GARY, INDIANA COORDINATED DELIVERY OF FEDERAL SUPPORT: LESSONS IN GOVERNMENT EFFICIENCY

OVERVIEW

Gary, Indiana has faced a series of severe challenges during the past 50 years, including significant loss of manufacturing jobs, migration of population to neighboring suburbs, loss of property value, wide-scale foreclosure, shuttering of the vast majority of retail, and widespread abandonment and blight. Due to the resulting low tax revenues, Gary's budget and staff are considerably smaller than needed to serve its 78,000 residents and to maintain its 54 square miles of infrastructure. This lack of capacity has left Gary at a competitive disadvantage when trying to access and manage federal and state grants and unable to attract significant investment from the private and philanthropic sectors. In addition, the many challenges facing Gary's leadership leaves them not enough time to devote to learning about current best practices from their peers in local government and academia.

Starting in 2011, a succession of federal partnerships in collaboration with the City of Gary have focused on these issues, bringing in over **\$34.5 million** in coordinated investment.

STRATEGIES EMPLOYED FOR COORDINATED SERVICE DELIVERY IN GARY:

- Creating actionable plans
- Coordinating public sector investments
- Convening diverse stakeholders to solve problems
- Working hand-in-hand with philanthropy

PROJECT PHASES

Brownfields Phase, 2011-2012

The Regional Development Authority of Northwest Indiana (RDA) sought help from the Environmental Protection Agency (EPA) in the creation of a Northwest Indiana Brownfields Coalition, comprised of the RDA, the cities of Gary, East Chicago, and Hammond, and the Northwest Indiana Regional Planning Commission (NIRPC). With the help of EPA's consultant, former Kenosha Mayor John Antaramian, EPA and Department of Housing and Urban Development (HUD) forged working relationships with the partner cities and organizations, brought in examples of successful brownfields coalitions from other parts of the country, and conducted targeted brownfields assessments. The Northwest Indiana Brownfields Coalition built upon this knowledge, and has secured more than \$1.6 million in EPA Brownfields grants which have funded multiple site investigations and cleanups.

HUD-DOT-EPA Partnership for Sustainable Communities Phase, 2012-2014

In 2012, Karen Freeman-Wilson was elected Mayor of Gary. HUD hosted a multi-agency partnership kickoff meeting to welcome her new administration, and EPA and HUD began regular bi-weekly working meetings with Mayor Freeman-Wilson and her staff to talk about brownfields issues, which quickly grew into strategic discussions on neighborhood revitalization. The HUD-DOT-EPA Partnership for Sustainable Communities worked to position Gary for investment through: 1) the creation of clear plans for the future within the Gary Northside Redevelopment Project; 2) high-visibility demonstration projects, including demolition of the former Sheraton Hotel; and 3) and building Gary's capacity through project implementation. This work helped to position Gary to be a strong applicant for the Strong Cities, Strong Communities Initiative (SC2).

Strong Cities, Strong Communities Phase, 2014-2016

The 2014 SC2 designation marked a third phase of work, which brought more than three full-time federal employees (1 from HUD, 2 from EPA, and several temporary assignments from the Department of Labor) to Gary daily to work hand-in-hand with city staff in city hall. This phase was key, because the federal team could put in the sustained effort needed to help the city identify funding sources for implementation of plans, to help position them to be competitive for funding, and use funds more strategically.

This evolving partnership between the federal government and a broad range of local leadership in Gary led to more than \$34.5 million in public, private, and philanthropic investment so far, using the four strategies outlined below:

- Creating actionable plans
- Coordinating public-sector investments
- Convening diverse stakeholders to solve problems
- Working hand-in-hand with philanthropy

STRATEGY 1: CREATING ACTIONABLE PLANS

The federal team worked with Gary and a broad range of partners to create clear neighborhood plans to position Gary for future investment. This process began with more than seventy 90-minute interviews with community members and city and regional leadership. In addition, the federal team researched and shared examples and best practices for successful redevelopment in other cities with Gary staff.

Knowing that the public was skeptical of planning efforts, due to previous plans which they felt had "sat on the shelf", the federal partners brought in examples of long-term strategies from Milwaukee, Kenosha,



Moline, and other cities which had successfully funded and implemented their plans. These cities were successful because the plans were designed with direct linkages to funding streams, with key short-term demonstration projects to show progress, and with the creation of long-term partnerships for implementation. Based upon this input, Mayor Freeman-Wilson established a target area for focused cleanup and redevelopment—the Gary Northside Redevelopment Project (GNRP), which includes the neighborhoods of Horace Mann, Downtown, Emerson, Glen Ryan, Emerson, and Miller.

In July 2013, EPA and HUD brought together a group of 80 federal and state agencies and philanthropic partners to hear the city department heads describe their visions for the future. These presentations led into brainstorming about which funding streams could potentially support further planning and implementation in pursuit of these visions. Because of this, the subsequent planning work was structured around viable funding streams.

With community input, city staff developed initial visions for each neighborhood of the GNRP and used these visions to seek funding for more detailed urban planning. Ultimately, this approach led to \$860,000 in funding for the creation of detailed plans for the GNRP and for University Park East, a neighborhood to the south. This in turn has provided the context for significant investment, as described below.

The Lakefront District Plan

In 2008, the Northern Indiana Commuter Transportation District (NICTD) proposed replacing both of Gary's commuter rail stations (Miller and Downtown) on the South Shore with a large, isolated Park-and-Ride lot designed primarily to serve commuters who drive in from out of town. The purpose of this proposal was to shorten commute times from South Bend to Chicago. Local residents vigorously opposed this plan, arguing that shutting down the two main train stations would cut off economic development opportunities in the surrounding neighborhoods Although public opposition had stalled this plan, it was still on the table, contributing to uncertainty in the future of neighborhoods surrounding the existing stations.

Using EPA Brownfield technical support resources to bring in consultant Vita Nuova, the federal team worked with the city to find a win-win solution to this problem. This effort focused on the neighborhoods around the Miller train station (Aetna, Glen Ryan, and Miller), which comprise the eastern half of the GNRP. The team's proposed solution was to realign a short, functionally redundant section of road, thereby making room to route the South Shore Line's tracks through the road's former right-of-way. This in turn allows for creation of compact, walkable, transit-oriented development (TOD) and a light industrial district (LID) centered around the Miller Station. These reuse options were spelled out in the <u>2015 Lakefront District</u> <u>Plan.</u>



This proposal has been embraced by local leadership and by the public. The overall rail improvements, which also include raised platforms and double tracking outside of Gary, are expected to reduce commute times on the South Shore Line between Gary and Chicago by 20-30 minutes. This will help to spur private investment in the areas around the train stations, create jobs, and provide opportunities for commuters to readily access high-paying jobs in Chicago. The following steps have been taken toward implementation:

- Funding of the re-routing of Rt. 12 and construction of green, complete street improvements along Rt. 20 and Lake Street [\$6.7 million from Indiana Department of Transportation (InDOT) and the RDA. Construction is expected in 2018];
- 30% engineering and NEPA work for rail improvements including raised platforms and double tracking is underway [\$4 million in RDA funding; targeting 2017 completion];
- Updates to zoning, codes, and ordinances for TOD and LID [completed with \$150,000 in EPA funding];
- Creation of tax increment financing district [anticipated 2017, City of Gary];
- Area-wide brownfield assessment of 640 properties [completed, 2016].

Creating Livable Centers Plan

The western half of the GNRP includes the neighborhoods of Horace Mann, Downtown, and Emerson. EPA and HUD helped to position the city to apply for funding in this district, working with the Indiana Coastal Program to connect the city with logic model training provided by the National Oceanic and Atmospheric Administration (NOAA). The logic models proved to be key in helping the city write a successful application for a \$150,000 Creating Livable Centers grant, using DOT funds administered through Northwest Indiana Regional Planning Commission (NIRPC). This funding paid for a detailed redevelopment plan, which covers downtown redevelopment, a medical district, waterfront public use along the Grand Calumet River, redevelopment along Broadway and 5th Avenue, and transportation improvements throughout the district.

Choice Neighborhoods

When HUD's Notice of Funding Availability (NOFA) for the Choice Neighborhoods Planning Grant came out in 2014, it was clear that a high level of collaboration would be needed to put together a successful application. EPA and HUD discussed this challenge with the Legacy Foundation, which stepped forward to coordinate the application process with the city. These are extraordinarily competitive grants, and Legacy's involvement was critical to Gary's successful application. Gary and Legacy were selected as one of only seven recipients of this \$500,000 grant in 2015. Legacy, the city, and the Gary Economic Development Corporation (GEDC) co-led the Choice Neighborhoods work, which covers the University Park East neighborhood. Implementation of this grant involved extensive community engagement leading to completion of a comprehensive transformation plan, which focuses on housing infill, mixed-use, mixedincome development and beautification along Broadway and 35th Street, linking two anchor educational institutions, Ivy Tech and Indiana University Northwest. Understanding the importance of having small wins during an extensive planning process, the Legacy Foundation created a small grants program to fund community-designed-and-driven implementation and engagement strategies in the University Park East footprint. One of the key recommended next steps is the formation of a community development corporation.

STRATEGY 2: COORDINATING PUBLIC-SECTOR INVESTMENTS

Demolition of Large Buildings

The ruins of the 14-story former Sheraton Hotel stood next to City Hall for more than 30 years as a powerful symbol of blight. To help the city demolish this building, EPA and HUD coordinated the investment of \$1,478,000 from HUD, EPA, and the Regional Development Authority of Northwest Indiana (RDA) to demolish this building. The RDA support was key,

providing consultants who worked with Gary to draft demolition bid specifications, evaluate proposals, and oversee the demolition, which was completed in 2015. At the end of demolition, the site was left as a green open field.

EPA and HUD then helped the city and its residents envision future use of the property through a charrette process, in which the community generated ideas and uses for the property. As a result, the former Sheraton site will become a public space with green infrastructure elements. Construction is underway, utilizing EPA funding. The United States Geological Survey (USGS) is monitoring effectiveness of the green infrastructure in reducing the amount of stormwater that infiltrates into the ground and that which flows into the sewer.



Through this project, the city gained experience which enabled them to subsequently demolish the 8-story former Ambassador Apartments and several other blighted, obsolete structures using \$1,209,000 in funds from EPA and HUD, via the Indiana Office of Community and Rural Affairs.

Residential Demolition

Gary has more than 6,000 abandoned, blighted homes. The federal team, the University of Chicago, the Legacy Foundation, and the Delta Institute (a Chicago-based nonprofit) helped the city assemble the information needed to apply for \$6,645,000 in Hardest-Hit funds from the Department of Treasury (through the Indiana Housing and Community Development Agency) for the demolition of 374 of these vacant and blighted residential properties. More than 300 demolitions occurred by the end of 2016, each using the EPA's model green demolition bid specifications. As a result, each of these residential lots are now backfilled with sand and permeable soils and are covered with low-mow grasses, which allows the infiltration of stormwater into the ground. The successful implementation of the first round of Hardest-hit funding positioned Gary to access an additional \$4.5 million in 2016.

The Delta Institute assisted Gary in piloting a deconstruction program on 12 of these Hardest-Hit Fund properties, and successfully applied for a Knight Cities Challenge grant of \$385,000 for Steel City Salvage, a program and facility for storage and recycling of materials reclaimed from demolished structures. This project is currently in the startup phase.

Buffington Harbor Road

In 2012, the Majestic Star Casino was holding \$13.5 million in taxes owed to the City of Gary in escrow, pending resolution of an agreement made by a previous mayoral administration which required Gary to resolve environmental liabilities on a 164-acre property near to Buffington Harbor and to construct an access road. The federal team worked with Indiana's Brownfields Program to address remaining environmental liability concerns on the site, which resulted in a "No Further Action Determination" from the Indiana Department of Environmental Management. After Gary constructed the required access road, Majestic Star released the escrowed tax money to the city. In 2016, Gary received a \$3 million grant from the EDA to build an additional road on this site, creating potential for redevelopment and job creation on properties close to the harbor. This second road is under construction.

Green Infrastructure

The federal team worked with Gary to identify a range of green infrastructure funding sources and helped to match these to Gary's project needs. Ultimately, the city and its partners applied for and received multiple grants for green infrastructure from the EPA Great Lakes Restoration Initiative, EPA Shoreline Cities, the Chi-Cal Rivers Fund, the Indiana Coastal Program, and

the Vacant to Vibrant program of the Cleveland Botanic Garden, totaling \$2,083,000. As a result, green infrastructure has been installed in many locations throughout the city.



For example, the Vacant to Vibrant program of the Cleveland Botanic Garden designed green infrastructure reuse for three vacant lots in the Aetna neighborhood based upon significant community input, resulting in garden-like installations on lots that used to contain burned-out homes. These have been constructed and provide significant beautification. Maintenance of these properties is being performed by graduates of the Gary for Jobs program (described below), which provides landscaping job training to exoffenders.

Federal Engagement with the Small Business Community

To help address the mayor's focus on long-term unemployed individuals and minority underrepresentation in small businesses ownership, the SC2 team strategically targeted small local business by familiarizing them with and registering them for federal and local procurement opportunities, particularly the HUD Section 3 and SBA HUBZone programs and Gary Business Enterprise. SC2 worked with the city and other local partners to convene an informational and on-site registration event, staffed by the Small Business Administration, HUD, General Services Administration, local lenders, and city departments. This event tripled the number of Section 3-registered businesses in Indiana.

Crime and Data

Mayor Freeman-Wilson reached out to the Department of Justice's Diagnostic Center in 2013, seeking assistance to address a recent spike in violent crimes in Gary. The Diagnostic Center worked with the Gary Police Department and the city to assemble and analyze data to get a clearer picture of their crime issues and determine the city's operational capacity to address them. Partnering with local, state and federal organizations, the Diagnostic Center talked with a broad range of law enforcement, academic and government organizations to determine both the challenges and possible models for response. Indiana University Northwest, the Indiana State Police, the United States Attorney's Office for the Northern District of Indiana, numerous federal and local law enforcement agencies, task forces, and a variety of community groups and citizens all had input into the assessment and recommendation effort. Subject matter experts in the areas of violent crime reduction strategies, homicide investigations and task force operations were brought in by the Diagnostic Center to assist. After completing the analysis, Diagnostic Center delivered a series of recommendations and data-driven models to address the city's needs and presented its findings and recommendations to the community.

The Diagnostic Center's <u>recommendations</u> included developing a strategy for community safety and violent crime reduction; improving data quality and enhancing management protocols to inform operational crime response strategies; and increasing community engagement and accountability. This partnership continued when Gary was selected for further support through the National Initiative for Building Community Trust and Justice. The SC2 team played an active role in the Diagnostic Center's convenings, helping to coordinate violent crime reduction strategies into redevelopment planning and the administration of public housing.

Bike and Pedestrian Safety Assessment

More than 50 representatives from federal DOT agencies and InDOT, assessed the hazards posed by current road, sidewalk, and traffic conditions to pedestrians and bicyclists. Past accidents were mapped, and on-the-ground conditions were analyzed in detail by teams on foot and on bicycles. This information will help guide the design of green, complete streets, crosswalks, and traffic calming efforts in Gary, and has been incorporated in the Lakefront District, Livable Centers, University Park, and Livable Broadway plans.

STRATEGY 3: CONVENING DIVERSE STAKEHOLDERS TO SOLVE PROBLEMS

A key role for federal partners working with Gary's leadership was bringing the right people to the table to identify problems, form a common strategy and identify solutions. This critical convening work was undertaken around several issues, as described below.

Conference on Sustainable Development in Northwest Indiana

In 2014, the federal team, under the banner of SC2, brought together more than 250 people in Gary's Genesis Convention Center to discuss strategies and policy relating to job creation, transportation, housing, brownfields, and redevelopment. Speakers from Gary and guests from Milwaukee, Kenosha, and other cities that have redeveloped blighted areas, created jobs, and improved public health came in to share successes and best practices. This initial broad convening helped set the stage for subsequent issuefocused work.

The Gary Grants Committee

Gary's need for investment is great, but the small size of the city's staff makes navigating the array of grant opportunities from the federal government, state agencies, and foundations difficult. Working with the SC2 federal team, Gary formed a grants committee composed of city department heads, representatives from the police and fire departments, and guests from nonprofits and academic institutions. The committee matches grant opportunities with Gary's strategic priorities, helping the city to make better decisions about which opportunities are most worthwhile to pursue. This has built expertise and working networks within the city government and with a broad range of partners, and has led to the award of many grants, particularly to the police and fire departments. Other opportunities discussed and prioritized through this committee include Local Foods/Local Places, Department of Labor Discretionary Grants, HUD's Choice Neighborhoods Planning Grant, DOJ's Byrne grant, Promise Zone Designation, the Knight Cities Challenge, National Endowment for the Arts' Our Town program, EDA grants, and DOT's TIGER grant. Even for those grants which were not awarded, the process of convening the appropriate partners and working through the application process has built significant capacity and strengthened working relationships within Gary.

Community Health Advisory Group

The federal team worked with the city to establish the Gary Community Health Advisory Group (CHAG) comprised of local health-focused non-profits that are committed to addressing health disparities in the Gary community. The federal team worked with the multiple, disparate groups to build trust and form a common mission and vision. With this new cohesive team, the CHAG created a comprehensive asset map of health and wellness resources available to Gary residents, and took on the Mayor's challenge to address violence as a public health issue. Now directly reporting to the Mayor's office, this group is working together to bring in funding resources and coordinate health awareness campaigns throughout Gary.

Local Foods, Local Places

Local Foods, Local Places (LFLP) is a technical assistance program, supported mainly by EPA and the U.S. Department of Agriculture (USDA). Gary's LFLP support took the form of interviews, a tour, and a workshop. This in turn generated a series of implementation strategies to scale up a communitydriven vision for urban agriculture that improves access to healthy, local foods and to spur economic development. Increased local production will serve as a foundation to other food-related businesses as well as assist the transformation of underutilized and vacant properties into productive, inviting spaces.

Creating Jobs and Opportunity



Faced with the challenges of re-incorporating those recently released from prison into the working population, Gary formed a re-entry coalition to bring together a broad range of partners to explore coordinated community strategies. This coalition used Department of Labor funds administered through WorkOne. One strategy implemented by the coalition was create a job training and entrepreneurship program focusing on landscaping, Gary for Jobs, which was funded by the privately funded economic development entity SCORE. Gary for Jobs resulted in the creation of five new small businesses. SC2 actively supported this program, bringing in resources from SBA's Small Business Development Center, coordinating with micro-lender ACCION, and putting on targeted training on business plan development, business accounting, and how to bid on government

contracts. In addition, the Federal Reserve Bank of Chicago worked with SC2, Gary and the Legacy Foundation to convene a range of lenders around Gary for Jobs and other Gary initiatives seeking opportunities for funding through the Community Reinvestment Act. Several Gary for Jobs graduates are now employed as contractors to the city, performing maintenance on green infrastructure.

Employer-Assisted Housing

EPA and HUD worked with the city to host a workshop and charrette focused on employer-assisted housing, bringing in examples from Indianapolis IN, Madison WI, and LaCrosse WI, where anchor institutions had taken an active role to provide stable, affordable housing options for their employees. The Horace Mann neighborhood, anchored by Methodist Hospital, and University Park neighborhood, centered around Indiana University Northwest and Ivy Tech, are two of the most stable in Gary, but there are still significant spots of decay in each. The federal team then led a charrette process, during which community members discussed challenges and opportunities for employerassisted housing. This process ultimately informed two planning processes—the Creating Livable Centers Plan and the city's Choice Neighborhoods Plan.

To implement this planning work, the city and HUD worked together to improve or create city programs that encourage home ownership in Horace Mann and University Park. The city targeted HUD Community Development Block Grant (CDBG) resources for housing repair for existing homeowners, downpayment assistance for employees of neighborhoodbased institutions, and rehabilitation resources for vacant and/or abandoned homes. These programs will increase the impact of neighborhood stabilization efforts in SC2 project areas and promote greater income diversity with Gary.

STRATEGY 4: WORKING HAND-IN-HAND WITH PHILANTHROPY

Since 2012, the federal partners and Gary have worked in partnership with the Legacy Foundation, the community foundation of Lake County, Indiana. The Legacy Foundation helped to open local doors for the federal team, providing advice and guidance in building constructive working relationships with community and regional leadership, and identifying potential pitfalls. In turn, the federal team facilitated Legacy's working partnership with the City of Gary. Foundation investments leveraged through this collaboration include over \$860,000 from Legacy, and more than \$2 million from the Knight Foundation and Bloomberg Trust.

The Neighborhood Spotlight Program

Strong nonprofits are needed to carry forward on long-term neighborhood revitalization. Gary's nonprofit organizations have strong leadership, but most are significantly understaffed and underfunded. To address this challenge, federal partners shared successful models for nonprofit capacity building from Chicago and Indianapolis with the Legacy Foundation. Legacy utilized these Collective Impact-based models to establish the Neighborhood Spotlight program. Neighborhood Spotlight helped to bring the various nonprofits operating within individual neighborhoods together to create a combined vision and strategy, and to compete for implementation funding. Legacy's Neighborhood Spotlight grants have been awarded to two neighborhoods within the Gary Northside Redevelopment Project: Faith Community **Development Corporation in Emerson and Miller** Spotlight in Miller. These two Neighborhood Spotlight groups have developed detailed plans for action within their communities, and are implementing multiple projects of their own design, e.g. FAITH Gardens in Emerson and the accessible boat launch in the Marquette Park Lagoon.



Managing Data in Gary

One of Gary's stated priorities in their SC2 application was called Data-Driven Gary, recognizing the importance of clear data relating to property condition, enforcement, tax collection, etc. in setting appropriate goals and in measuring progress. The Legacy Foundation provided financial and staff leadership to Gary Counts, a project to obtain and share property data in Gary. Initial efforts focused on the use of data on housing ownership and condition developed through Gary's partnership with the University of Chicago, and expanded outward into analyzing the sharing of data between Gary's building, code enforcement, demolition, and redevelopment staff. Subsequently, a technical assistance award from the Center for Community Progress (also partially funded by Legacy), analyzed the need and opportunities for interdepartmental coordination on property information, inspections, and code enforcement, and recommended procedural and structural changes within the city government. As a result, building and code enforcement functions have been consolidated under one city department.

Building Confidence in Gary's Future

The federal partners also have worked closely with Gary and Legacy to showcase the strong work taking place in Gary to larger foundations, helping to build confidence among funders that investments in Gary will be fruitful. Key evidence of the success of this approach is that, of all the Knight Cities Challenge grants awarded in 2015 and 2016, Gary's were by far the largest. In 2017, Gary was awarded a Knight Cities Challenge grant for the Gary Methodist Ruins Garden.

Philanthropic foundations have stepped forward to make several arts-related investments within the Gary Northside Redevelopment Project, including \$1.65 million from the Knight Foundation and the Bloomberg Trust for <u>ArtHouse: A Social Kitchen</u>. ArtHouse, led by renowned artist Theaster Gates, opened in November 2016 as an arts-based community space that also provides culinary business and entrepreneurship training in a building which had been constructed by the Enterprise Zone.



Faculty from the Art Institute of Chicago have two additional projects underway. The <u>Heat Light Water</u> <u>Project</u> seeks to renovate the Gary-owned Power and Light building for community and arts-related purposes. <u>Fruit Futures Initiative Gary</u> is promoting a series of community-driven urban agriculture projects that aim to stimulate a new small fruit culture and economy in Gary.

TOTAL INVESTMENT

Through creation of a common vision for the future and by working hand-in-hand with the city and a broad range of partners, more than \$34.5 million in muchneeded investment has been brought to bear in Gary. This required sustained effort over a four-year period, beginning with the creation of plans and implementation of pilot projects, and proceeding through coordination of programs, funding, and technical support from a broad range of partners.

Categories of investment:

Planning	\$860,000
Green infrastructure	\$2,365,000
Demolition of housing	\$11,530,000
Demolition of large buildings	\$2,687,500
Foundation investments	\$2,895,000
Engineering and implementation	\$13,760,000
Other technical assistance	\$444,850
Total:	\$34,542,350