



Speech by Rip Rapson:

At Washington Forum, Rapson Outlines the Partnership Between Philanthropy and Detroit

Kresge CEO, Detroit's mayor attend summit on Auto Communities and the Next Economy: Partnerships in Innovation.

May 19, 2010

*A delegation from Michigan – including Kresge Foundation President Rip Rapson – was in Washington, D.C., on Monday, May 18, 2010, to discuss the vision, strategy and partnerships at work on the reinvention of the city of Detroit. The forum was the White House summit on [Auto Communities and the Next Economy: Partnerships in Innovation](#). Rapson, Detroit Mayor Dave Bing and others led the luncheon plenary, *Reinventing Detroit – Broad Vision and Partnerships to Transform the Motor City*. Following an opening address by Bing, Rapson delivered these remarks:*

Re-Imagining Detroit: A Collective Community Response

Mayor Bing's clarity of purpose, profound integrity and fearless embrace of truly wicked issues has emboldened our city to set on the clear path you have just heard described – the stabilization of public finances, the reassertion of the importance of principled public administration, the enhancement of public safety, the reconstruction of educational opportunities for all the city's children, the remediation of blight, the development of a new framework to think critically about Detroit's oversized land mass and physical footprint.

But the mayor also recognizes that these steps – so vitally important in the short term – are not sufficient to build the stable, healthy and vibrant community that Detroit needs to become in the future. Virtually every dimension of the city's social, economic, environmental and physical landscape has to be re-imagined and retooled. That can happen only if those outside city government step forward and become meaningful, powerful partners. I want to say just a word about how philanthropy has done just that – and how Mayor Bing's administration has embraced that effort.

Philanthropy in Detroit – and by this I mean both national foundations like Ford, Kellogg, Mott, Knight and Kresge and local foundations like Skillman and Hudson-Webber – is increasingly working off a common framework called Re-Imagining Detroit. That framework identifies nine building blocks of the city's long-term health in which leadership has emerged, capital is being invested and the capacity for sustained implementation is possible. Each of these building blocks is tied back in one way or another to the mayor's priorities and each is inextricably interwoven one to another. Let me describe a handful of the nine.

1. The national and local foundations I just mentioned, together with the Ewing Marion Kauffman Foundation, have joined to create the New Economy Initiative, a \$100 million pool to promote entrepreneurialism in a community historically steeped in a culture of rigid command and control economics. Dave Egner, head of the [New Economy Initiative](#), will talk more about that in a moment.
2. The Skillman Foundation – in close collaboration with Detroit Public Schools' Emergency Financial Manager Robert Bobb and representatives from the McGregor Fund, the Broad Foundations, the Kellogg Foundation, The Kresge Foundation and United Way – has led a community process to create a \$200 million framework to guide the educational reform and investments necessary to make educational excellence available to all Detroit kids, whether in public schools, private schools, charters or preschools. Carol Goss, president of the [Skillman Foundation](#), will amplify this in a minute.
3. Kresge, Ford, Kellogg and other foundations have indicated their willingness to underwrite the formative stages of Mayor Bing's commitment to land-use reform – particularly the process of engaging residents. The effort will be led by a team that includes some of the city's most talented staff and some of the community's most visionary practitioners. But the effort will also benefit from the world-class external technical assistance of those willing to make their passion and talent available to advance the city's aspirations. Toni Griffin, a member of the Harvard urban planning and design faculty and one of the nation's preeminent land-use experts, will describe the particulars in a moment.
4. A \$35 million investment from The Kresge Foundation became the springboard for the initial phase of a first-of-its-kind philanthropic/private/nonprofit and public effort to build a light-rail line along Woodward Avenue, the main artery of the region's transportation network. We are close to meshing this plan with a city plan for the subsequent phases, which will, in turn, connect seamlessly to a broader, unified regional transit system. Pivoting off of this, the Ford Foundation has committed millions of dollars to undertake land-use planning and public-interest property acquisition around the transit stops.
5. The Hudson-Webber Foundation, Living Cities and Kresge have underwritten a year-long effort to develop a blueprint for Wayne State University and the two large medical systems along Woodward

Avenue to buy more goods and services and hire employees more extensively from the adjacent neighborhood and to encourage their staff to live in the surrounding neighborhood in greater numbers. We're working with the same team that similarly helped transform West Philadelphia during Judith Rodin's leadership at the University of Pennsylvania.

6. The Detroit foundations, Ford, Kellogg, city officials, representatives of the local HUD office, LISC and the city's banks meet monthly in something called the Detroit Neighborhood Forum to discuss how their overlapping work in neighborhoods can be better stacked and aligned. This has led to the creation of the city's first data intermediary organization, the formation of an Office of Foreclosure Prevention, and the identification of a number of other strategies to enable the community and city to work jointly in stabilizing key neighborhoods.

When you meld together this philanthropic investment framework and the mayor's core agenda, something quite extraordinary emerges in Detroit. If it carries with it any relevance to other auto cities – and I think it does – it hinges on philanthropy's ability to do five things.

First, philanthropy is helping crystallize a coherent municipal picture – one that blends the public sector's core competencies and responsibilities with philanthropy's willingness to invest in the requisite preconditions for an improved quality of life, in new trajectories of economic opportunity and in community support structures for children and families.

Second, philanthropy is creating a bridge between local and national resources. On one hand, a foundation like Ford or Kresge can translate local activity to national foundations, banks, investors and agencies of government looking for reassurance that the local environment is capable of collective efficacy. On the other hand, a Ford or Kresge can also help local actors connect to promising engagements with federal resources.

Third, philanthropy is taking on risk that is difficult for the public sector to undertake and that lies outside the comfort zone of private markets – a form of social venture capital. Convening anchor institutions, seeding a transit line, exploring green jobs, investing in entrepreneurialism. All of these work against customary calculations that the risk equation in Detroit is too high and the return too low.

Fourth, philanthropy is aggregating investment capital at a time when discretionary capital is nonexistent. When I first met [Luis Ubiñas](#), president of the Ford Foundation, about two years ago, he asked how much the national and local foundation community was spending annually in Detroit. My quick calculation was

that the number was approximately \$135 million per year, estimated extremely conservatively. Luis looked at me and said, "So if we knew that over the next seven years, we would have a billion dollars to invest in Detroit, how would we do it? What would we want the result to be?" That is the right question. With our Re-Imagining Detroit framework, I think we have begun to answer it.

And fifth, philanthropy is investing in the long-term capacity of the city. Helping strengthen the talent pool within city government. Helping create a machinery for engaging citizens meaningfully in such critical issues as land use and education. Helping rebuild the infrastructure of community-based organizations on the front edge of implementation.

We in Detroit have grown accustomed to hearing that we are a unique case – to put it politely. That is invariably code for too hard, or hopeless. That's an understandable attitude, for the rebirth of Detroit may be about as daunting a challenge as this country's urban policy has faced.

But at the end of the day, we are probably more emblematic than people think. Recalibrating regional economies, repurposing of land, dramatically reforming education – these are all the same challenges that every city represented at this summit faces. If we can identify a path of hope and promise in Detroit – and we can – we can identify similar pathways in other industrial cities across America as well.

Thank you.