THE KRESGE FOUNDATION
Expanding opportunities in America's cities

Speech by Rip Rapson:

A Decade of Change: Where Does It Leave the Smart-Growth Movement? Where Does It Leave Detroit?

The Funders' Network for Smart Growth and Livable Communities.

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Good afternoon. It is a great pleasure to have you in Detroit. Welcome.

I last spoke to the network at your 2003 conference in Minneapolis-St. Paul. It was a time of remarkable ascendency for the smart-growth movement in the Twin Cities. A conference workshop with Peter Calthorpe foreshadowed Peter's leading the Twin Cities through the creation of a new regional blueprint for long-term growth. We heard from Ted Mondale, the head of the Metropolitan Council, who would soon orchestrate the first spoke of the region's light-rail system. And I described the extraordinary advocacy, organizing and policy infrastructure to which the McKnight Foundation had given birth.

Some eight years later, we find ourselves in a very different city at a very different time with a very different approach to regional equity and growth.

One of the great philosophers of the twentieth century – Woody Allen – remarked many years ago: "More than any other time in history, mankind faces a crossroads. One path leads to despair and utter hopelessness. The other, to total extinction. Let us pray we have the wisdom to choose correctly."[1]

There are those who would argue that this captures perfectly Detroit's current dilemma. It is very difficult to read national media accounts about Detroit without coming away with the impression that there are no realistic options for a once-grand city, leveled as it has been by forces both of its own making and out of its control.

There are truths in these accounts, which you will see if you have the chance to explore the community

while you are here. Amid the challenges you will also witness the opportunity for equally momentous potential transformation. It is my ardent belief that Detroit is slowly putting in place the building blocks to recast the arc of aspiration for this proud and resilient city and, by extension, for other once-great industrial centers of mid-America.

So I'd like to do a couple of things this afternoon.

- First, I'll offer some observations about how the environment surrounding our collective work in smart growth has changed,
- Second, I'll discuss how those changes have affected the trajectory of how philanthropy works in a place like Detroit, and
- Third, I'll describe how that plays out in the reimagining of form and function of Detroit's land.

I. Five Changes in the Philanthropic Environment

It's difficult to fully comprehend the changes that have ricocheted through our social, political and economic systems since we met in Minneapolis. Entire neighborhoods painstakingly built up layer by layer over decades through community sweat and treasure devastated by the mortgage crisis' cancer of greed and overreach. The crystallization, and politicalization, of the science undergirding climate change. Accelerating income polarization jeopardizing the tenets of opportunity at the heart of our nation's democratic heritage. A dizzying pace of technological advance that challenges long-held cultural assumptions about how people relate to one another. A public sector frozen in its tracks by dwindling tax receipts, eroding pension funds and the specter of bond defaults.

The cumulative impact of these changes nests our work in a completely different ecology, carrying momentous implications for philanthropy's role in promoting the institutions, values, and practices of smart growth and livable communities. Let me touch on five of those.

Change 1: The urban core has become the pivot point.

The first by-product of these changes is philanthropy's deeper recognition that our collective work increasingly pivots on the urban core.

At the 2003 conference, I remarked that heightened levels of public concern about lost wildlife habitat, cars stuck in traffic and septic tank failures had opened new opportunities for the McKnight Foundation to apply its energies to areas where sprawl was advancing. But I also noted the countervailing apprehension that any rebalancing of McKnight's then-new regional emphasis might marginalize inner cities.

Those fears proved unfounded. We knew then, and understand even more deeply today, that sprawl could not be managed simply by an outside game of controlling growth at the edge.[2] It also demanded an inside game that capitalized on the already-built environment of vibrant inner-city neighborhoods.

That recognition has been underscored by the eroding power of the market forces driving sprawl – a combination of the distinctly unappetizing prospect of commuting from isolated, over-leveraged exurban housing on $4-a-gallon gasoline and the distinct preferences of a 20-something generation to gravitate toward the transportation, entertainment, cultural and social amenities of resurgent central cities.

The primacy of an inner-city agenda has, in turn, refocused philanthropy on the plight of low-income or "weak market" communities – an equity-centered regionalism, anchored in social justice.[3]

And if we are to believe Bruce Katz – and I, for one, have made that an inviolable imperative of my professional life – the ability of older industrial cities to reposition themselves as central drivers of a knowledge-driven export economy will be the key-to-the-castle of 21st-century global competitiveness.

But that is a tricky piece of business. On one hand, philanthropy has to be concerned about building meaningful on-ramps for low-income people to participate in the high-road economy that Bruce – and the Obama administration – envisions. On the other hand, philanthropy must also help generate opportunity pathways to less-glitzy tributaries of the economic mainstream – neighborhood service businesses, not just nanotechnology startups; mom and pop retail, not just medical-device research labs; smaller-scale manufacturing, not just the next generation of photo-voltaic assembly centers.

Change 2: Environmental stewardship has been fundamentally reframed.

The second change in philanthropy's role involves the irrevocable shift in the vocabulary and practice of environmental stewardship. The need to intensify and accelerate strategies that address climate change has recast not just environmentalism, but urbanism.

Nowhere is that more clear than in Peter Calthorpe's most recent book, “Urbanism in an Age of Climate Change.” Calthorpe argues for the clear economic and environmental superiority of compact, energy-efficient settlement patterns over profligate, sprawled land use.[4]

And that is, of course, exactly what Shelley Poticha will remind us in a few minutes when she describes the enlightened efforts she and the administration are making to define sustainable communities. They are deftly encouraging the interlacing of regional transportation, urban development and environmental policy to create a diversity of uses in close proximity connected by public transit and walkable intervals.

This is a sea change. And it is one that, to its great credit, the network saw coming very early on. The philanthropic challenge now is to reframe the environmental imperative in human and urban-policy terms. We must ask: What are the implications of a green economy for neighborhoods bereft of living-wage jobs? How can we create new platforms to finance multifamily retrofitting that will reduce the utility bills in low-income neighborhoods? How do we move beyond shelter to green and healthy homes in low-income communities, and beyond green and healthy homes to green and healthy neighborhoods? How can we protect inner-city neighborhoods from becoming perilous heat islands?

Change 3: Philanthropy has developed an increased fluency with a range of financial tools.

The third change shaping the way foundations operate is our increasing fluency with a spectrum of financial tools.

As a sector, we are exploring new ways of making grants and of investing beyond grants – whether through the Edna McConnell Clark Foundation's model of aggregating and syndicating capital for the growth of high performing nonprofits or through the Annie E. Casey Foundation's use of private placement bonds, loan guarantees or mission-related bank deposits to leverage capital from other sectors to rebuild East Baltimore.[5]

And our comfort with for-profit markets is beginning to emerge. Philanthropy has always possessed strains of an investor mentality. Because so much of our work is, by definition, focused on places or ideas where the market is lethargic, uninterested or hostile, we have sought to substitute for that market. But markets are, ultimately, too powerful to work around, and foundations can be countercyclical for only so long.

We accordingly have had to become smarter about how to bring the markets back to the places we care

about – about harnessing market-based solutions capable of creating an updraft for the kind of public benefits philanthropy seeks to generate. Priming them through demonstration projects. Knocking down barriers that impede nonprofit access to capital flows. Identifying capital shortfalls that could be ameliorated by a novel financing product.

We have, similarly, underwritten the kind of research that can change the empirical basis for private-sector decision-making. Think of Bob Weissbourd at RW Ventures, who focuses on the kind of investments suitable to particular neighborhood typologies. Or Jeremy Nowak at the Reinvestment Fund, who has recently supported access to fresh foods through investments in inner-city supermarkets. Or Social Compact, which compiles consumer data demonstrating that robust spending and viable markets exist in those very places that national commercial chains have relegated to convenience-store economies. We have turned as well to firms like Bridgespan, McKinsey or Bain to help translate business concepts to the nonprofit and philanthropic worlds in a wide range of settings.

The result has been a burgeoning of good models. But good models tend to stay local without a strong push from entities like the Funders' Network to transplant them to receptive soil in other places.[6]

Change 4: New forms of social connection are proliferating.

The fourth change in our surround is the proliferation of technologies supporting information and connection. The unfathomable speed, density and scope of information sharing not only propel regime change in Egypt and Tunisia, but also reset the philanthropic thermostat. It dials up our obligation and opportunity to be transparent. It places tools of infinitely greater subtlety and adaptability in the hands of grantees for their varied purposes – whether improved direct service, expanded field networks, deepened community engagement or augmented advocacy. And it invites new platforms on which philanthropy can engage ideas across disciplines, across sectors and within our field.

As much as I hug onto my Luddite tendencies – I still don't tweet, flick, ping or peck – I have to admire the gloriously disruptive possibilities of this new world. We need, however, to keep in clear view that because these technologies are in their relative infancy, many of the crucial rules of the road are not yet in place.

We are, for example, leaving an age of centralized broadcast in which people received information on a common platform – whether television, newspapers or radio – and entering an age when people take only the information they want, when they want it, in the form they want it.[7] Witness the Fox network – or *The*

Huffington Post for that matter: media outlets customizing their content to cater to their customers. Not an entirely new development. And yet it is increasingly a form of democracy that is uncurated – a form of democracy that is no longer erected on a shared public-information architecture.

It's not entirely clear how this decentralized information matrix will map back onto our collective work on smart growth. At the very least it suggests, for the "Wrinkle in Time" devotees among you, a 21st-century version of the tesseract – a foreshortening of the travel time between ideas and action. It definitely has something to say about the methods we use to get people to pay attention to tough issues. It bears on how we organize and mobilize to tackle those issues. It influences how informal, impermanent networks can push up against large institutions.

And it certainly underscores the heightened importance of cities. In his new book, "Triumph of the City," Edward Glaeser makes exactly this argument – cities, he says, magnify people's strengths because ideas and joint activity disperse more quickly and root more powerfully in dense environments where people are thinking and acting in proximity.[8] Add information technologies into that mix and you have an accelerant of profound potency.

Change 5: Collective impact increasingly defines our approach to problem-solving.

The fifth, and final, change in our environment I want to mention is the centrality of collective action to how we lean into society's truly wicked problems.

Equity, climate change, new financial tools, proliferating information flows – all of the issues we've scrolled through – present a constellation of challenges so densely packed, intertwined and complex that the solutions must be systematic, not atomistic; dynamic, not rigid; nuanced, not ideological; long term, not episodic; participatory, not hierarchical.[9]

These are classically "adaptive problems." The answers are unknown. No single organization can address them. And the response will require a change in beliefs, priorities and behavior.[10]

In a recent article in the *Stanford Social Innovation Review*, Mark Kramer and John Kania argue that philanthropy is increasingly capable of adaptive problem-solving. They reason that the only way to unlock impenetrable social problems is to coalesce a group of independent actors from different sectors around a common agenda capable of marshaling shared resources.[11]

A good job description for the public sector, one would think. The problem is that in too many cities and towns in America, the public sector no longer has the capacity to do it. Too few resources, too little vision, too limited a skill set.

When that capacity is so significantly compromised, the basic civic calculus falls apart. Foundations then have no choice but to step forward. Not that we can substitute for a committed public sector, no matter its shortcomings, because we certainly can't. What we can do is spur the kind of collective action Kramer and Kania describe. By deeply committing to a place over a long period of time, we can help identify an aspirational horizon line and assist in drawing together cross-disciplinary, cross-sector energies to engage and invest selectively in those activities that will drive progress toward that horizon.

So that brings me to Detroit, where these issues are playing out as we speak.

II. The Effects of These Changes in the City of Detroit

Yogi Berra once observed, "Even Napoleon had his Watergate." Now I'm not exactly sure what that means, but I'm inclined to think that it probably serves as a warning of sorts to philanthropy working in Detroit – proceed at your own risk.

We have and we will. Not just Kresge, but an extraordinary collection of both Detroit foundations and foundations with a national scope.[12] But the magnitude and intractability of Detroit's challenges have demanded that we think hard about the basic tenets of our work.

The first realization that our community has come to – and by community, I mean not just philanthropy but also the public sector, the business sector and a great many citizens – is that incrementalism is no longer an option. A consensus is increasingly apparent that Detroit must be, and will be, retooled in all dimensions. This is reflected in Mayor Bing's agenda of reform – from putting the city's financial house in order to pursuing radically different concepts of the city's physical form, from ending the maddeningly divisive and dysfunctional politics that have so characterized our city's recent history to ushering in new approaches to educating our children.[13]

The second realization we have come to is that philanthropy has to assume a new leadership role, far different from and more difficult than the role it has played in the past.

The business sector has tended to marginalize philanthropy as a mushy-minded collection of charitable do-gooders working at the margins of real economic activity. The nonprofit sector can't understand why philanthropy would seek to do anything that would deflect resources away from the social safety net. The public sector can at times feel resentful because we have treaded onto the public turf without the attendant accountabilities and legitimacy.

And add to all of this our own powerful predisposition to believe that we lead best when we lead from behind, preserving our mantle of neutrality and avoiding stirring up a fuss. As Adlai Stevenson once observed, "It's hard to lead a cavalry charge if you think you look funny on a horse."

We've had to work hard in Detroit to convince ourselves that philanthropy doesn't look so funny on a horse. Let me describe how stepping into five philanthropic roles has helped us along.

Role 1: Setting the Table

The first role philanthropy has played in Detroit is to help reset the civic vision.

Civic vision, in the wrong semantic hands, is laden with connotations of lofty impracticality. But the absence of shared community vision in Detroit has been the defining problem of our community. It crashes into daily life in the most tangible and harmful ways – immobilizing investors, making it impossible for public officials to describe coherently their intentions to improve community life, befuddling a federal administration that genuinely wants to help.

About a year ago, it struck us that there was, in fact, an emerging coherence to the disparate energies underway in Detroit. I sought to capture those energies in a drawing on a single sheet of paper. It described nine discrete, yet tightly interrelated, bodies of work currently underway in Detroit – from creating transit along Woodward Avenue to promoting entrepreneurialism through the New Economy Initiative; from implementing an anchor institution investment strategy in Midtown to strengthening the city's arts and cultural ecology; from birthing a "green and sustainable city" agenda to aligning neighborhood investments among banks, foundations and public agencies through the Detroit Neighborhood Forum.

Each of the nine "modules" is supported by real investments. Each is being shaped by foundations. Each has the possibility of taking root over the long term. And taken collectively, the nine serve to infuse the Detroit

circumstance with a sense of coherence, discernable direction and a long-term investibility.

Called Re-Imagining Detroit 2020, this framework has largely accomplished its original purpose. It has become a form of common vocabulary. It has crystallized a sense of urgency. It has provided a scaffolding for various actors to build out work plans for each of the nine modules. And it has cemented a close working relationship with Mayor Bing's administration, which has grown increasingly comfortable thinking about the Re-Imagining Detroit framework as an essential complement to the mayor's five articulated priorities.

Role 2: Applying new financial tools

The Re-Imagining Detroit framework is an attempt to describe activity in motion. To animate that activity, philanthropy is playing a second role – applying new financial tools to each of the nine strategies. Let me briefly note three examples:

The first is the aggregation of philanthropic capital in the 10-foundation, $100 million New Economy Initiative.[14] The consortium has concentrated its energies on the creation of an Innovation Cluster in Midtown, which serves as both the hardware and the software for the machinery of entrepreneurialism.[15]

The second example is the pooling of almost $15 million to create the High School Accelerator, a concept developed by the Skillman Foundation to establish 35 new high schools – whether charters, privates or otherwise – over the next six years.[16]

The third example of deploying capital differently is the Living Cities Integration Initiative. The Detroit project, one of five selected Living Cities sites, will combine and integrate almost $25 million of senior debt, program-related investments and grants from Living Cities' member foundations, banks and financial institutions. The project has attracted to Detroit its first national community development financial institution. It has captured the attention of HUD, which will provide technical assistance. And it has enabled the community to seamlessly blend different forms of capital to tie community residents into the transit-oriented development along Woodward Avenue, into the Innovation Cluster entrepreneurial strategy I mentioned earlier, into the Accelerator's school-creation effort and into the anchor institutions' efforts to increase their purchasing from local businesses.[17]

Role 3: Bridging to national resources

The third role Detroit philanthropy is playing is to serve as a bridge to national resources.

Some of those national resources are philanthropic themselves. It is impossible to overstate the importance of the Ford Foundation's commitment to the Re-Imagining Detroit framework. The Kellogg Foundation has targeted Detroit for investments in high school reform and early childhood development. The Knight Foundation has contributed its expertise in community-based communications technology.

A second set of resources emanates from the federal government. Kresge, Ford and Skillman have helped the Obama administration find an on-ramp to Detroit. The president and his colleagues have made clear that they want to be helpful to Detroit's renewal. They have turned to philanthropy to help figure out how. We have contributed to HUD's thinking about how it might provide technical assistance to Detroit's efforts to reprogram federal housing and urban-development dollars. We have met frequently with members of the Domestic Policy Council to discuss the possible design of the Cities in Transition initiative. We are working with the National Endowment for the Arts to develop a set of investments that demonstrate the power of the arts in shaping community development.

And we have created the preconditions for the Department of Transportation to help build a light rail along Woodward Avenue. Just a word about that.

If there was ever an environment that was toxic to public transport and mass transit, it has been the city of Detroit. But about two years ago, Kresge put $35 million on the table for the construction of a streetcar line, conditioned on the private sector matching that commitment and the public sector melding its separate planning activities with the private effort. The line would be the first leg of a regional transportation system that would extend in subsequent phases to the job centers of the northern suburbs and connect to the high-speed rail line coming from Chicago.

At the end of the day, what we will build is a line that won't necessarily reduce high levels of congestion – that's not particularly a problem in Detroit – but a line that will spur a very different Woodward Corridor. New connections among the institutions all up and down the spine. New patterns of land use around the stops. New opportunities to link housing and jobs.

We are close to completing the draft environmental impact statement, so a real-live project is within reach. That would not have been possible without attracting the attention of Ray LaHood, the secretary of transportation, and Peter Rogoff, the federal transit administrator. Believing that Detroit offers a new model of urban transit, they have sent a TIGER grant in our direction, dramatically telescoped the environmental review period and agreed to introduce regulatory flexibility into the Department of Transportation's consideration of the project.

Role 4: Building civic capacity

The fourth role philanthropy is playing in Detroit is to help build civic capacity.

Detroit's scope of ambition outstrips our current ability to deliver. That is less an indictment than an acknowledgement of the unprecedented level of institutional resolve and human ingenuity, skill and persistence that will be necessary to get to where the city wants to go.

This "capacity gap" is in part attributable to a public sector whose employees are being asked to stretch far beyond their job description and their training. But it is traceable in equal measure to a private sector that has gone into a defensive crouch at the very time that the creative application of volunteerism and forward-looking corporate practices is indispensible. And it is also partially a result of a nonprofit sector starved of resources just when the community most needs its boots-on-the-ground determination.

I spoke earlier of an inside game and an outside game. We need a variation on that in this realm as well. Philanthropy has to invest in the inside game of the people who live and work here and who possess the focus and will to engage seemingly intractable problems. We're doing that. We've funded citizen-based planning efforts, provided neighborhoods with micrograms to make community improvements, provided consultants to assess key municipal functions, created a new organization called Data Driven Detroit to provide empirical grounding to reform efforts and continued our support to countless human service, health, environmental, educational, arts and community development organizations.

But we also have to invest in external resources to elevate our game, attracting a new cohort of energetic and well-trained people galvanized by the possibility of daring innovation and enduring change. So we've looked to U3 Ventures of Philadelphia to design and launch the implementation of the anchor institution strategy. To the Institute for a Competitive Inner City and other gifted planning professionals from throughout the world to help shape the early phases of the city's land-use reform process. To Grassroots

Solutions of Minneapolis to help us rethink how we engage community residents in the issues that affect them. To the federal government to liberate the city from its traditional thinking about how to use federal housing dollars.

We will also launch this spring the Detroit Revitalization Fellows, based on the University of Pennsylvania's CUREx Fellows program, which was in turn applied in New Orleans following Katrina. To be housed at Wayne State University, the program will provide stipends and executive development certification to 25 to 30 midcareer professionals in the planning and community-development field – residents and nonresidents alike – who will be assigned to organizations playing a strategic part in the city's revitalization.[18] Thirty people will not change the trajectory of Detroit. But the program promises to catalyze a different chemistry, creating a high-capacity network of emerging leaders that will thicken the membrane of civic capacity.

Capacity is really a shorthand for the energy this community has to tap as it braces itself for, and seeks to respond to, tectonic changes. That can be a resistant energy, hewing to a predisposition to distrust outsiders and a blind determination to go it alone. Or it can be a propelling, vitalizing energy, calling on all those with a passion for the future of the city to come to the table and work in mold of collective impact. I'm convinced that it will be the latter – it has to be.

Role 5: Applying the collective impact construct to land use

The fifth role philanthropy is playing in Detroit picks up on that thread – we are seeking to apply the construct of collective impact to the staggeringly ambitious and challenging task of redefining how land is used in Detroit.

In those vast stretches of abandonment that have reduced significant expanses of the city's geography to Dresden-like scenes of devastation, Detroit has more public open space than any American city – the equivalent of 40 square miles – or the size of San Francisco. Waves of plant closings have vacated hundreds of acres of land at a time and less-than-hardy wood-frame structures have deteriorated like houses of cards, leaving the city with some 40,000 vacant homes or abandoned parcels. It is more space, far more space, than traditional planning and development constructs can handle. More space than a municipality can manage through its normal tendency to spread services in equal portions across its landmass.

In a word, the city's geography dwarfs its governance machinery.[19] Detroit simply has to repurpose its underutilized land in order to survive, stabilize and grow. That's a complex undertaking, riddled with layer

upon layer of difficult choices.

There is the sheer intellectual difficulty – there are a lot of moving parts. There is the magnitude of the resources required – not just financial, but also human. And there is the politics – land use is to local government what Social Security is to the federal government: the third rail that makes quick work of those foolish enough to tempt it.

If we're to make headway in Detroit, we'll need sophisticated leadership to bridge between all the sectors – business, government, nonprofit, academic, faith, citizens – to ensure the infusion of an appropriate breadth of engagement, perspective and buy-in. We'll need to capitalize on the sophistication of Detroit residents who understand the city most intimately. We'll need political cover for elected officials brave enough to assail prevailing assumptions and imbedded inertias. We will need collective action.

That brings me to my final set of remarks – how philanthropy in Detroit is contributing to collective action, specifically in the arena of land use.

III. Reimagining Detroit's Land Use

Philanthropy's first contribution has been to condition its financial support – particularly Kresge and Ford – not on what the future form and function of Detroit's land must be, because we don't know that, but instead on the way the work is to be done. Three elements – technical analysis, community engagement, and short-term project successes – need to be interwoven into a long-term, comprehensive vision and implementation strategy. A quick word about each of these strands.

1. Technical analysis

The first strand, technical analysis, involves a nuanced understanding of the context in which the city's decisions about land will be made. That will require a powerful, data-driven architecture of information and analysis to undergird the process.

How does the city's ecological infrastructure vary from neighborhood to neighborhood? What constraints do utility networks impose in different parts of the city? Where are the pockets of contamination? Where will the next wave of foreclosures occur? Where do the kids live? What are the transportation patterns? And the like.

About a year ago, Kresge took the unusual step of offering to seek out and pay for a world-class urban planner who could assemble a set of teams from both inside and outside of city government capable of answering these questions and presenting scenarios that would serve as the point of departure for conversations with the community. We were incredibly lucky to find one. Her name is Toni Griffin.[20]

Toni and her teams developed a "current state" analysis that animated the launch of the mayor's "Detroit Works" community-engagement process – a half-dozen citizen town halls that attracted thousands of citizens. We are now in conversations with the city about the technical teams' role in the next phase, which will explore scenarios based both on their analyses and input from the community.

2. Community engagement

Philanthropy has taken a particularly hard line about the second strand – putting in motion a robust community-engagement process.

It is easy to make the mistake of thinking that leadership is solely the act of standing up and pronouncing authoritatively, when it may equally be the act of sitting still and listening respectfully.[21] There is a balance to be struck – sharing intricate technical analyses with residents in ways that don't crowd out citizen perspective. Furnishing an opportunity for both the city and citizens to learn through interaction. Developing a mutual set of understandings. Building buy-in for approaches that will place the city on a different course.

If we've learned anything about engagement from post-Katrina New Orleans, it is that a community-engagement process has to break out of the mold of endless large meetings and take full advantage of a wider range of engagement strategies. Social media and Internet-based tools that people otherwise use regularly. Targeted canvassing and door-knocking. Phone mobilization, including official communications from the mayor's office. Small neighborhood gatherings in people's homes. List-building and mobilizing via text and e-mail. All ways to create a continual feedback loop of information, reactions, synthesis, updates and adjustments.

3. Short-term wins

While the technical-analysis and community-engagement process interweave to create long-term scenarios, the city is pursuing short-term successes that root the planning effort in material improvements in residents'

quality of life. Using HUD dollars to demolish blighted properties. Channeling foundation and business-sector grants to create rental and homeownership incentives in strong residential neighborhoods. Applying NEI and Living Cities resources to provide small-business loans.

A "Syncopated Landscape"

So what will all this add up to? As I've just noted, the particulars remain to be determined. But it seems clear that, at 30,000 feet, the future could be described in terms of a "syncopated landscape,"[22] with the city organized into areas of concentrated assets – the strong beats – surrounded by areas of very low density – the weak beats.[23]

It can't be overemphasized that the strong and weak beats are equally essential to the whole.
The strong beats are those areas of Detroit in which investment can reinforce pre-existing energy – the riverfront, strong middle-class housing stock, the architectural armature of the downtown business district, Eastern Market, Belle Isle, the Woodward creative corridor and others.

But it is every bit as important to attend to the weak beats – viewing Detroit's abandoned and blighted land not as inevitably underutilized, untamed and impoverished, but instead as the carrying vehicle for imaginative, productive uses. A handful of quick examples.[24]

1. Restoring natural ecology

The first component of a land re-imagination strategy is the restoration of the city's natural ecology.

Detroit is blessed with a remarkable ecological infrastructure, bracketed on the west by the sprawling Rouge River Park and on the south and east by the Detroit River and a system of canals. What is missing is the interior ecological connective tissue.

That connective tissue might come through reforestation. This isn't a new idea – the Greening of Detroit has planted some 60,000 trees in Detroit over the last 30 years. Taking this up a notch, the Trust for Public Land recently proposed an approach to urban forestry in Detroit whose scale would have the potential to model heightened levels of carbon absorption, promote the restoration of wildlife habitat and create a richer amenity palette for residential and commercial development.

The connective tissue might also come from daylighting our creeks, which are largely hidden in culverts running underneath the city's East Side. The most notable is Bloody Run Creek, so-named because Chief Pontiac's defeat of the British in 1763 left the waters red with blood.[25] The inimitable Richard Baron, a Detroit native, has proposed using a daylighted Bloody Run as the natural anchor for a 3,000-acre mixed-income housing development and park. Kresge has supplied the planning monies to scope out the engineering requirements. It is an audacious proposal, but doable, and we're pursuing it.[26]

2. **Reusing vacant properties through the arts**

A second response to the land has become the darling of international media: using land and property as a canvas for the ingenious and viral creation of art.

Take, for example, the guerrilla-culture efforts of the Heidelberg Project. Created some 25 years ago by artist Tyree Guyton, Heidelberg is, essentially, an outdoor art installation project using abandoned houses and vacant lots as a stage for found objects from the neighborhood – stuffed animals, discarded appliances, clothes, car parts and anything else that can be painted or arranged. The project is not everyone's cup of tea – the city of Detroit demolished it as a nuisance twice in the 1990s. But it is now here to stay, drawing nearly 300,000 visitors a year.

Abandoned properties have been a magnet for other artists as well. Sanctioned graffiti on the Dequindre Cut, a rail trail connecting the Eastern Market to the river. Sculpture in the abandoned Fisher Body plant. A Banksy painting at the Packard Plant. The conversion of a house to an outdoor community performance space. Murals on anything that doesn't move.

It is contagious. Artists are coming to Detroit from all over the world, attracted to what some have termed "Rust Belt chic." The possibility of buying a house for $1,000 or renting for a pittance. Of working unconstrained by the city's bureaucracy to carve out unexpected uses in unexpected places. Of converting the public ruins of factories and warehouses into studio and exhibition spaces. For the generation of artists experiencing Detroit for the first time, it is not a city on the skids but – in the words of a transplanted New Yorker – "a theater of engagement."[27]

3. Pursuing urban agriculture

A third use is urban agriculture, which has also captivated the media.

Detroit actually has a history of urban gardens, tracing back to 1895, when Mayor Hazen Pingree lent more than a thousand unemployed families quarter- or half-acre garden plots known as "Pingree Potato Patches." These families not only had enough food to consume, but could also sell the surplus.

Urban agriculture in modern-day Detroit shares many of these characteristics. The premise is that Detroit can become a laboratory for urban farming and, in the process, not only become part of a fresh-food economy centered on the Eastern Market,[28] but also put people to work, create a microeconomy and build a sense of community. And indeed, the possibilities are considerable, as is suggested by the nearly 1,000 community gardens in Detroit, ranging from postage-size tenth-of-an-acre plots to gardens of a couple of acres.[29]

Even if urban agriculture continues to expand, however, it has inherent limitations. It can only be a sliver of the solution in so vast a place. It is unlikely to produce enough food to feed large numbers of residents. It is very difficult, dirty and sometimes dangerous work that doesn't pay very well. And yet, it is an animating, creative response that can stand alongside others in redefining Detroit's relationship to its land.

4. Redefining movement

The fourth component of reimagining Detroit's landscape is redefining how people move through the city. For 75 years, that was a straightforward proposition – pour concrete to accommodate ever-increasing numbers of automobiles. But times have changed, to say the least. Redefining how people move from one part of the city to another will be a central element of Detroit's future form and function.

Again, the good news is that we've started some things of promise.

I've talked about light rail, which will link points all along Woodward.

We also called on Project for Public Spaces to help us rebuild Campus Maritius Park in the heart of downtown both as a small-scale magnet for people to gather, but also as a very large roundabout, completely slowing up traffic on Woodward as you move through the downtown core.

And we've made considerable progress in constructing a metropolitan system of greenways – bicycle and walking paths. The premier example is the four-mile RiverWalk, hugging the Detroit River and adjacent to two state parks, a marina, multiple pocket parks and a children's carousel. We've connected the RiverWalk to Eastern Market through the Dequindre Cut, and are building a Midtown loop that would connect the Eastern Market area to the city's cultural district.

5. Creating the preconditions for economic vitality

The final component of the weak-beat strategy is perhaps the trickiest – reconceptualizing land to maximize its potential to contribute to the city's long-term economic vitality and growth.

One dimension is clearly the efficiencies that come with concentrating public services.

A second is the stacking of investments in ways that will create the kind of walkable, vibrant street environment that can animate the central business district and the Midtown Innovation Cluster.

But the meta-issue here is how best to use vacant land as a canvas of economic imagination. Adaptively reusing once-formidable manufacturing plants into recreation or entertainment venues. Taking advantage of economic uses that require large expanses of land such as wind farms or large-scale agriculture. Rezoning commercial corridors to house the small businesses interested in adapting the city's abundant engineering, supply chain and manufacturing skills to products, processes and services that will lie at the heart of the 21st-century economy.

So that's a fly-over of some of the choices Detroit will have to make as it re-imagines its form and function. No particular scenario is a certainty. Everything is on the table.

In the aggregate, however, this syncopation strategy casts in bright relief the extent to which Detroit needs to come at its challenges with an ambition unprecedented in America. It will have to be smart – challenging our preconceptions about what a city is supposed to look like and how it works. It will have to be bold – pursuing ideas that will strike some as outlandish and others as foolish. And it will have to be unflinching in its courage – bracing against forces that won't welcome such sweeping change. Anything less won't do the trick.

Detroit will have to become a very different city – not just from what it was before, but also from any other major American city. In the process, we just may have something to teach the rest of this country.

IV. Conclusion

That brings me full circle – to you and the smart-growth movement of today.

Kurt Vonnegut observed, "I want to stay as close to the edge as I can without going over. Out on the edge you see all kinds of things you can't see from the center." In this acutely painful and dizzyingly fluid political, economic and social landscape, it strikes me that is where philanthropy needs to be. In terms of Detroit, to be sure. But also in countless other communities throughout America whose challenges really aren't so different from ours.

The people in this audience will be instrumental in determining whether philanthropy can, indeed, beneficially help shape that landscape. I think we can. We can materially affect whether it will be based on impulses of enlightened long-term vision or on instincts of risk-aversion. Whether it will usher rhythms of equity, fair play and opportunity or fall back on the halting constructs of differential treatment and privilege for the few. Whether it will aspire to robust stewardship of the public commons or tacitly sanction the unraveling of our shared heritage.

I believe that our path is clear. Whether we can summon the political will and strategic skill it will take remains to be seen. But I'm optimistic. To be anything else strikes me as a profoundly unproductive use of our time.

Thank you. I hope you have a spectacular conference.

[1]Woody Allen, *Side Effects* (1986).
[2]David Rusk has been one of the most forceful advocates for the importance of this outside game. See, e.g., David Rusk, *Inside Game, Outside Game* (Brookings Institution Press: 1999).
[3]In pursuit of these strategies, we would be well-advised to return to the future. I paid homage in 2003 to the seminal work of Myron Orfield, Jon Powell and Angela Glover Blackwell. Their unwavering commitment to these ideals resonates with even greater power today than it did back then.
[4]Peter Calthorpe, *Urbanism in an Age of Climate Change*. (Island Press: 2010).
Or in Tom Friedman's classic *Hot, Flat, and Crowded*, in which he observes, "This is not about the whales

anymore. It's about us. And what we do about the challenges of energy and climate, conservation and preservation, will tell our kids who we really are." Thomas Friedman, *Hot, Flat, and Crowded,* p. 412. (Farrar, Straus and Giroux: 2008), p. 412

[5]We are feeling our way as well toward even more exotic instruments. A good example is the latest British Invasion underwritten in part by American philanthropy – social impact bonds. If you haven't heard, these are instruments in which investors – foundations and individuals – underwrite bonds to support programs intended to reduce public-sector costs – such as reducing the rate of recidivism through prisoner re-entry programs. The higher the savings the prison system realizes from these programs, the higher the return the bond investors receive. See Maximillian Martin, "Four Revolutions in Global Philanthropy." *Impact Economy Working Paper, Vol.1* (2011).

[6]One reason among many that conferences like this one and publications like the Networks' Signs of Promise are so critical. Funders' Network for Smart Growth and Livable Communities. *Signs of Promise: Stories of Philanthropic Leadership in Advancing Regional and Neighborhood Equity.* (Funders' Network for Smart Growth and Livable Communities: 2005).

[7]These ideas are drawn from the comments made by Professor Lawrence Lessig of Harvard Law School on February 15, 2011, at the opening dinner of the Ford Foundation's "Wired for Change" conference, held at the Ford Foundation in New York City.

[8]See David Brooks' review at David Brooks, "The Spendor of Cities," *The New York Times,* February 7, 2011.

[9]See Barry Boyce, "Complexity, Chaos, Collapse," *Shambhala Sun*, September 2008.

[10]See Ron Heifetz, John Kania, & Mark Kramer, "Leading Boldly," *Stanford Social Innovation Review,* Winter, 2004.

[11]John Kania & Mark Kramer, "Collective Impact." *Stanford Social Innovation Review,* Winter, 2011.

[12]Skillman, Erb, MacGregor, Masco, Hudson-Weber, Fisher, the Community Foundation of Southeast Michigan, Ford, Kellogg, Chase, Bank of America and others.

[13]Indeed, in his recent State of the City address, the mayor said:

Detroit is at a crossroads. ... Change is at our doorstep, whether we like it or not. We have two options. We can choose to continue fighting change. We can continue to focus on the vocal minority that would like to see us fail. Or we can embrace this opportunity to shape a new legacy to proudly hand down to our children and grandchildren. It is that simple.

Mayor Dave Bing, "State of the City Address," delivered February 22, 2011, at Orchestra Hall, Detroit.

[14]The collaboration is anchored by $25 million investments from Ford, Kellogg and Kresge, housed at the community foundation and ably led by Dave Egner of the Hudson-Webber Foundation.

[15]This will include the creation and acceleration of high-tech businesses, the provision of technical

assistance and loans to small businesses supplying the needs of the area's anchor institutions, the acquisition and management of key real estate, the facilitation of tech-transfer from the area's three universities and the connection between the center city and the region's emerging business accelerator network.

[16]The lead funding comes from the Kellogg Foundation, with support funding from Kresge, MacGregor and Skillman. Four schools are scheduled to open this fall, including two schools that will prepare students for health care careers and a school that will create pathways to careers in sports management and entertainment.

[17]Not only is Woodward the home to dozens of cultural institutions and commercial enterprises, it is the educational and medical hub of the region. The hospital and educational systems in the corridor are the city's economic drivers, providing 12 percent of Michigan's hospital beds, employing 30,000 employees, spending $6 billion annually and pursuing ambitious campus renovation and expansion strategies. They are host to the state's largest small-business incubator, making Midtown the epicenter of philanthropic efforts to encourage entrepreneurialism.

We have begun working with these anchor institutions to strengthen Midtown as an identifiable creative district. They recently announced a joint "live local program" that provides incentives to their employees to live in the adjacent neighborhoods. They also intend to pursue announce a joint "hire local and buy local" program that will expand the institutions' efforts to hire employees from those neighborhoods and that will lead to the anchors buying more extensively from local providers of goods and services.

[18]For example, the Midtown Association, the light-rail project office, the economic-growth corporation, the planning department, developers' offices and the like.

[19]To again quote Mayor Bing's State of the City address:

"This is the future we can build, but not without dealing with today's reality. With the fiscal challenges we are facing, reinvesting in housing and infrastructure in every Detroit neighborhood is not a viable option. Creating areas of density is the best way for us to improve public safety, deliver better services and offer the quality of life amenities like recreation centers, parks and grocery stores that you want and deserve."

[20]Toni's previous assignments include helping Newark Mayor Corey Booker formulate a master plan and then-Washington Mayor Tony Williams create the Anacostia development plan.

[21]To paraphrase Winston Churchill.

[22]The term of Dan Pitera, associate professor of architecture at the University of Detroit Mercy and director of the Detroit Collaborative Design Center.

[23]After bringing a group of urban planning experts to Detroit two years ago, Allan Mallach of the National Housing Institute proposed that Detroit capitalize on this pattern to create a more intentional and guided framework based on "urban villages" – built-up clusters or nodes of activity separated by green space, forested land and other low-density uses.

[24] Much of the analysis that follows is based on John Gallagher's fine treatment of land use in Detroit: *Re-Imagining Detroit: Opportunities for Redefining an American City,* p. 31. *(*Wayne State University Press: 2010).

[25]Architects Steve Vogel and Dan Pitera of the University of Detroit Mercy have spent 20 years analyzing what it would take to daylight Bloody Run Creek. Vogel and Pitera's work now seems on the brink of being realized.

[26]The connective tissue might come through the shaping of new parks. As part of the Bloody Run Creek development. Through small patches related to artistic projects. From community gardens and pocket parks. In reforested areas. There are always complicated questions of funding, maintenance and legal liability, but communities throughout America and Europe have wrestled successfully with these issues. And Kresge is exploring the feasibility of piloting a Detroit Urban Conservation Corps in conjunction with the project.

[27]Yablonsky, Linda, "Artists in Residence," *The New York Times*, September 26, 2010. Yablonsky also quotes a photographer as saying: "I think it's the most visually compelling place on the planet. If you have a sense of adventure and curiosity, there's no place like this."

[28]An effort with a different ambition is the proposal of John Hantz, a businessman prepared to invest up to $30 million of his estimated $100 million net worth to create Detroit's first large-scale commercial farm. The farm would produce marketable crops – high-margin items like Christmas trees, exotic greens, berries and apples – and play a potentially significant role in the city's land reclamation efforts. It would bear little resemblance to a traditional farm, instead relying on the latest in agriculture technology – from compost-heated greenhouses to hydroponic and aeroponic growing systems. Hantz has become a lightning rod for those who see in his proposed scale and profit motive a direct challenge to the more grassroots community-garden movement. Hantz replies that there is plenty of room for both. The jury is still out on whether he will be able to move forward.

[29]One of the more ambitious examples is Earthworks Urban Farm, a series of gardens near a monastery on the East Side run by the friars of the Capuchins, a Roman Catholic order. They grow dozens of crops that make their way into their soup kitchen, operate a greenhouse that produces hundreds of thousands of seedlings for gardens all over Detroit and marshal hundreds of volunteers each year to help with the harvest.