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HEAD: Can other cities' solutions work here? Public-private initiatives often effective tool for redevelopment
BYLINE: **DAVID DILLON**
CREDIT: Staff Writer
ART: PHOTO(S): (1-5 Photos by **DAVID** LEESON/Staff Photographer) 1. Resident Terry Rutledge (right front) and others prayed before the grand reopening of the Trinity Heights apartment complex. 2. Trinity Heights residents James and Jessie Johnson chat with Peggy Anschutz about the renovation project at the South Dallas apartments. 3. St. Philip's School is an anchor of the South Dallas neighborhood. 4. St. Philip's teacher Ramona Thomas, helping student John Collins with his shoelace, is moving into an area townhouse. 5. Cinderella Harris, 77, walks past the Trinity Heights apartments in South Dallas. The renovation was sponsored by the St. Philip's Neighborhood Development Corp. CHART(S): 1. GROWING FROM THE GRASS ROOTS. 2. ABOUT THIS SERIES. MAP(S): (TOM SETZER/Staff Artist) St. Phillip's Neighborhood.

TEXT:

Fourth of five parts

The plaque on the wrought iron fence says MacArthur Gardens in raised gold letters. Inside are benches, a rose arbor and beds of wild flowers linked by a narrow gravel path.

This could be the cover of a slick promotional brochure on hip urban living, right down to the 12 brick houses with pitched roofs and shallow front porches that line the perimeter.

But MacArthur Gardens, barely three months old, is an anomaly rather than a promotional tableau, an island of hope in a sea of blight. Its South Dallas neighborhood is peppered with liquor stores, drug drops and by-the-hour motels.

MacArthur Gardens is also a double-edged symbol - a poignant evocation of traditional urban life in a place that hasn't seen it for decades, and a lesson in how the area's problems might be addressed.

Boston, Indianapolis, Cleveland, Chicago and other major American cities have tackled equally daunting urban challenges. And they've often done it by forming partnerships with small, nonprofit community development corporations to build houses, create jobs and restore neighborhood identity and pride.

MacArthur Gardens was built by just such a civic enterprise - St. Philip's Neighborhood Development Corp.

"Dallas is 20 years behind both coasts in community building and neighborhood revitalization," said Jon Edmonds, president of the nonprofit Foundation for Community Empowerment, which is spearheading redevelopment in southern Dallas. "Here, major investments have been made in the wrong things as far as community building is concerned."

For "wrong things," read "deals" instead of people and programs; pet projects rather than investments; political expediency before strategic planning.

City Council member Veletta Forsythe Lill sees a continuation of an old pattern.

"Dallas has a long history of undercapitalizing its infrastructure and public facilities," she said. "Other cities invest much more money in themselves. We should have had a \$1 billion bond issue in 2003. The public would have supported it."

Nor are Dallas' grass-roots redevelopment efforts nearly as comprehensive or aggressive as those on the East and West coasts.

"Reviving southern Dallas shouldn't be viewed as impossible, based on what has happened in other cities," said Paul Grogan, co-author of Comeback Cities and president of the Boston Foundation. "But first you have to get the place organized."

Other successes

What does this kind of organization look like?

Go to Indianapolis. The city has 12 major CDCs, coordinated through the Indianapolis Neighborhood Partnership, that tackle everything from housing to drug counseling, banking and project management. Indianapolis also has a deputy mayor for neighborhoods to oversee these efforts.

Or go to Boston - "a city virtually devoid of blight," according to Mr. Grogan.

The Dudley Street Neighborhood Initiative serves a large black, Latino and Cape Verdean population within two miles of downtown, about the same distance as Fair Park is from Akard and Main streets in Dallas.

Combining financial ingenuity with political chutzpah, the Dudley Street project has been involved in the construction of more than 400 houses; provided seed money for small businesses; created a community farm and a greenhouse operated by a Boston museum; and raised \$1 million a year from foundations and corporations.

Although southern Dallas has nothing as ambitious as Dudley Street, it does contain several growing CDCs. Besides MacArthur Gardens, St. Philip's has built another 50 houses around the neighborhood - 20 of them for the elderly - and renovated 14 apartments. It is about to start construction of a neighborhood center and a community garden, and it plans to build another 20 housing units in 2005.

SouthFair, adjacent to Fair Park, has completed 380 apartments, plus 10 single-family homes. It has also constructed a small office building for a Baylor Hospital geriatric center.

Operation Relief, in the Edgewood Neighborhood, has built a dozen single-family houses and has another 75 under construction, along with a renovation of the former Mobil headquarters at Mockingbird and Stemmons for senior housing.

But a majority of southern Dallas' 26 CDCs are still chiefly job programs that struggle to meet a monthly payroll. Several have foundered legally and financially.

ICDC has defaulted on several loans from the city. In August, the city halted funding for T.R. Hoover Community Development Corp. over bookkeeping irregularities and internal conflicts of interest.

"Dallas hasn't made the kind of investment in its CDCs that other cities have," said Mr. Edmonds, who directed the \$50 million Indianapolis Partnership before moving to Dallas. "As a result, the whole industry here is underfunded, understaffed and undertrained."

Of Dallas' 26 CDCs, the Foundation for Community Empowerment funds only the seven that "have the most potential for growth," according to Mr. Edwards.

'Just enough to fail'

Traditionally, CDCs create markets or show that markets exist, then step aside as private investors move in. In southern Dallas, where private investment is still spotty, CDCs frequently are the market.

"The first thing is to get the city to the table," said Marty Jones, president of Corcoran Jennison Co. in Boston, a leading inner-city developer. "If you can't do that, forget it, because the city controls so much of what you do."

Dallas' involvement with CDCs hasn't been large. It contributes an average of \$40,000 to \$50,000 in operating funds annually to each one, plus some money to help them with mortgage-assistance programs for neighborhood residents.

"Just enough money to fail, but not enough to build capacity," said William McFarland, former director of People's Redevelopment CDC in Atlanta. Most CDCs need three or four times that amount just to keep the doors open, he says.

Indianapolis CDCs, for example, receive about \$15 million a year in foundation support and another \$9 million from the city. Boston's Neighborhood Development Support Collaborative, the first in the country, and its successor organizations have contributed nearly \$14 million since the late 1980s.

"The city has not been a partner in this effort. Not one cent of bond money has been spent in this area," said St. Philip's president Peggy Anschutz, whose organization had to pay for paving its own streets and sidewalks.

"The city looks at us as a necessary evil," said Norman Henry, director of Builders of Hope in West Dallas. "We're a way for them to get certain types of federal funding, but they don't really think we are essential to the redevelopment of the city."

Interim City Manager Mary Suhm says it's "probably true" that the city hasn't done enough to support its CDCs.

The city needs to change its relationship with residents and businesses, Ms. Suhm said. "And I would say that includes the CDCs also."

'Don't dump'

Organization - expressed as collective will and political muscle - is a staple of successful CDCs.

"You need power," said Massachusetts state Rep. Byron Rushing, who applied a lot of it on behalf of Dudley Street in Boston. "Once you get that, everything else will fall into place. And power only comes from pressure."

In the early 1980s, the historic Dudley Street neighborhood was a dumping ground for stolen cars, construction debris and the occasional corpse. House fires were a form of neighborhood entertainment.

Tired of the abuse, residents organized an aggressive "Don't Dump on Us" campaign, constantly badgering city officials and even threatening to dump trash on City Hall Plaza if things didn't improve. They did.

In 1988, the powerful Boston Redevelopment Authority announced plans to refurbish the square at the heart of the neighborhood with offices, condos and chic shops. But where the city saw increased tax revenue, residents saw only displacement and gentrification.

Once again they organized, eventually persuading the city to give the Dudley Street Initiative eminent-domain authority over 1,300 vacant lots. The result was a community land trust that allowed residents to write their own development plan and to bring in their own architects and urban designers.

"We decided that the redevelopment was going to be about us," recalled executive director John Barros. "We wanted a local CDC serving local residents and businesses, yet tied to a larger community vision. You can't just settle for what the city is willing to give you."

Boston's Harbor Point - originally Columbia Point - shows what creative partnerships can accomplish. In the 1970s, the public housing project was a no-man's-land of drugs, murder and prostitution. Residents fought back, at one point carrying a Christmas tree adorned with dead rats into a City Council meeting.

The turning point was inducing a local developer, Corcoran Jennison, to take over the project. Residents had three non-negotiable demands: at least 400 low-income apartments, a voice in managing them and "some rich people so we can get services."

Corcoran Jennison demolished the worst apartment towers and redesigned others to create an integrated community with parks, shops, playing fields and spectacular views of the Boston skyline.

Not only did most of the original residents stay, they became 50 percent partners in the project, involved in all major decisions and responsible for many day-to-day operations.

Today, it's a mixed-income community that includes everyone from welfare mothers to doctors, college professors, students and, at various times, players for the Boston Celtics.

'We're not dumb'

Community organization in southern Dallas, on the other hand, remains fragile thanks to decades of racism, poor services, disinvestment, disillusionment and other factors.

Those who can leave for the suburbs or other cities do. Distrust of City Hall remains high. And memories run deep.

"There's still a lot of residual anger down there about Fair Park," said Rep. Eddie Bernice Johnson, D-Dallas, referring to the demolition of one neighborhood there to create additional parking for the State Fair in the 1970s.

"That's one of the reasons many people didn't want to see the Cowboys come," Ms. Johnson said. "They felt it would lead to more of the same."

Mistrust continues to underlie much of the political debate in southern Dallas.

When the City Council recently discussed creating a local government corporation to accelerate downtown redevelopment, council member James Fantroy threatened to sue, labeling the idea another white-establishment power grab.

"They're trying to water down 14-1," he said, referring to the 1991 City Council realignment. "We're not dumb. Why do white folks think we're dumb?"

Council members Leo Chaney and Maxine Thornton-Reese, who are also from southern Dallas, supported Mr. Fantroy.

Dr. Reese said she couldn't think of a reason to support a special redevelopment corporation for downtown.

"I have a voice now," she said. "Why should I take it and give it to somebody else? Why not trust me, and let me talk about the plans? Why should I go back to you?"

Political mistrust is hardly unique to Dallas, but left unchecked, experts say, it can become poisonous - and counterproductive.

The Rev. Mel Jackson, a revered civil rights leader who heads the Westside Communities Ministries in Indianapolis, warns that dwelling on past wrongs can become an excuse for doing nothing.

"You have to move on," he said. "Crying 'racism' is often just a launching pad for personal ambition. You have to get out of this business of 'the white man made me do it.'"

SouthFair executive director Henry Lawson and others say the schism between some southern-sector neighborhood groups and the area's City Council members undermines the community coherence necessary for grass-roots rebuilding.

"All we seem to get is the race card, and it's killing us," he said.

Mr. Lawson blames the scuttling of several projects on local politics. "They keep saying 'You can't bring such and such into our neighborhood unless we approve it,'" he said. "It's all about stopping people from coming in unless they meet their political standards."

A recent study of Dallas' code compliance and economic development operations by McKinsey and Co. suggested that such self-appointed gatekeeping is a major impediment to redevelopment - in the southern sector and citywide.

"You don't have a vision," a McKinsey representative told the City Council. "Each of you has a vision, but you don't collectively have a vision."

Mr. Chaney, the council member whose district includes St. Philip's and SouthFair, scoffed at the notion of a collective vision.

"Is that doable? Is that realistic? What single vision can we have for our entire town, with so many needs? When North Dallas was built out, did they have a single vision?"

Asked whether his support for specific projects was political, Mr. Chaney replied: "You sit down with me. I like your project. I think it will work. This is a dollars-and-cents business. You're here to do a project. I can show you where you can make money. What's political about that?"

Uphill fight

Of course, community redevelopment requires more than muscle flexing. It takes money and business savvy.

With CDCs typically functioning on modest budgets, it is critical that they be creative, aggressive and flexible.

"They succeed or not according to who the top person is," said James Grauley, the Atlanta-based director of real estate for community development at Bank of America. "Development is a business with rules, and the best CDCs are led by people with business smarts and a willingness to partner."

Ann Arnott, executive director of St. Philip's, puts it bluntly: "A nonprofit is a business, and if you don't hire people with business skills, you will shut down. Just standing there with your hand out doesn't work."

Dallas' CDCs face an uphill battle for local money compared with some of their big-city peers.

Dudley Street was launched by a \$50,000 grant from Boston's Riley Foundation, which has since contributed more than \$10 million to projects in the

neighborhood. The Lilly Foundation has contributed millions to CDCs in Indianapolis.

In Dallas, however, philanthropy tends to flow into three channels: medicine, education and the arts - specifically, the University of Texas Southwestern Medical Center at Dallas, UT-Austin and the various high-profile projects in the downtown Arts District.

Outside of money from the Meadows Foundation and the Dallas Community Development Partnership, which funds CDCs through the Foundation for Community Empowerment, little goes to neighborhood rebuilding.

"We're concerned when so much money is being raised for big projects and nobody is thinking about the social services needed to keep people alive," said Meadows president Linda Evans. "Five million given to a South Dallas CDC can make more of an impression than \$100 million to some arts building."

One family at a time

Sometimes that "impression" is as simple as having a good roof over your head.

One of the homes in MacArthur Gardens belongs to Jennifer and Clifton Empy, who had lived in South Dallas most of their lives until crime, crack, arson and illegal dumping drove them out.

For 15 years they moved from one overpriced rental home to another in Dallas while still longing to return to their old neighborhood.

Finally Ms. Empy's mother, Erma Walton, got an apartment in St. Philip's Elder Friendly Center. With the matriarch in place, other family members began to migrate back.

"We now own a two-story house that is cheaper than the last lease house we had, and that was 50 years old," said Mr. Empy.

The Empys' daughter, Ramona Thomas, who teaches at the private St. Philip's School, is moving into a townhouse two blocks away with her two children.

She sees improvements in her old neighborhood - the school, a supermarket, more gas stations - but says convenience is only one issue.

"What is going to happen to South Dallas if your answer to what's wrong is always to run?" she asked.

"I've been coming to South Dallas all my life. It's where my mother and grandmother lived. It's where I went to school. You have to let go of old perceptions and start looking for the good things."

The story of the Empys and Ms. Thomas is the story of neighborhood building at its most basic level - one family, one new home at a time. Replicate that often enough, and a piece of the city can be reclaimed.

"In this world, economic development really means human development," said Mr. McFarland, the ex-CDC official from Atlanta. "It means creating jobs, building wealth, giving people a sense of self-sufficiency and identity."

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