



May 14, 2009; 10:00 am; Pottsville, Pennsylvania  
Pennsylvania Senate Urban Affairs and Housing Committee  
Presentation by Joe Yarzebinski, CEC – Senior Program Director, Local Initiative Support Corporation (LISC)

Good Morning Mr. Chairman and Committee Members. Thank you so much for extending to me the opportunity to speak to you about implementing community revitalization in economically tough times. My time available to speak to you this morning is shared with the Tamaqua Downtown Association and Tamaqua's South Ward Elm Street program.

My name is Joe Yarzebinski, Senior Program Director at the Local Initiatives Support Corporation (LISC), Rural Program – commonly referred to as Rural LISC. LISC has been operating revitalization programs in about 30 major metropolitan areas across the nation for over 27 years and Rural LISC has been working to revitalize distressed rural communities in 37 States since 1995. Mark Edwards operates the Philly LISC office. In Pennsylvania the urban and rural programs work together for statewide policy efforts, such as the Growing Greener, fix-it-first, vacant properties and housing trust fund legislation.

We are on the web at [www.LISC.org](http://www.LISC.org).

Rural LISC is a national intermediary focused on revitalizing distressed rural communities through holistic, comprehensive and strategic implementation by what we have come to know and love as a Sustainable Communities Initiative (SCI), through five pillar goals implemented by non-profit Community Development Organization partner agencies. Sustainable Communities Initiative is LISC's program for turning distressed communities into great places to live, work, do business and raise a family.

Rural LISC started a Rural Pennsylvania Initiative in 2000. In these 9 years, Rural LISC has invested more than \$16 million, leveraging over \$21 million in total development project costs. As a national intermediary Rural LISC obtains direct funding for revitalization project from banks, corporations, foundations, and governments – including State and federal agencies.

Through these investments, Rural LISC has helped rural Pennsylvania communities renovate and build affordable housing, community buildings, day care facilities, commercial and office space, health clinics, employment training centers, and transitional housing. Rural LISC has helped communities create jobs, increase tax base, connect classrooms to the community by designing curriculums through Service Learning, deal with gang and community safety issues, create

homework clubs to raise grades and increase classroom participation, and create health fairs for residents.

LISC's two rural demonstration sites for its national Sustainable Communities Initiative are both in Pennsylvania -- Tamaqua and Uniontown.

Here's what LISC teaches and mentors communities to design into their revitalization strategies... There are five pillar goals to our comprehensive approach (homes, health, work, wealth, wisdom):

--Developing, Preserving, Investing in the Physical Environment

--Increasing Family Income & Wealth

--Stimulating local economic activity, which incorporates connecting our targeted neighborhoods to the regional economy and beyond

--Improving Access to Quality Education

--Fostering Livable, Safe & Healthy Environments

I was asked to address the question:

How and why do Community Revitalization in Economically Tough Times?

The short answer is, watch Tamaqua. I have to say Tamaqua is the model community for this. I am able to say this because for the past two years as LISC has been implementing its Sustainable Communities Initiative, I have been able to compare Tamaqua's efforts with those in the other LISC demonstration sites:

- Chicago
- Indianapolis
- Duluth
- Washington DC
- Kansas City
- Twin Cities
- Detroit
- San Francisco Bay Area
- Milwaukee

Tamaqua has become somewhat of a lab for others to visit or study to see what's going on. Staff from the LISC Mid-South Delta Office came to Tamaqua in October, 2008 to learn how to implement Sustainable Communities Initiatives in rural areas. The Chicago LISC office will be visiting Pennsylvania in July to see how we implement rural revitalization.

Community revitalization needs to be:

Holistic

The process must be holistic, addressing homes, health, work, wealth and wisdom.

As I mentioned, LISC stresses five pillar goals for complete revitalization:

--Developing, Preserving, Investing in the Physical Environment

--Increasing Family Income & Wealth

--Stimulating local economic activity, which incorporates connecting our targeted neighborhoods to the regional economy and beyond

--Improving Access to Quality Education

--Fostering Livable, Safe & Healthy Environments

(Community revitalization needs to be:)

#### A Partnership

It takes a team. Those at the table can always identify at least one more individual, agency, department, funder, business, leader, and stakeholder that should be at the table. In Tamaqua, they get invited to the table. Each new person at the table brings with them ideas, resources, energy, vision.... that can be leveraged to bring even more. Like a cake recipe, every ingredient is different, yet essential. When each person invites one person, and those people then each invite one more, etc... the result is that the sum is greater than the parts. Or, the impact of ten people getting ten funders of \$1,000 each is greater than one person getting one funder of \$10,000.

(Community revitalization needs to be:)

#### Asset Based

It's building on the strengths and assets of the community – in scale and in timing. That “asset” may be a dilapidated old railroad terminal building (as in Tamaqua) but if you base the revitalization plans on those assets, the community will be engaged. The revitalization plan is centered on realistically matching the existing community assets with the needs of the visioned future. In scale: a rural community of 5,000 should not build public infrastructure that takes a market place of 500,000. In timing: a rural community that has lost economic tax base over the past 15 years should not anticipate that to turn around in 2-3. A famous study out of MIT documented that 86% of the net new jobs in a community come from within. The moral of that study is for communities to focus on their assets and build for retention/expansion of the existing tax base. Industrial attraction accounts for less than 14% of new jobs in a community. Know your market and build for that.

(Community revitalization needs to be:)

#### Focused

Plan the development and develop the plan. Communicate early and often. Engage the community. Build a community vision. Assess community strengths and opportunities against its weaknesses and threats. Don't get off course. Don't get your focus or attention swayed by current events and trends. 86% of the net new jobs come from within the community. While not as sexy as attracting a new employer, it is a more “sure” thing. Yes, the home run of attracting a new company is more politically sexy, but expansion from within is a sure thing – a base hit every time.

(Community revitalization needs to be:)

#### Locally planned and lead

Leadership is critical to keeping the “fire in the belly” of the participants. It is critical to staying on course. In rural communities, during good times, leadership is often lacking. In tough times that means doubling the communication efforts; that means being transparent and letting folks know what's going on; that means passing on information to keep people engaged and interested; that means holding feet to the fire sometimes; that means knowing when to reconsider priorities. In other words, leadership means a lot. Leadership comes from the capacity within the community. Groups like LISC are available to help build the capacity by investing and teaching.

(Community revitalization needs to be:)

Well Funded

It takes money, lots of money. In rural communities, funding is typically less available than in urban areas. The philanthropic community is often absent. Government tax dollars are often not as readily available. Bank support through CRA is often missing. In today's tough economy these issues are amplified. While revitalization must continue, the trade offs are in time, scale, size, extent, impact, focus, budget, ....

In tough economic times revitalization can be done "on the cheap" as we have witnessed first hand in Tamaqua. Challenge or matching grants/funding forces the necessity of innovation – innovation in both the designing of priority projects as well as innovation in finding the matching funding. And, necessity is the mother of invention. They have invented new ways of leveraging -- "eating the elephant" one spoonful at a time, as it were. It starts with predevelopment money to get the ball rolling. Once proven feasible and that risk averted by engineer, architect, or market studies, construction and permanent financing are needed. These typically come from multiple and varied sources, and the project gets built and occupied.

In tough economic times, Tamaqua has been successful in leveraging funds. Tamaqua has been successful in getting one agency to bring another to the table, and another, and so on. The Tamaqua Area Community Partnership brought the Alliance for Building Communities (ABC). ABC brought Rural LISC. TACP brought the Federal Home Loan Bank. Rural LISC has a relation with FHLBank, so Rural LISC brought State Farm and the US Department of HUD funds to the table. This helped leveraged State funds. Those are bringing more State and federal funds.

We'll stay at Tamaqua's table as long as we are invited and as long as we continue to add value to the revitalization process.

In summary, the answer to the question of how do you do community revitalization in tough times is the same as how you do it in good times. In the good times, it is proactive and in the tough times it is necessity. In good times it more forgiving. In tough times it better be following the plan closely because those tough times provide quite a few other distractions. The results are the same, the steps are the same, the plan is the same. Tough economic times force the community to focus on each step much more carefully as it goes through the process.

Thank you for your time. I am available now or in the future to answer your questions – or to bring to the table those that can answer your questions.

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