

THE KRESGE FOUNDATION

# **Detroit Reimagined: A place where people thrive**

Presentation to the Robert Wood Johnson Foundation  
Commission to Build a Healthier America  
June 18, 2013

**Laura J. Trudeau**  
**Senior Program Director**  
**Community Development/Detroit Programs**  
**The Kresge Foundation**

## Introduction

For decades, people who care about Detroit have debated the question, “Will Detroit survive?” The city’s problems are well-documented. A dominant industry in decline. Deep racial disparities. Poor educational outcomes and high poverty and unemployment. Elevated rates of obesity, asthma and heart disease. Too much land for our current population. But as difficult as these challenges are, they are not unsolvable.

A companion to that question has been, “How did conditions in Detroit get the way they are?” The causes are myriad, but again there are no simple answers. The current conditions stem at least in part from too-rapid and unsustainable growth between 1910 and 1954 as the auto industry burst on the scene and overnight made Detroit a global force, followed by equally rapid decline driven by suburbanization, racial divisions, offshoring of manufacturing jobs and expanded technology.

Both questions are the wrong ones to ask at this point in our history. The more relevant questions do not speculate about an uncertain future or ask why, but how. How can Detroit be reimagined as a place where all people thrive? What will it take for all of us to create community fabric that is healthy in all dimensions – economic, physical, social? How can we mobilize a sense of impatience and urgency? It is not sufficient to put in place supports for Detroit to remain static, in survival mode. From our perspective, these complex issues dictate moving beyond separately delivered, singly focused investments to more coordinated, integrated efforts. Those efforts must involve everyone to create deliberate, multi-faceted efforts that have the collective power to restore Detroit as a place of community health and cohesion.

So even as Detroit struggles through a period of emergency financial management by the State of Michigan, people who care deeply about the city are working to reposition it to grow again, to offer more and better opportunities for residents, and to regain a prominent position among American cities in the 21<sup>st</sup> century.

With commitment and resourcefulness, Detroiters have begun putting in place the key building blocks of a healthier and more vital community:

- Effective mass transit;
- A stronger core city as the economic driver for the region;
- A more innovative and student-centered system of schools;
- Greener, healthier, more active residential neighborhoods including alternative, productive uses for vacant and underutilized land; and
- Emphasis on arts and creativity in attaching people to place.

The Kresge Foundation has a deep and longstanding commitment to Detroit in the tradition of its founder, Sebastian S. Kresge, who established the foundation here in 1924. Since 1993, our Detroit Program has focused concentrated effort on revitalizing the city in all dimensions.

This paper will discuss the need to integrate revitalization efforts across disciplines and involve all sectors of the public realm – individuals, government, business, nonprofits and philanthropy – in collective action to bring back our most iconic American cities to a position of health and prosperity. Three large, ongoing efforts – all products of this approach – will illustrate how this way of working can achieve desired results on the ground. Last, it will highlight direct impacts on community health and outline seven lessons that highlight what we are learning from this work.

## **Collective action: a new norm**

In 2008, a crisis exacerbated the effects of Detroit’s chronic decline.

Detroit showed some signs of rebounding in the early years of the last decade. Census data in 2000 showed moderate growth in income levels from 1990, and a burst of new housing construction was beginning to take hold. Eight years later, the national and global economic collapse hit Detroit as hard as any of America’s cities and flattened our hopes. Our long-dominant auto industry seemed on the brink of extinction. Mortgage foreclosures reached epidemic proportions, creating hollowed-out neighborhoods with many boarded-up homes. The Detroit Public Schools struggled to remain fiscally solvent as tens of thousands of children moved to schools outside of the system. After years of watching the city survive on life support, the national media was asking: “Is Detroit going to make it this time?”

The indicators were very negative. Between 2000 and 2010, more than 750,000 manufacturing jobs vanished from Michigan. In the same decade, 241,000 mostly middle-income residents moved away from Detroit. On national standardized tests, the city’s public school students were ranked at the bottom. Detroit’s energetic young mayor was indicted for and convicted of perjury, and a fractious city council could not find a way forward. The only certainty was that these were difficult, challenging times.

This state of the city’s affairs posed serious questions for Kresge. We had invested more than \$1 billion in Detroit since being founded in 1924. More than half of those grants had been made since 1990. The scale of the economic downturn and drop in property values in the city dwarfed those investments. Could we continue to have a reasonable impact under the current confluence of challenges? If so, what additional tools beyond traditional grantmaking would be most useful in such an overwhelming crisis? Should the foundation become more engaged? How could we be most effective at addressing the challenges?

To answer these questions, we began with a premise advanced by our president, Rip Rapson. With his arrival at Kresge in 2006, he began reorganizing the foundation around four unique capabilities of philanthropy that enable us to work differently from business, government and individuals.<sup>1</sup> These four characteristics allow us to focus our strategies in the following ways:

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<sup>1</sup> Kresge Foundation 2010-2011 Annual Report, page 3. Paul Ylvisaker’s definition of strategic philanthropy, adopted by Kresge in 2006. See Paul Ylvisaker, “The Spirit of Philanthropy,” address to the 38th annual Conference of the Council on Foundations,” Atlanta, Ga., March 1987, reprinted in Virginia M. Esposito, ed., *Conscience & Community: The Legacy of Paul Ylvisaker* 346 (Peter Lang: 1999).

- 1) View issues whole and understand the context of action.
- 2) Use a variety of problem-solving methods and tools: convening, research, spending our own political capital, connecting local stakeholders to national thinking, maintaining deep relationships within communities, bridging the public and private sectors when needed.
- 3) Take measured risk.
- 4) Ground our efforts in expanding opportunities for low-income people and under-resourced communities.<sup>2</sup>

We concluded that our proper role was to become more engaged in collective efforts to address Detroit's pressing problems. In the end, we were driven by the knowledge that the risk of failure is highest for those who do not try.

## **Philanthropy as an engaged partner**

As the challenges deepened, the public sector and business leaders embraced foundations as more active partners in the decision-making processes around Detroit's future.

And so, in late 2009, Kresge stepped up and offered a multifaceted strategic framework, *Re-Imagining Detroit 2020*, as a guide for more focused efforts. This proactive approach required us to move away from more traditional grantmaking parameters and embrace higher levels of risk.

Kresge's deeper involvement was only possible because of ground laid by other actors in our community. We benefited from the research to identify community priorities conducted in 2006 through 2008 by a number of citywide and regional entities: [One D](#), the former Detroit Renaissance (now [Business Leaders for Michigan](#)), [New Detroit, Inc.](#) and [United Way for Southeastern Michigan](#).

We connected to other leading Detroit foundations that had become more strategic and proactive, led by the [Skillman Foundation](#), which took on the role of "embedded funder" in its work in six Detroit neighborhoods and a number of city schools. The [New Economy Initiative](#), a 10-foundation collaborative, had amassed \$100 million in flexible capital and was making strides to restore an environment and culture that supports entrepreneurial development in Detroit. And to test some new ideas we took advantage of a day-long joint session between [Living Cities](#), the national community development initiative, and the newly formed [Detroit Neighborhood Forum](#), made up of banks, foundations, intermediaries and city, state and federal representatives.

When Mayor Dave Bing took office in May 2009, he expressed a desire to work more collaboratively with the business and philanthropic sectors. He quickly reached out to Kresge to help the city initiate a comprehensive approach to land use and vacant land. His key lieutenants participated in the Detroit Neighborhood Forum. And his administration became an active partner with foundations and Wayne State University – in the federal [Green and Healthy Homes](#)

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<sup>2</sup> This characteristic of philanthropy has led to Kresge's adoption of a new framework for the entire foundation epitomized by its new identifier, "The Kresge Foundation: expanding opportunity in America's Cities."

[Initiative](#) to reduce lead-poisoning risks in Detroit's older housing stock.

At the same time, the business sector was poised to take action to confront the new economic and development challenges facing the city. Coming off a successful four-year effort to improve the downtown area in anticipation of Detroit's opportunity to host the 2006 Super Bowl, major business leaders were eager to continue building positive momentum even as the economic downturn presented new complications. Over the course of several years, a number of major suburban companies made plans to move their businesses to downtown Detroit, including Compuware and Quicken Loans. This expanded corporate commitment contributed to a new wave of business-philanthropic partnerships, resulting in energy and funding for a series of potentially transformational projects. This includes the development of America's first philanthropically funded light rail line, [M-1 RAIL](#), a \$137 million reimagining of the Woodward Avenue corridor, Detroit's central artery.

National organizations were encouraged to become involved in Detroit as well. In 2010, Living Cities selected Detroit to be one of five U.S. cities to become part of its Integration Initiative<sup>3</sup>, which brought \$3 million in grants to Detroit for capacity-building, along with several forms of loans to aid residential and commercial development in a depressed financial environment.

## **Working together on the ground**

Over time, the community has become more focused on multi-disciplinary, integrated approaches to improve quality of life and health in the city.

The community development field in Detroit had become concentrated in efforts to create affordable housing, and suffered when the housing market collapsed. It has come through the downturn with persistence and help from a number of intermediaries and multi-service entities that addressed comprehensive needs and had a more diverse base of funding, and is now analyzing how the field as a whole can focus efforts more broadly than just on housing development.

Despite a very challenging environment, human service nonprofits have effectively supported community-based interventions to improve residents' economic and social health. [Alternatives for Girls](#) has stepped up its efforts to prevent teen pregnancy, the [Mercy Education Project](#) has improved adult literacy, [Goodwill Industries' Flip the Script program](#) has supported employment for returning citizens in the tanking economy, and [Neighborhood Service Organization](#) has provided basic services augmented by new, high-quality supportive housing.

These groups' efforts have been amplified by our community's growing desire for systemic solutions. The willingness of the sector to work in more innovative ways has grown – allowing this community to focus on approaches that solve multiple, inter-related problems at the same time. This cross-cutting work can be harder to do given the increased level of complexity and nuance involved in an integrated development approach, but getting it right is imperative to solving problems and building community capacity. In the words of Harvard faculty member Padraic

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<sup>3</sup> The Integration Initiative selected five places (Detroit, Baltimore, Cleveland, Newark and the Twin Cities, Minneapolis and St. Paul) in which to concentrate a wide array of community revitalization methods and tools.



Kelly, “In the 20<sup>th</sup> century, innovation happened within disciplines. In the 21<sup>st</sup> century, innovation will take place at the intersection of disciplines.”<sup>4</sup> Detroiters are adapting to this new reality.

These reinvigorated efforts are ambitious, holistic and long-term. They require longer timelines of philanthropic support and cannot be wholly dependent on the public sector, which has a track record of initiating sweeping efforts that falter in times of political change (President Bill Clinton’s Healthy Communities 2000 and President Lyndon Johnson’s War on Poverty are two cautionary examples of this). As a result, it often falls to philanthropy, nonprofits and civic organizations to spark and sustain systemic change in communities like Detroit.

### **Three examples of holistic, ambitious, long-term efforts in Detroit**

All of the efforts highlighted below have broad implications for residents’ health. They will have a huge positive impact on the lives of Detroiters and the outlook for the city’s future if sustained over at least a 10-year time frame.

#### **1. Development of an integrated, multi-modal, high-quality system of mass transit.**

A high-quality system of mass transit has long been a missing link in Detroit. In 2008, driven by recognition that density and transit-oriented development are sound principles for sustainable urban growth, a partnership was established with unprecedented private sector financial commitments of nearly \$100 million. The goals for the 3.4 mile M-1 RAIL line serving Detroit’s lower Woodward corridor are three-fold: to stimulate development of a larger, intermodal system;



**An artist’s conception of a stop on the M-1 RAIL system.**

improve air quality and reduce commuting; and foster a revitalized, livable, walkable, bikable and vibrant central district. While the project has taken longer than expected because of a number of obstacles, it is slated to begin construction later this year. The \$137 million project will be funded by major corporations and institutions, foundations and government. Rail services are currently expected to come on board in late 2015.

The M-1 RAIL project has been a major catalyst in spurring the creation of a regional transit authority charged with building out an effective system for the entire region.

This regional authority was created by an act of the Michigan Legislature in 2012 and offers hope of a coordinated approach to creating a high-performing, intermodal system of transit delivery, which will lead to more active living, less dependency on

<sup>4</sup> Kelly, Padraic, presentation to Detroit Works Project technical team selection committee, May 8, 2010.

cars, and a more vibrant, healthy community.

**2. Completion of the *Detroit Future City* strategic framework plan, an integrated array of innovations to address blight, restore vacant land for productive use, increase physical development and economic growth, and connect residents to opportunity.**

After three years of planning, also delayed by the difficulty of the charge, the Detroit Works Project Long Term Planning initiative has launched



**The Detroit Future City strategic framework plan was drawn up with input from thousands of city residents.**

[Detroit Future City](#), a broad and comprehensive set of analyses that present opportunities for Detroit to become a viable, livable city again. The process of completing the framework plan engaged Detroit residents and stakeholders in more than 163,000 separate interactions, and it blended this deep local knowledge with the skills and experience of a top-notch set of planners, economists and urban strategists from around the world. Innovative strategies in the framework plan are moving into early stages of implementation, with philanthropy stepping up to commit resources so that it won't become "just another plan on the shelf."

This framework has huge implications for the health of residents, workers and visitors to the city. It is heavily focused on restoring jobs to the

city itself and identifies the types of industry and businesses that connect to the unique skills of

Detroiters and the availability of land and other assets. The framework has envisioned several alternative neighborhood forms that will allow long-time residents to remain in less populated areas if they choose to do so, but in a greener, safer environment that has been reformed to embrace lower density. It has emphasized the repurposing of land for productive use: community gardens, urban farming when appropriate and desirable, low-maintenance open space amenities, green-blue infrastructure innovations that allow for healthier discharge of storm water than what



Photo: Detroit Riverfront Conservancy

**The Detroit RiverWalk with a view of Windsor, Ontario. The *Detroit Future City* framework proposes more efforts to create a network of bike and walking trails like the RiverWalk.**



we have at present. It proposes expanding on recent philanthropic efforts to create a network of bike and walking trails in Detroit, most notably the three-mile-long Detroit RiverWalk and the

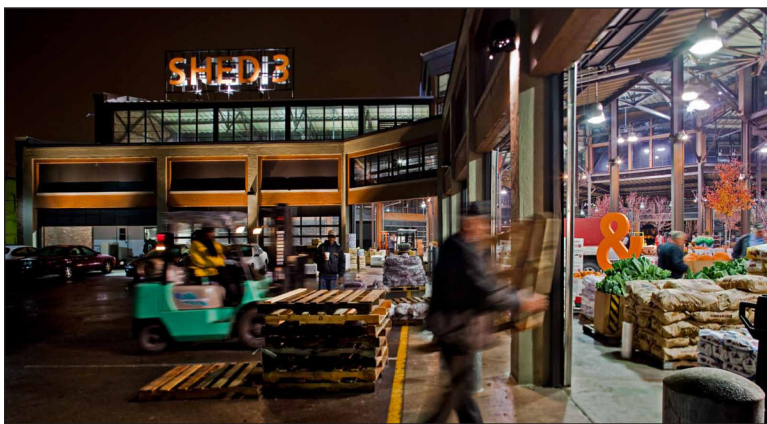


**The Dequindre Cut greenway links the Detroit River to Eastern Market and other core districts.**

expanding Dequindre Cut greenway that links the Detroit River to the Eastern Market (discussed below) and the core districts of the city. And it proposes the restoration and development of more residential neighborhoods that have density creating “eyes on the street” for safety, access to high quality health care, recreation, open space, fresh food, retail and commercial services, all strongly anchored by good early childhood and K-12 education.

### **3. Realization of the potential for Detroit’s Eastern Market to serve as the hub of a vibrant, local food economy.**

Efforts to improve Detroit’s 110-year-old [Eastern Market](#), restore its historically significant farmer and vendor sheds, and improve its management came to fruition in the mid-2000s. It is the largest outdoor farmers’ market in the U.S. and the only one that combines wholesale, retail, meat-packing, farm-grown produce from the surrounding area, value-added food industries and community gardens in one location. Since the transformation began, the market’s leaders



**Eastern Market has undergone not only physical restoration, but also transformation into a hub for connecting Detroiters to fresh, locally grown food.**

have forged stronger connections throughout Michigan, one of the nation’s largest food-producing states, and made southeast Michigan the hub for further innovation through new ties to Michigan State University’s nationally known School of Agriculture. Foundations continue to respond to the opportunity presented by growing demand for locally produced food and numerous collaborative efforts to improve the area around the Market and increase food security for low-income people. Detroit’s food production cluster is one of the key

growth areas cited by the research team for *Detroit Future City*.

As the market has move forward, it has established new community programs and tracked key



data points related to health and economic activity. Two of these are highlighted below:

- **Detroit Community Markets (DCM)**, a network of neighborhood markets including Eastern Market Corporation's Tuesday Market and Farm Stand Program, is a coalition of community-based organizations that provide Detroiters more options to purchase fresh and nutritious food at convenient locations. Over the past three years, activity in building a sustainable alternative food system in Detroit has grown enormously through neighborhood farmers' markets, mobile produce markets and food box distributions. Participating groups include the Eastside, Hamtramck, Highland Park, Islandview, Northwest Detroit, Oakland Avenue, Wayne State University and Windmill farmers markets, Gleaners Fresh Food Share, Peaches & Greens Produce Market and Truck, Sowing Seeds Growing Futures Farmers Market and UpSouth Foods. These programs serve specific Detroit neighborhoods by increasing access to fresh and local food, while simultaneously creating spaces for communities to gather, learn, grow and thrive.



- **Bridge Card Access** was established at the market in July 2007. In the first year, 1,907 transactions totaled \$36,484 in sales of fresh food to Bridge Card users. The program has grown by leaps and bounds each year, and in 2012, racked up 16,042 transactions totaling \$326,000 in sales. This access to fresh food is augmented by Double Up Food Bucks @ Eastern Market, which added another \$150,428 in sales to Bridge Card users.

## Broader implications for the health of the community

As these various efforts move forward in Detroit, their impact on health is both quantifiable, as the data above show, and immeasurable in terms of quality of life, attachment to community, residents' involvement and agency in their community. Other initiatives are underway to restore light to darkened streets, reduce gun violence, remove blighted structures, and not least, establish council-by-district representation to elevate unique issues and concerns to the decision table. As we learn more about the place-based and socioeconomic impacts on the health of people, the community is being more intentional about these alternative approaches to mitigate and solve them, rather than exacerbating them as our development patterns have done for the past 60 years. These opportunities to lift up solutions to multiple problems at the same time are allowing Detroit to be at the forefront of innovation and define itself as a contributor to the urban revitalization field by solving problems that will affect more cities in the years ahead.

## Lessons learned, so far

Even as these collective efforts move forward, Detroiters are affected by the city's fiscal insolvency. How can they be sustained as Kevyn Orr, the Governor-appointed Emergency Manager,

completes his analysis of the City of Detroit's fiscal condition and makes sweeping changes to how services are delivered in Detroit? How can Detroit's leaders and supporters actualize their commitment to the city's revitalization? The next year will bring new guideposts for collective action.

At Kresge, as we update our *Re-Imagining Detroit 2020* strategy and develop our investment framework and work plan for the next two years, we are paying close attention to several lessons that will inform the next phase of work.

- 1. *It's important to continually refresh our collective thinking and bring new creativity to the community development ecosystem.*** In 2010, Detroit philanthropy created a new initiative based on the successful Rockefeller Fellows program in post-Katrina New Orleans. Through this new program, 29 [Detroit Revitalization Fellows](#), attracted to Detroit from around the nation, have infused new energy in the city. Fellows were placed at Henry Ford Health System and Wayne State University (key partners in Detroit's "anchor institution" efforts to take advantage of the economic, social and physical investments made by these institutions); Invest Detroit (our leading local Community Development Financial Institution); district stewards Midtown Detroit, Inc., Eastern Market Corporation; and 15 other critical partner agencies. At least 25 of these fellows will remain active in Detroit, and we are preparing to bring on a second round of fellows. It is impossible to overstate the impact these creative people have had – elevating ideas such as pop-up retail in Detroit's neighborhoods, a new system design for deconstruction and disposal of vacant buildings, and important ways to connect residents with community institutions.
- 2. *Defining the problem to be solved and identifying entry points is critical to success.*** In complex systems, approaching a problem at the wrong entry point or in the wrong sequence can hamper progress. Sometimes the right entry point is not the most obvious one. For example, our efforts to improve health outcomes have achieved gains through initiatives that seem more focused on other objectives, like the economic impact of fresh food production and the recreational options that trails provide.
- 3. *Working across sectors is imperative, but foundations must guard against misaligned priorities or limited capacity.*** In government, elected leaders sometimes have difficulty moving an immovable system to work differently. The business sector also has constraints created by its core mission to deliver profits. As foundations work across sectors, they need to be crystal clear about their own priorities and be willing to use their influence if needed to protect long-term objectives.
- 4. *Meaningful progress requires intensive, intentional, coordinated efforts over time.*** Many of a community's social and economic problems are complex and longstanding. Physical revitalization takes several years and requires deep subsidy that is hard to come by. Outdated systems limit the speed and agility required to accomplish major changes.
- 5. *Collective bodies of work require longitudinal evaluation to fully understand their impact.*** The path to results is not a straight line. No strategy will anticipate all possible challenges

at the outset, so there must be fail-safes to allow delivery that is flexible but disciplined and informed by the work itself.

6. ***Philanthropic leadership has outsized importance in challenged communities, and it must respond flexibly to each unique circumstance.*** Foundations are not always known quantities as partners, which can create distrust. Be willing to assume new roles but thoughtful and respectful about how and when to do it.
7. ***When introducing new advisors or consultants in a community, provide enough resources for long-term, respectful, learning-filled engagements.*** The most innovative thinkers are only as effective as their community-based counterparts who have intimate knowledge of the day-to-day reality. Investing in connections between technical expertise and adaptive knowledge and leadership and creating a two-way dialogue are key factors for success.

## In summary

I believe the most meaningful words on this topic come directly from the conclusion of the *Detroit Future City* strategic framework plan, entitled “Dedicating Ourselves to Our Future:”

For when all else is said and done, often it is love – love of a place, love of a neighborhood, love of a team or a landscape or a family or just a moment in time that is bound up in the experience of Detroit – that can prompt this city of 700,000 to stand its ground and face its bitter truths, willing to work and hope for the days of change.<sup>5</sup>

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<sup>5</sup> *Detroit Future City*, 2013, Community Engagement Section, p. 343.