

FORGING COMMUNITIES OF OPPORTUNITY

**LISC DULUTH HELPS TRANSFORM NEIGHBORHOODS INTO HEALTHY PLACES TO LIVE,
DO BUSINESS, WORK AND RAISE FAMILIES**

BY PATRICK LAPINSKI

“We would love to put ourselves out of business. We’d love to solve poverty and housing challenges and all of the things that aren’t working well. If we could solve that, then we wouldn’t have a job anymore, and that would be wonderful. But the reality is...” A wry smile comes over Lars Kuehnow’s face as he discusses issues that people in this region face, such as unemployment, rental versus ownership opportunities and inadequate income. But he is undaunted about the ability to help overcome these problems.

Kuehnow is the program officer for LISC Duluth (LISC stands for Local Initiatives Support Corp.), and he explained that this organization’s mission is to “transform neighborhoods

into healthy places to live, do business, work and raise families.” He’s seen firsthand how the partnerships LISC Duluth has established have assisted citywide efforts to strengthen

small business, nurture economic development and help area residents increase their assets and incomes.

Some parts of Duluth tend to receive a lot of support, mainly through for-profit investors looking at turning a vacant lot into a lease or sales option. LISC Duluth’s work, however, focuses on both businesses and the nonprofit sector, revitalizing core zones like the downtown Historic Arts and Theater (HART) District, the Central Hillside area and the Lincoln Park neighborhood with local involvement. For two decades, it has worked to convene partners, leverage resources and help develop solutions to solve pressing community challenges. LISC Duluth’s positive impacts over the past 22 years include \$105,480,000 invested that has resulted in \$352,867,827 in total development costs. In addition, LISC Duluth has supported creation of 1,689 jobs, development or preservation of 2,106 housing units, 147.5 blocks of lighting and streetscape improvements and 186 childcare spaces.



“Our goal is to help make other parts of our community attractive to developers and try to draw capital into them.”

– LISC DULUTH PROGRAM OFFICER LARS KUEHNOW

PART OF THE NATIONAL LISC ORGANIZATION

LISC began in Duluth in 1997 as an expansion of the larger, national LISC nonprofit community development organization and community development financial institution (CDFI), which was created in 1979 by executives from the Ford Foundation. Today, LISC has 35 offices in cities across the country and works in hundreds of rural communities, and as its website explains, its premise remains unchanged: "Government, foundations and for-profit companies have the capital; residents and local institutions understand the need; and LISC bridges the gap by offering the relationships and expertise to help community organizations attract the kinds of resources that allow them do their best work."

Executive Director Pam Kramer has been with LISC Duluth almost from its inception. Prior to LISC, Kramer had been manager of the City



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— LISC DULUTH EXECUTIVE DIRECTOR PAM KRAMER

of Duluth's Housing and Community Development Program. But when she heard about LISC, she decided to jump ship. There was a strong focus on affordable housing and community safety back then, she noted. And today, Kramer is steering the program through an even more holistic approach.

"Our mission is that we forge resilient and inclusive communities of opportunity," said Kramer. "Over the years, I think the realization was that if you're going to have opportunity, there are many barriers to having those opportunities – and addressing one alone is not going to solve it." The role LISC Duluth plays as an organization is to push aside obstacles, she explained, and to help bring people and resources together to catalyze opportunities.

In Duluth, LISC has a small, hard-working staff of four. In addition to Kramer and Kuehnow, there is Emily Nygren, the assistant program officer. She does a lot of grant writing and is involved in quality of life neighborhood work as well as initiatives to seek U.S. Department of Housing and Urban Development Section 4 grants. Nygren was just honored as one of the Duluth News Tribune's annual "20 Under 40" awardees, which recognizes young people in the Northland who are high achievers. And Tina Robbins, the administrative coordinator, "is the glue that holds LISC together," said Kramer. "She gets to do a lot of work with me on budget oversight,



Community Action Duluth Executive Director Jeff Longenecker (right) receives a \$170,000 check in February 2019 from LISC Duluth Executive Director Pam Kramer through LISC's national partnership with Citi Foundation to support their Bridges to Career Opportunities Program. The program supports a certification-based career pathway to employment and helps people with workforce, financial and career coaching.

staffing our fund development committee and maintaining the office management.”

LISC Duluth seeks investments from the private sector, along with grants from the Bush Foundation, the McKnight Foundation and other groups, to help achieve its mission. It has identified five geographic (census tract) Opportunity Zones in Duluth based on U.S. Census data and works to help address poverty rate, unemployment rate and average family income issues within these zones.

Established in 2017 by Congress in the Investing in Opportunities Act, “the Opportunity Zone tax incentive is a bipartisan initiative to spur long-term private investment in low-income urban and rural communities,” LISC’s website explains. “We receive our funding from banks, corporations, foundations and government agencies. We, in turn, use that funding to provide financing (loans, grants and equity) and technical and management assistance to local partners and developers. Through our 35 local offices, a rural program that reaches more than 2,100 counties in 45 states, and LISC-founded affiliates and entities, we work with a vast network of community-based partners to make



LISC Duluth Assistant Program Officer Emily Nygren provides background on LISC’s investment in the Lincoln Park Craft District and neighborhood at a neighborhood informational event at the Duluth Folk School.

investments in housing, businesses, jobs, education, safety and health.”

LOCAL AUTONOMY, LOCAL SUCCESS

LISC Duluth has its own local autonomy regarding projects. Two primary areas where LISC Duluth focuses resources, for example, are the Hillside and Lincoln Park neighborhoods. “We have a whole network of public, private and nonprofit sector partners, and we work to make sure that residents of the neighborhood are involved,” Kramer said.

Leveraging one of its major subsidiaries, the New Market Support Co. (which bridges the gap between traditional and philanthropic lending), LISC invested New Market tax credits in the Clyde Park development, which now includes the Clyde Iron Works Restaurant,

Catering and Event Center, the Duluth Children’s Museum and the Essentia Health Duluth Heritage Sports Center. It also provides operating support to the Entrepreneur Fund and Ecolibrium3 to advance business development in the Lincoln Park Craft District.

Across town, LISC was a predevelopment investor in the renovation of the NorShor Theatre in the HART District. It also provided predevelopment funding for Lutheran Social Services’ Center for Changing Lives in the Hillside neighborhood for at-risk young people. And in the St. Louis River Corridor, LISC Duluth partnered with the City of Duluth, Design Duluth, University of Minnesota and St. Louis River Alliance to develop a “resilience and sustainability plan” for neighborhoods affected by the June 2012 flood. It secured seed grant funds from the McKnight Foundation that helped implement a plan for the Riverside Park area in western Duluth.

“Our purpose is building wealth in communities that face historical economic barriers, as well as influence workforce development and employer practices and procedures.”

– CHAQUANNA MCENTYRE, FAMILY RISE TOGETHER



“LISC Duluth was one of the early investors in what we were doing and especially helped us early on to get access to capacity building dollars.”

– EXECUTIVE DIRECTOR JEFF COREY, ONE ROOF COMMUNITY HOUSING

In the Greater Duluth area, LISC was involved with community partners and the City of Duluth in creating the Housing Action Framework, which the City Council approved in 2019. It also served on the Imagine Duluth 2035 Plan’s Vision Committee to advance development of the city’s Comprehensive Plan.

SUPPORT FOR THE AWARD-WINNING FAMILY RISE TOGETHER

Helping to create African American and Indigenous start-ups is the initiative that has recently earned ChaQuanna McEntyre the U.S. Small Business Administration’s (SBA) Minnesota Minority Small Business Champion Award for 2020. McEntyre, who has bachelor’s and master’s degrees in social work, worked with Lars Kuehnow and Creative Startups Duluth several years ago to develop her idea for a Hillside nonprofit called Family Rise Together. She’s also a small business owner, making organic hair and body balm to address the needs of biracial and Black people.

“McEntyre supports the advancement of business opportunities for minority business owners in the Duluth area as an entrepreneur, nonprofit founder and president and social worker,” said the SBA’s September news release announcing the award. “She created and conducted business planning workshops and trainings to advance low to moderate income and minority entrepreneurs who want to start a business, supported by her work in social services and insights from her own small business experience.”

Family Rise Together, the news release explained, provides “programming and support for formerly incarcerated fathers, including business development programs, counseling services, and support groups ... She also holds monthly meetings and inner circle partnerships to strengthen business partnerships among the Twin Ports of Duluth.”

Duluth LISC has worked with McEntyre – as a facilitator of a Northwest Area Foundation Planning Grant it received – to provide her organization with technical assistance, coaching and funding for Family Rise Together’s new Youth Entrepreneurship Program, designed to help young adults who are not likely to go to college to develop career or trade skills. And McEntyre views LISC Duluth as a valuable partner that is intentional about how it engages in a community.



“I believe that Family Rise Together has been a staple in providing technical assistance, educational classes and one-on-one consulting work for African American and Indigenous people particularly, but open to the entire community,” McEntyre said from her Duluth Hillside office. “Our purpose is building wealth in communities that face historical economic barriers, as well as influence workforce development and employer practices and procedures that positively impact new employee hiring and retention for African and Indigenous community members.

“We wanted to provide a resource to get that information into their hands, while they’re dealing with the issues of COVID-19 and isolation, depression and other issues that they are facing due to the pandemic and the symptoms of it in our community,” McEntyre added. “We want it to provide a safe haven that would provide education and resources for them to make a way out.”

HELP TO BRIDGE THE DIGITAL DIVIDE

LISC Duluth also stepped up during the COVID-19 pandemic by creating a digital inclusion



LISC Duluth Executive Director joins Victor Martinez (left) and Anthony Miller, winners of the Creative Startups Incubator cohort award for best small business enterprise idea, at an open house celebration. Their enterprise is Pinnacle Pointe Studios, a multimedia studio in Duluth. Creative Startups was a partnership between LISC Duluth and the University of Minnesota Duluth to develop a diverse entrepreneur ecosystem in our economy and helped seed a number of new enterprises.

partnership to help bridge the digital divide for small businesses – because as the pandemic has shown, there were many who weren't prepared or capable of doing business online.

Kramer points to Community Action Duluth (CAD) – which works to empower and engage the community to end poverty – as an example of an organization caught in the digital divide and greatly impacted by COVID-19. CAD had always worked via the traditional face-to-face relationship to address barriers to employment and help get its clients into training programs, then subsequently provide additional support through financial education. "But due to COVID-19, they couldn't meet face-to-face," said Kramer, "and a lot of their clients didn't have computer access." As part of its larger organization, LISC Duluth tapped into the national LISC Bridges to Career Opportunities Program to fund a solution to some of CAD's computer challenges. "We were able to help them get some funding for computers and also provide some access to digital navigator training," she said. This led to CAD's creation of its new Tech Up Program, which has helped more than 150 households gain access to a computer.



LISC Duluth celebrated its 23rd year on September 22, and during this virtual celebration, it announced Community Action Duluth as the winner of its "Building Healthy Communities" award.

SOCIAL IMPACT INVESTING: BUSINESSES AND HOUSING

"A huge part of our mission is social impact investing," said Kuehnow, describing this initiative as simply trying to attract capital into neighborhoods. In Duluth, Kuehnow said in citing an example, there is a lot of development along the Central Entrance corridor and up in the Miller Hill area as well as in the Canal Park area. "There are places that are attractive to investors, for whatever reasons. So our goal is to help make other parts of our community attractive to developers and try to draw capital into them," he said. "A great example is Lincoln Park. That's an example of a corridor that we worked on to help turn the corner."

There were probably 80 percent empty storefronts and not a lot going on when LISC Duluth first began looking at the Lincoln Park neighborhood's potential. "The opportunity there was some inexpensive real estate, and then it became an attraction," Kuehnow explained. "We basically marketed the corridor with some very community-minded business owners to help draw energy and new businesses to enter the corridor. That's a huge success story."

Affordable housing is still a big concern in Duluth, and LISC Duluth has invested more than \$105 million in housing and real estate economic activity as of the end of 2019, said Kramer, adding that funding "has gone into affordable housing, quality education, job training, financial coaching, healthy food access." She cited the success of Center City Housing Corp., an organization that started in Duluth to address the needs of low income individuals with supportive housing. Among other apartment and townhome complexes, Center City built the Garfield Square Apartments, Steve O'Neil Apartments and San Marco

"LISC has lending capability; they can help with that ... But it's still a national organization, too. They have an ability to bring in some expertise."

– LISC DULUTH LOCAL ADVISORY BOARD CHAIR GEOFF POPHAM, U.S. BANK



Apartments. LISC Duluth provided predevelopment funding and federal housing tax credits for the San Marco Apartments project. It became a model where they're working statewide now on that type of permanent supportive housing, because they really piloted it here, and it's helped to change lives. So I'm very proud of that project," Kramer said.

LISC is also proud to be involved in a partnership with One Roof Community Housing to help address affordable housing needs. "They began as a small nonprofit that just did single family development, and did it well, but they merged with another organization, and we helped support that merger," Kramer explained of how Neighborhood Housing Services and Northern Communities Land Trust merged in 2012 to become One Roof. This merger brought

new funding resources to the community and helped expand One Roof's impact and scope of work.

Kramer said LISC Duluth has been working with One Roof for years by providing advocacy, capacity building and operating support, training dollars, technical assistance and predevelopment funding for its projects. Having a solid roof over your head every night is a luxury that not everybody has, and One Roof Executive Director Jeff Corey sees the struggle in Duluth firsthand. His organization is committed to providing shelter to those most in need.

"We make home a better place' is our tagline," said Corey. "All of the things that we do are geared toward doing that, primarily for folks that are lower income." One Roof is now a major single-family, community land trust developer. It also does a lot of renovation of existing

housing for families and is a multifamily building developer as well.

"We make loans to people to help fix up their homes, primarily to folks that can't get a loan from the bank," Corey explained. "We do homebuyer education. We do homebuyer counseling to help people fix their credit and figure out how to save to be able to buy a house. We do education and counseling and mediation for tenants and landlords to make sure that both parties understand their rights and responsibilities.

"LISC Duluth was one of the early investors in what we were doing," said Corey, "and especially helped us early on to get access to capacity building dollars to be able to operate." The partnership formed between One Roof and LISC has been critical to the success of making housing affordable to lower income residents. "LISC

LISC Duluth Local Advisory Board Members:

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is always looking for what's the next thing that needs doing," Co-rey added.

Knowing that support from LISC could turn an idea into reality, the team at One Roof pushes for innovative changes that can have an immediate impact on the community. Corey discussed a new idea as an example: "We got a small grant from them [LISC Duluth] this past year that allowed us to put a bunch of time into pulling together a broad group of stakeholders to see if we couldn't design a new model of housing for people experiencing homelessness. And so we pulled together people from CHUM, Human Development Center, Loaves and Fishes, Damiano Center, Center City Housing, City of Duluth, St. Louis County, two architects and a LISC staff person. They held five meetings, plus some work following those meetings, and came up with a two-story design for a 12-unit building." Supporting initiatives like this is yet more evidence of LISC Duluth's long-term commitment to support the community.

Another successful organization LISC Duluth partnered with as a pre-development funder is the American



Indian Community Housing Organization. Kramer describes AICHO as unique in terms of being a nonprofit that represents a number of tribal entities and governments. "In addition to affordable housing, AICHO has asked the question, "What more can we do?" she said.

Today, AICHO's tireless work has resulted in 44 units of permanent supportive housing, an American Indian Community Center, legal advocacy, a domestic violence emergency center, youth programs, social enterprise activities, an arts and culture initiative and a climate and cultural resiliency initiative. "They've done a lot to support the work of Indigenous artists, healthy food access and children's programming, all honoring their history and culture," Kramer said, "and being a gathering place for so many in the community."

LOCAL ADVISORY BOARD INCLUDES BUSINESS LEADERS

An 18-member Local Advisory Board representing businesses, government entities and nonprofits helps guide and support LISC Duluth. Geoff Popham chairs the board and has served as a board member for five years. And as the vice president-wealth management banker for U.S. Bank's Wealth Management group, he is proud to serve alongside these individuals. "We have 100 percent giving on our board," Popham said. "I appreciate the fact that folks not only give their time and their expertise, but they also are supporting it [LISC Duluth] financially."

He also noted the organization's efficacy. "LISC has lending capability; they can help with that in some cases and because they're the local LISC office," said Popham. "But it's still a national organization, too. They have an ability to bring in some expertise, if there's something that's happening here or in the [Twin] Cities or in other communities that they're in – to bring some other resources to bear."

One Lincoln Park neighborhood need is access to healthy food, and food insecurity is an issue LISC Duluth hopes can be resolved. That's

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just one example of how Popham sees LISC helping people and places prosper. "When you're a neighborhood intermediary, you do a lot of different things. And you're taking a very holistic approach to community challenges. Addressing them with creativity is a challenge," he said of the complex issues LISC Duluth works to help solve. Popham clearly admires the tenacity of LISC staff and local entrepreneurs – the people who say, "I'm starting this business."

"They're the ones that have that vision of what they could be doing in the community and what they're excited about," Popham said. "When I look at Lincoln Park, I just think there are a lot of neat individuals and organizations out there that are making something happen right where they're living." 📍

Patrick Lapinski is a freelance writer who grew up in Superior.



KEY PARTNERS:

AICHO, Affordable Housing Coalition, Center City Housing Corp., CHUM, City of Duluth, Community Action Duluth, Duluth Community School Collaborative, Duluth Economic Development Authority, Duluth Housing and Redevelopment Authority, Duluth NAACP, Duluth Workforce Development, Ecolibrium3, Entrepreneur Fund, Family Rise Together, Generations Health Care Initiatives, Greater Downtown Council, Greater Minnesota Housing Fund, Head of the Lakes United Way, Independent School District-ISD 709, Lincoln Park Business Group, Lincoln Park Children and Families Collaborative, Lutheran Social Services-Duluth, Minnesota Housing, Morgan Park Community Club, One Roof Community Housing, SOAR Career Solutions, St. Louis County, Zeitgeist Center for the Arts & Community.

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