In 2000, as Knight Foundation marked its 50th anniversary, its leadership made one of the largest and most challenging investment decisions in its history. It would commit nearly $19 million over three to five years to help revitalize Overtown, a community less than a half mile from the foundation’s Miami headquarters but far distant economically and socially from much of the city and Miami-Dade County.

Overtown in the 1950s and ’60s was a thriving center of economic activity for blacks in South Florida: more than 300 businesses, hardscrabble but available jobs with the port and rail system and a population well above 30,000. It was a vibrant entertainment center and a destination for blacks throughout the South looking for opportunity and a chance to make it out of poverty.

“Black businesses in Overtown were emblematic of segregation, but also of the entrepreneurial spirit of that time,” said Dr. Dorothy Fields, head of the Black Archives and an Overtown historian. “Overtown had a tailor or dressmaker on every block.”

Carved into quarters by the construction of Interstates 95 and 395, Overtown today is a shell of its former self. Its unemployment is the highest in the state; just over a quarter of its 8,000 residents have jobs. More than half its families live in poverty, and more than 3,000 of its residents are under age 20.

The foundation’s $19 million went to 32 national and community organizations to build affordable housing and promote community development; help train residents and find them jobs; increase personal savings; and assist with mentoring, after-school and recreational activities.

Seven years later, nearly six out of 10 program managers report partially or fully reaching their goals. Employment and training, education and recreational programs saw high levels of participation.

Other programs failed, or have yet to deliver on their promises. Grantee efforts to promote micro lending and encourage individual development accounts were not embraced by residents.

Ironically, where the foundation placed its largest bets – in community development – recipients faced the greatest hurdles and delivered the fewest returns. Although nearly 500 units of affordable housing were completed, rebuilt or refurbished using Knight funds, the total is well below aspirations.

The foundation’s internal analysis of the grant portfolio and issues raised by observers, grantee
leaders and foundation staff paint a stark picture. They highlight significant problems with the strategy employed by the foundation, poor implementation by some Knight grantees and challenges inherent to Overtown:

- Knight’s creation of a collaborative to transform Overtown was a top-down strategy that didn’t work from the outset.
- A common vision for Overtown’s redevelopment does not exist; most plans are piecemeal; others lack community support.
- Communitywide leadership and collaboration are lacking.
- Several local nonprofits face staffing and financial challenges, despite considerable investments by the foundation.
- Navigating city and county bureaucracy has proved difficult for many.
- Basic reporting and recordkeeping of grantee work have been lacking.

**Seizing on “a Moment in Time”**

Miami was in the midst of an economic boom in 2000, yet the benefits of the city’s growth hardly reached Overtown. Hodding Carter, then president of Knight Foundation, explains: “What compelled me to take on renewal of an urban center was the view from my window – looking at the ‘Golden Strip’ at one end, versus a community that had been hit by the equivalent of a neutron bomb on the other.”

Carter and Knight staff members responsible for grant making in Miami saw the development wave and believed that something needed to be done to ensure that Overtown could benefit, or at the very least not be overcome by larger economic forces, given the amount of vacant land in the community and signs of increasing business interest in expansion there.

Shortly after an initial round of 50th anniversary grants targeted Overtown’s housing needs, a full-fledged funding strategy was developed. Notably, the areas of future funding mirrored the views of Overtown residents detailed in a foundation-funded survey. The community’s top three concerns: jobs, housing and education. The foundation’s strategy, while acknowledging the risks and considerable challenges, reflected an optimism that Carter and others believed was “a moment in time.”

**The Broken Promise of Decent Housing**

In 2001, the foundation staff asked leaders of the Collins Center for Public Policy, the Local Initiatives Support Corp. and the Trust for Public Land, each of whom had received Knight grants, to collaborate on improving housing, home ownership and the physical character of Overtown, which has the worst housing stock in the city, and where only about 10 percent of families own
their homes.

Collins is well regarded in Florida for its work on policy issues; South Florida LISC is the local branch of a national organization responsible for more affordable housing than any nonprofit in the country; and the TPL is the local chapter of an organization that has worked in 46 states to conserve some two million acres of land for public spaces.

The collaborative – called the Collaborative Overtown Transformation Project – would also include local community development corporations, which would receive support through Miami LISC.

Six years after the first Knight checks were written – a total of $8.3 million would eventually go to all three – Collins and LISC have so far had limited success.

The best symbol of this seeming inaction so far is Sawyer's Walk – also called Crosswinds, after Crosswinds Communities, the Michigan-based developer brought in to spearhead the 1,000-condominium project. From its inception, this proposed housing and retail development has been mired in public controversy.

The challenges these organizations faced in Overtown point to sobering issues for the neighborhood’s future and its ability to regain even a semblance of its past vitality.

The lack of a common vision, local distrust and confrontation, the complexities of city and county bureaucracy, and the capabilities of the organizations themselves are some of the many issues that have impeded progress. Notably, Knight brought together three organizations that had little or no experience working in Overtown. LISC has since replaced its leadership team with individuals with deeper experience in the community.

The Trust for Public Land has designed a comprehensive plan, called the Miami River Greenway project, to turn industrial or underused land along the Miami River into parks and green spaces. However, much of the land is government owned, and bringing the plan to fruition will depend on the city.

**Sawyer’s Walk – Savior or Trojan Horse?**

Sawyer’s Walk is the brainchild of the Collins Center. The proposed development will encompass more than 1,000 condominiums, with 200 units reserved for affordable housing. A quarter of those are promised for Overtown residents. It includes plans for retail businesses and public spaces reminiscent of the neighborhood’s cultural and entertainment heyday. Collins Center President Roderick Petrey, who also serves as legal counsel to Knight Foundation, characterizes the development as “a catalyst for further development in Overtown, serving as a link between developed downtown and Overtown.” Yet one of the project’s major hurdles has been that few in the community share this view. Published reports say the center also solicited bids from private developers
for the project without first informing the city.

Power U Center for Social Change, a local advocacy organization that represents the interests of low-income, inner-city residents, has been the development’s main antagonist, relying on litigation and public rebuke to block the project. Among its arguments: only 5 percent of the housing could be purchased by Overtown residents, and only by those who make between $25,000 and $40,000 per year (well above Overtown’s median income of just over $14,000); the project will open the door for irresponsible development; and the developer, Crosswinds Communities, has not been clear about details of the project. While Crosswinds had amended its affordable housing plan to accommodate some neighborhood concerns, Petrey acknowledges that the Collins Center has not fostered the links that could engender greater community support.

Knight’s total support to Collins of $3.2 million included $1.5 million to start a land trust and, according to Petrey, has helped it become the second-largest landowner in Overtown after the Community Redevelopment Agency. Most of those properties remain vacant, though plans remain to initiate developments smaller than Crosswinds that could still lure middle-income earners to Overtown. LISC, with its longer history of work in affordable housing in South Florida, was to be Collins’ strategic partner in Overtown, bringing in local community development corporations and improving Collins’ ability to produce affordable housing. Yet both organizations and former Knight staff members admit there was little cooperation between the two from the start. Suzette Harvey, a former Knight program officer who oversaw the foundation’s grant portfolio for Miami-Dade and Broward counties, characterizes the partnership as a “shotgun wedding.”

LISC initially received $2 million from Knight to support local community development corporations and help them promote housing and other development projects. LISC in turn provided dollars for staffing and planning to help the Black Archives refurbish the Dorsey House and expand the Lyric Theater, two Overtown landmarks. LISC also provided financial and technical support to St. John CDC, which completed 14 new town homes in July 2006.

Yet the total housing production anticipated from the CDCs under LISC’s supervision has fallen well short of expectations. LISC’s support to Bethel AME was less than fruitful. That CDC rehabilitated a rental property for families living with AIDS but was unable to deliver on a 40-unit facility that LISC and the city viewed as vital. Both the city and LISC pulled the plug on the project, and the city had since cleared the land. Kris Smith, who left a position with the city of Miami in 2006 to help energize LISC’s work in Overtown, believes the organization overshot with promises to Knight when the program began in 2001. “LISC and the CDCs weren’t prepared at the time to do the level of production that was promised,” he says. Smith describes LISC’s approach to Overtown today, using an additional $1.3 million from Knight, as a “right now” strategy. “We’ve needed to rethink the placement of our resources, focusing on where there’s greater potential for success, like
preserving existing housing for residents, retaining capital and addressing the employment piece.” Habitat for Humanity, while not a partner in the Overtown collaborative, has had success in using Knight’s investment of $2 million to increase home ownership. In four years, the organization has built 44 brightly colored, one- and two-story homes sprinkled throughout Overtown.

The Employment Hurdle: Finding Jobs, Increasing Assets

Dr. Marvin Dunn is an expert in community psychology, and the recently retired head of the psychology department at Florida International University. He also heads Roots in the City, a Knight grantee working to beautify and maintain Overtown’s vacant land and public spaces.

In early 2004, Dunn began a training and employment program for residents wishing to get into landscaping work. “Knight Foundation’s support allowed us to move from a voluntary effort to get an employment program going,” says Dunn. Calling the effort challenging from the outset, he adds, “We hired the difficult to employ, and it’s been just that.”

Yet Dunn stuck with the effort, and today Roots in the City employs nine full-time workers from Overtown and neighboring Liberty City. They help maintain the group’s 30 landscaped acres. Dunn’s commitment to the program comes from knowing that people needed to see that the effort was serious. “People in Overtown have had promises of jobs before, and been burned,” he says.

Knight’s investments in other employment programs have had similar, if modest, success. A common denominator has been the promise of a permanent position at the end of a training program. For example, the Dade County Dental Research Clinic was able to recruit more than 30 residents from Overtown and East Little Havana to train as dental assistants, and the organization reports that nearly all have gone on to full-time jobs.

Knight’s other financial goal – to raise the savings rate of Overtown residents – has proved more difficult. Partners for Self-Employment is a Knight-funded organization that began promoting individual development accounts in Overtown to help people save for home ownership and improve their financial skills.

While the organization predicted that 100 residents would sign up, only 16 have actively saved since the program began in 2003. Miltoria Fordham, who replaced the director who began the Knight initiative, believes it is beginning to be noticed via word of mouth from the five Overtown residents who’ve been able to save and buy homes through the program.

A Story of Hope

Rosa Perez celebrated her 18th birthday in August. She comes from a stable family, living with her mother and stepfather, her two younger brothers and an older sister.

Rosa attended Overtown’s Booker T. Washington High and says of her first two years there, “I
got with the wrong people. I skipped class. Most days I would just stay at home.” Some kids carried knives; others, guns.

In 2005, a counselor at the high school who worked for the Overtown Youth Center approached her about joining its after-school program. “At first it felt like some kind of day care, but then he explained how it could help me.” She says the center staff helped her with her homework, took her on field trips and encouraged her to join the center’s step team.

Her moment of awakening came when the youth center invited her to participate in a program at Pace University in New York. “I felt like the other students there had an advantage over me, but then I realized that I could do just as well as they could,” she says. Before that trip she had been C and D student, but the experience convinced her she could make the honor roll.

She did, and this fall Rosa began her freshman year at Florida Memorial University, majoring in criminology. “The classes, meeting different people, I can’t imagine myself without going to college.” Rosa’s story is special, but the hope it represents is not unique. Over the past four years, hundreds of youths have participated in the after-school, mentoring, arts and recreational programs managed by nonprofit groups both within and outside Overtown’s borders.

Several of the programs are patterned on successful models in other cities. Carla Penn, the youth center’s executive director, says its program follows a school-based program in Portland, Ore., which has helped 95 percent of students there graduate from high school, with 80 percent of graduates attending college. The youth center, which opened in 2003 and received start-up funding from Knight, expects to see most if not all of its oldest 20 participants graduate this year.

KidVentures also works in Overtown schools, using a curriculum of arts and entrepreneurship to engage kids. Its founder, Alice Horn, says: “Kids in Overtown are natural entrepreneurs. They have street smarts and are quick on their feet. Those qualities can be channeled in the right or wrong direction.” Miami-Dade County Public Schools Superintendent Rudy Crew cites KidVentures as a model; it now operates in 13 schools.

Lessons Emerge

Overtown has a storied past and a challenging present. The future is uncertain, and apart from Knight funding, big questions that might determine its fate remain unanswered.

First is the future of Sawyer’s Walk, or any mixed-income development promising desperately needed economic and social assets. This raises the fear that gentrification would displace residents with deep connection to their neighborhood. Crosswinds Communities entered into a community benefits agreement that would target investments in job training and other community needs, though no concrete steps have been taken, according to Fields, who co-signed the agreement with the company’s president.
Several projects in the pipeline, should they be approved, could change the neighborhood’s affordable housing picture. As Petrey says, “Community change is not going to happen in three, five or even seven years. It takes a long-term commitment.”

Overtown’s employment picture remains dire. Change on a much grander scale must emerge if the community has any shot at keeping its youth away from the easy lure of drugs and petty crime, or easing its dependence on government largesse.

While employment programs had some success, they lacked the ability to connect residents to job opportunities on a larger scale. LISC has identified this as a gap in its community development work, and is investigating opportunities to work with institutions like the University of Miami, which owns property bordering Overtown.

The role of the city and the county in Overtown’s redevelopment remains critical, but has been challenging. The city’s Community Redevelopment Agency is the largest landowner in Overtown and is relied upon to subsidize any development that includes large numbers of low-income residents. Yet city and county bureaucracy has been cumbersome for Knight grantees working in community development. TPL’s Brenda McClymonds notes: “At one point I got so frustrated with the city, I had to have Hodding [Carter] set up a meeting to get them moving on my permits.” Overtown has had three different city commissioners since the Knight initiative began.

In 2000, Knight Foundation waded into this challenging community. With considerable dollars, Knight has played a sizable, if incomplete role in helping to shape in future.

Some observers and grantees say the foundation’s role in Overtown is significant beyond its dollars.

Barbara Rose, a Knight adviser formerly with Bank of America’s community development group, feels the foundation could have been more assertive in tapping local knowledge to ensure that it chose the right organizations for the right jobs, and that it could have been more precise in setting goals in its grant agreements – particularly on the large grants made in housing and community development.

Greater staff oversight could also have led to better cooperation and networking among the organizations themselves. While the foundation could have been a more deliberate arbiter among the main housing partners, there were other opportunities for smaller, yet still significant collaborations.

The Black Archives is working on plans for work-force housing for small-business owners, and its staff was surprised to learn of Knight-funded organizations doing micro lending. As Knight President Alberto Ibargüen says: “One of the things that concerns me is that people feel good about making the grant, but not doing the follow-through. We had a bad theory that just because we
were writing the check, we could get people to coordinate.”

Knight’s internal assessment notes that grantee reporting and the foundation’s own record-keeping were lax. Both are critical tools that allow foundation officials to assess progress, manage gaps and identify opportunities.

Despite 41 Knight grants to 32 nonprofit organizations, many face serious issues of financial sustainability. Put simply, they’re short-staffed, and they operate on a shoestring. Though the foundation funded work on specific projects, some noted informally that foundation dollars were needed to maintain core operations and staffing, “keeping the lights on” as one put it. Overtown’s community development corporations in particular appear to lack the funding base and staff capacity to manage the type of developments once envisioned for them.

Thus the long-term viability of some, and their ability to bring change more broadly, is in question.

Jeremy Nowak is president of TRF, an organization that finances neighborhood revitalization in the mid-Atlantic region. He believes that foundations need to better focus on identifying community activity that is entrepreneurial and already successful: “One of the lessons that we’ve learned is that you don’t begin your work in poor communities based on need, but you build on strength … where you can make a catalytic investment.”

He notes the University of Pennsylvania’s role as an anchor institution in West Philadelphia’s redevelopment, and the work of private entrepreneurs in building financial capital in East Camden, N.J.

It is reasonable to conclude that Overtown lacks the civic or entrepreneurial assets necessary for broader transformation. Yet the work of organizations addressing the needs of youth is a notable exception: They have more consistent leadership, better relationships with their government counterparts, and are introducing new ideas to Overtown’s schools. Some have been able to tap into the $85 million Children’s Trust that offers them opportunities for core support mostly unavailable to groups working in other fields.

That mix of key assets – local organizations with sound leadership and avenues for sustainability, strong partnerships with government, and critical dollars from philanthropy for innovation and risk taking – are essential to addressing the needs of Overtown and other communities in the future.

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