or created the professional and political climate for the long term planning that undergirds physical and economic advances.

Further, the case studies revealed that amounts dedicated to the grant categories that defined urban revitalization varied from the national norm, reflecting the differing priorities in the three cities. In Cleveland more than 70% of the grants were for community development. Grants made to government made up the second largest category at 12%. The breakdown in Philadelphia
most closely mirrored the national scan with 55% of grants going toward community development, 18% for government and 12% for economic development. In Pittsburgh, the largest share of grants went toward community development with 46% but rather than government, grants for economic development ranked second at 21% of the overall grant total. This demonstrates a prioritization of economic development related activities and recipients in the city.

**Recipients of Foundation Funding**

Foundations supported a variety of stakeholder groups who differed in function, size and sector. The recipients fell into three categories: (1) intermediaries/community development financial institutions (CDFIs)/re-granting organizations; (2) local development corporations; and (3) local governments and public agencies. Both national and local foundations supported the first category: intermediaries, CDFIs and re-granting organizations. As an example, national foundations funded the Local Initiatives Support Corporation and the Opportunity Finance Network while local foundations supported The Reinvestment Fund (TRF), Cleveland Neighborhood Progress and the Southeastern Michigan Community Foundation. These funded organizations leverage financial contributions from a number of sources and re-grant or loan to fund development. For the second category, foundations awarded grants to local
development organizations. This group included community development organization such as CDCs, local development organizations such as the Detroit Riverfront Conservancy, and quasi-public organizations such as business improvement districts. Third, specific public agencies and local governments received grants.

The case studies reveal that local philanthropic foundations not only contribute to existing organizations in each of these categories but also as create new ones. For example, they established local intermediaries and development organizations in both Cleveland and Pittsburgh. In all three cities, local foundations supported public agencies to increase planning capacity.

Grant recipients in each city fell into the categories defined in the national scan. In Cleveland the intermediary category was dominated by grants to the local foundation-created intermediary, Cleveland Neighborhood Progress ($50.5 million) and its affiliated CDFI, Village Capital ($6.3). The intermediary operates programs in physical upgrading as well as capacity building for CDCs. In the local development organization category, University Circle, Inc. ($13.8 million) as well as the Downtown Cleveland Alliance ($6.5 million), a business improvement district, received grants. These grants went toward operating support and program development. This category also included smaller community based organizations as well as community development corporations. They use grant monies to fund operations and program support as well as some physical
upgrading. In the government category, local foundations support the City of Cleveland ($2.1 million) directly as well as the Cleveland MetroParks System ($1.3 million) with grants for program development.

The recipients and uses of grants for urban revitalization in Pittsburgh fall into the same categorizations. The intermediary group Pittsburgh Partnership for Neighborhood Development ($17.8 million), now Neighborhood Allies, is one of the largest grant recipients. It used grant monies for capacity building for neighborhood CDCs. The local LISC affiliate received $2.8 million in funding from local foundations. It supports local efforts with funds for program development and capacity building. In the local development category, the Pittsburgh Cultural Trust ($41.5 million) is the largest grant recipient. The Trust use these grants to maintain the cultural district and its operations. The Allegheny Conference for Community Development received $25 million for operating and program support. Also in this category, the East Liberty Development Initiative received $4.5 million. These funds went toward capital projects and development along with operating support. In the government grants category, recipients included the City of Pittsburgh ($9.4 million) and the Carnegie Library of Pittsburgh Life Sciences Greenhouses ($20.4 million). These grants were almost entirely for capacity building such as operating support and program development.

As the home to national and regional community development financial institutions (CDFIs) such as Opportunity Finance Network ($37.1 million), LISC
($5 million) and Reinvestment Fund ($48.4 million), Philadelphia’s intermediary recipients received funding from mostly national foundations. These contributions are leverages against other financial sources. Local foundations contribute to these organizations as smaller scales for costs associated with capacity building such as research and evaluation. Organizational recipients in Philadelphia also included local development associations such as the Delaware River Waterfront Corporation ($11.7 million) and business improvement districts like Center City District ($6.8 million). Funds given to these organizations went toward physical upgrading and improvements. Community development organization recipients included the People’s Emergency Center ($2.4 million), a CDC that works in West Philadelphia, and PennPraxis ($7.8 million). These grants fell into the capacity building category as they funded operations and program development.

The Fund for the City of Philadelphia ($6.4 million) and the Delaware Valley Regional Planning Commission (DVRPC) ($13.9 million) received grants under the government category. Grants to the Fund for Philadelphia supported capacity building measures while grants to DVRPC funded some capacity building in the form of planning but also physical upgrading.

The Role of Philanthropic Expenditures

In each city, philanthropic expenditure exceeded local CDBG allocations. Yet, this philanthropic capital did not replace public monies, but supplemented government monies and/or filled gaps in the provision of public services such as
planning. Other grants supported the development and maintenance of parks
and public spaces in all three cities. Foundations supplemented the gaps in
public financing and capacity to provide “public services.” Not only did
foundations in these cities fund public services themselves, but they also
provided the resources to increase the capacity of local government for important
functions such as planning.

**Outcomes of Foundation Funding**

Grants from local foundations led to some positive urban revitalization
outcomes. For the most part, foundations in each city employed some
combination of traditional planning solutions to revitalize urban areas. These
methods led to the redevelopment of waterfronts, investments in
entrepreneurship, city plans and new offices of long-term sustainability.
Foundations mostly took part in place-based development and capacity for
planning and management. Table 8.1 illustrates the extensive strategies
foundations use toward urban revitalization.

Foundations rarely operate alone to implement these strategies but
through local institutions. Yet, many of the projects on this list would not be
possible were it not for the investment of the foundations. For example, bike
share proof of concept or research leading to implementation in each city would
not have been possible without foundation support. Waterfront development provides another example of this phenomenon in all three cities.

**Table 8.1— Revitalization Outcomes in Case Study Cities**

<table>
<thead>
<tr>
<th></th>
<th>Cleveland</th>
<th>Pittsburgh</th>
<th>Philadelphia</th>
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<tbody>
<tr>
<td><strong>Physical Upgrading</strong></td>
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</tr>
<tr>
<td>Downtown Development</td>
<td>Yes- Erieview, Playhouse Square</td>
<td>Yes- Golden Triangle, Cultural District</td>
<td>Yes- Ave of the Arts</td>
</tr>
<tr>
<td>Neighborhood Development</td>
<td>Yes- Hough-Greater Cleveland Area Foundation</td>
<td>Yes- Hazelwood, East Liberty, Northside, Chatham Village</td>
<td></td>
</tr>
<tr>
<td>Anchor Institutions</td>
<td>Yes- University Circle, Inc.</td>
<td>Yes- cultural institutions and sports stadiums</td>
<td>No</td>
</tr>
<tr>
<td>Placemaking</td>
<td>Yes- University Circle, Inc. Public Square</td>
<td>Yes- Riverfronts, Market square</td>
<td>Yes- Dilworth Park, Schuylkill River trail</td>
</tr>
<tr>
<td>Bike Share</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Waterfront Development</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
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<tr>
<td><strong>Socioeconomic Programs</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Economic Development</td>
<td>Yes- TEAM NEO and Fund for Economic Future</td>
<td>YES- Innovation Works, Allegheny Conference</td>
<td>No- most funding comes from national funders</td>
</tr>
<tr>
<td>Workforce Development</td>
<td>Yes- Evergreen Cooperatives</td>
<td>Yes- see above</td>
<td>No</td>
</tr>
<tr>
<td>Emphasize Wealth-Building for Residents?</td>
<td>Yes- See above</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td><strong>Capacity Building</strong></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Planning</td>
<td>Yes- City of Cleveland, Cleveland Tomorrow</td>
<td>YES- P4- Pittsburgh</td>
<td>Yes- PennPraxis, Greenworks, Philadelphia 2035</td>
</tr>
<tr>
<td>Local Community Development Intermediary</td>
<td>Yes- Cleveland Neighborhood Progress</td>
<td>Yes- Neighborhood Allies</td>
<td>Yes- The Reinvestment Fund (regional CDFI)</td>
</tr>
</tbody>
</table>
While the scope of projects on the list is extensive, it is important to recognize one major limitation of foundation influence in urban revitalization: foundations can do little if anything to change the underlying causes of decline. They cannot change tax policy or enact reform. They are bound by the limits of the influence they wield and their one major mechanism for action, grant making. That being said, that limitation does not prevent them for acting on their own to generate results at the local level.

**Answering the Queries**

This study uncovered the foundations involved in urban revitalization, the levels of grant making they provided and the characteristics of that support in a national sample and in individual case studies of Legacy Cities. These results inform an analysis of the two propositions that guided this work. First, high levels of local philanthropic expenditures would result in high levels of influence over urban revitalization practice. This proved to be the case in both Cleveland and Pittsburgh, where high levels of local philanthropy did result in philanthropic organizations taking a leadership role in urban revitalization. The opposite proved to be true in Philadelphia, where lower levels of local philanthropic expenditure resulted in lower levels of influence in the urban revitalization process.
Foundations’ ability to influence urban revitalization relies on long standing reputation and expertise that validated their authority and involvement. Local foundations in each city used the experience and the internal expertise of program staff to authenticate their activities. Their longstanding positions in these places further substantiated the actions they took to further urban revitalization. Together, these three attributes, esteemed reputation, prolonged engagement and reliable experts, enabled them to take action. In the absence of organizations working in areas they considered necessary to revitalization, foundations launched projects and programs themselves.
While these independent projects do raise questions about the accountability of foundations, they also serve as indicators of influence. The ability of local foundations to test new or innovative solutions and implement them is an example of their influence. Foundations in all three cities created their own projects. This happened more often in Cleveland and Pittsburgh than in Philadelphia. Often these projects required a large amount of resources that were beyond the scope of local government and other NPOs. Of course, the presence or absence of local leaders contributed to or constrained the ability of local foundations to act.

The second proposition guiding this research addressed the state of leadership in the city. It posited that various levels local leadership (political, business, or non-governmental leaders) would limit or encourage philanthropy’s influence and participation in urban revitalization, thus remaking the growth coalition in cases where leadership was low and influence was high. The findings here are mixed.
In Cleveland, the proposition proved to be accurate. Low levels of local leadership resulted in high levels of philanthropic influence. The Cleveland Foundation and the Gund Foundation definitely drive urban revitalization and play leadership roles in the growth coalition.

However, in Pittsburgh, the relationship between low local leadership and high philanthropic influence is not as linear as in Cleveland. Local foundations always played a collaborative role in the growth coalition. Local leadership is strong due to the presence of the Allegheny Conference for Community Development (ACCD) on the non-governmental and business side. Both the wide...
reaching power of the Urban Redevelopment Authority and finally and a history of strong mayoral leadership also contribute on the public sector side. Yet, ACCD’s pivot from local to regional issues provided an opening for local foundations in Pittsburgh to increase their influence over revitalization.

The reciprocal proposition proved true in Philadelphia. High levels of local leadership in the non-governmental and public sectors translated to lower levels of influence from foundations. However, other factors may account for this lack of influence more directly, such as the absence of foundations involved in urban revitalization overall and the failure of foundations’ agenda setters to prioritize urban revitalization.

**New Growth Coalition?**

This dissertation’s evidence indicates that local foundations assume leadership roles in the growth coalition under certain conditions. In some instances foundations were active participants from the start, while others have become more active in the recent decade. Their roles evolved from supporting actors to leaders in urban revitalization in the wake of less public resources and private interests.

The Cleveland Foundation participated in a number of urban-centered development projects. It provided capital for downtown development and seeded a whole industry of neighborhood development. What has changed in Cleveland
from the foundations’ pilot funding for Cleveland Tomorrow until now is that the foundation went from a supporting role to a leading member of that growth coalition. The more accurate configuration of that growth coalition is the foundation, the anchor institutions, some local businesses, and local politicians. These last two actors are quite weak and the anchor institutions prove to be narrow in their reach beyond the one square mile of University City they occupy.

In Pittsburgh, foundations participated in the growth coalition early on through their membership in and support of the Allegheny Conference on Community Development (ACCD). That growth coalition remains largely intact decades later. Foundations in Pittsburgh are recent additions to the city’s institutional ecology; most were established in the post-war era. Few have the resources to take on leadership roles independently but they often act together and leverage their resources with one another. When the ACCD changed its strategy from downtown-style development, local leadership in Pittsburgh remained strong, especially in the public sector through the Urban Redevelopment Authority (URA). Combined with strong mayoral leadership and unerring commitment by all to prioritize the city’s image, it is safe to say the growth coalition remains intact in Pittsburgh. However, the roles have shifted. The retreat of ACCD provided an opening and the Heinz Endowment boldly stepped into the leadership role, joined by the Richard K. Mellon Foundation. The
evidence to this effect can be seen in the individual projects foundations have taken on and their influence in the current mayoral administration.

Traditional actors in Philadelphia’s growth coalition did not retreat to the same extent they in Cleveland. Many of the growth coalition’s actors moved to the suburbs but remain engaged in the city.\(^6\) The shape of the growth coalition now includes many quasi-public and non-governmental organizations. However, the local leadership endures. The William Penn Foundation, while influential in its areas of interest and indirectly in urban revitalization, does not seem interested in taking a leadership role. However, Philadelphia did not depopulate at the same level (-27%) as Cleveland (-54%) and Pittsburgh (-56%). Population stabilized in 2006 and is slowly increasing. As the fifth largest city in the country, in the shadow of the largest city (New York City), it is possible that Philadelphia’s growth coalition, a diverse array of interests, has been remade without foundation assistance.

**Future Research**

A desire to understand the role philanthropic foundations play in the revitalization of Legacy Cities motivated this study. The approaches used in this analysis revealed patterns of activity and demonstrated levels of influence. While this work reveals foundations as key players in the growth coalitions of Legacy
Cities, much remains unknown about the wider constellation of cities and foundations these cases.

This work focused on local foundations working in a particular city. National foundations provide significant resources in support of urban revitalization. There is a need for a qualitative study of national funders who work in multiple cities. Such a study would provide a better understanding of national funders’ motivations and strategies to fund urban revitalization, more specifically community and economic development.

Qualitative analysis of what foundations do and do not fund would expand the level of analysis. Current research on philanthropy analyzes foundation efforts through positive responses as measured by grants approved and awarded. It would be worth understanding how selection processes shaped outcomes and what particular approaches or organizations do not get funded.

1 See Chapter 4, Table 4.1 for typology of foundations by assets and mission
2 Kramer and Kania lay out a model for foundations known as collective impact in which a “backbone organization” administers the collective funding efforts toward a stated goal whether it be a specific program or types of grantmaking see John Kramer and John Kania, “Collective Impact,” Social Innovation Review, Winter 2011
3 For the purposes of this study, grants for urban revitalization include grants made for community development, economic development, government support, housing, parks and recreation, environmental and historic preservation. These categories are determined by the Foundation Center and reported by the foundations.
4 The other categories include grants made for environment, historic preservation, housing, and recreation and parks.
5 While beyond the scope of this study it is important to note that in each of these cities, the largest recipients in the “government” category of grantmaking were local public school districts.

6 For a discussion of the suburban influence over development in Philadelphia see Caroline Adams, *From the Outside In*. Cornell Press 2014
APPENDIX

Appendix a—List of Legacy Cities

<table>
<thead>
<tr>
<th>Legacy City</th>
<th>State</th>
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<tbody>
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<td>Akron, OH</td>
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<td>Albany, NY</td>
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<td>Baltimore, MD</td>
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<td>Birmingham, AL</td>
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<td>Buffalo, NY</td>
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<td>Camden, NJ</td>
<td>NJ</td>
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<td>Canton, OH</td>
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<td>Charleston, WV</td>
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<td>Chicago, IL</td>
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<td>Cincinnati, OH</td>
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<td>Cleveland, OH</td>
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<td>Dayton, OH</td>
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<td>Detroit, MI</td>
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<td>Erie, PA</td>
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<td>Youngstown, OH</td>
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Appendix B—List of Organizations Represented in Interviews

Cleveland
The Cleveland Foundation
The George Gund Foundation
Greater Cleveland Partnership
University Circle, Inc.
Cleveland Neighborhood Progress
Cleveland Housing Network
The Fund for Our Economic Future
Cleveland State University
Case Western University
The Office of Mayor Frank G. Jackson
Center for Planning and Community Development, Cleveland State University
Green City Blue Lake
Northeast Ohio Areawide Coordinating Agency

Pittsburgh
The Heinz Endowments
The McCune Foundation
The Buhl Foundation
Urban Redevelopment Authority
Neighborhood Allies
Pittsburgh Downtown Partnership
East Liberty Development Initiative
Allegheny Conference on Community Development

Philadelphia
Fund for Philadelphia
Philanthropy Network of Greater Philadelphia
The Reinvestment Fund
Philadelphia Redevelopment Authority
The William Penn Foundation
Wells Fargo Regional Foundation
University of Pennsylvania
Temple University
Mayor’s Office of Sustainability
Local Initiative Support Corporation
City Planning Commission

National
Surdna Foundation
Kresge Foundation
Southeast Michigan Regional Community Foundation
Ford Foundation
City of Detroit
Midtown Detroit
Wayne State University
American Planning Association
Living Cities
The Funder’s Network for Older Industrial Communities
The Council on Foundations
Greater New Orleans Foundation
National Community Development Consultants
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