

**Remarks of Douglas W. Nelson
President and CEO, The Annie E. Casey Foundation
To
Community Conversations Breakfast, Johns Hopkins Club
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Thank you. It's wonderful to be among so many friends and so many partners – colleagues and colleague organizations – that have taught the Annie E. Casey Foundation so much and facilitated much of the good we try to contribute to this city.

I had the privilege of speaking to this group almost 10 years ago. It seems only yesterday. Indeed, it seems it was only yesterday that back in 1993, Bob Embry, Jim Rouse, and Kurt Schmoke convinced me that Baltimore was the right place for Casey to plant its headquarters.

It's been home to us now for 14 years, and I thought I would use my time this morning to reflect a little on what Casey has tried to do in this fine city, what we've learned, and where I think we are going.

Of course if I were truly forthright, I'd spend a lot of time lamenting the opportunities that we failed to seize over this last decade, the starts that we didn't fully finish, and the plain old mistakes we made along the way. But truth is, there are folks in this audience who could describe Casey's missteps more eagerly and insightfully than I can. So I won't try.

Instead, if you'll indulge me, I'd like to focus on some of the Casey experiences in Baltimore that I'm most gratified by, most proud of, and most hopeful about. I'd begin with our coming to Baltimore in the first place. It was a good decision. This city has provided a solid grounding for our mission and our work – not just here – but across the country. It's a convenient place to get to and travel from. It's allowed us to acquire great space and great buildings, and the room to grow affordably and comfortably. It's a city filled with good people, great institutions, and a rich history of quality philanthropy. Most importantly, Baltimore has helped Casey attract and retain – from here and across the country – men and women who are among the best and brightest in the arenas in which we work. I'm proud to note that we've grown from the 46 folks who moved with us in 1994 from Greenwich, Connecticut, to what is today – a Baltimore-based workforce of 200. I'm also gratified to note that a majority of that world-class team – both professional and administrative – are persons of color.

I'm also proud that Casey – helped by good advice – began our work here in Baltimore modestly. Despite our unbecoming organizational inclination to be a little overbearing – which some of you in this room have endured – we worked hard in our first years not to over-impose our ideas, themes, and strategies on our new neighbors – at least until we had the knowledge, relationships, or credibility to be a trusted partner.

Instead, we began in 1994 with a “direct services grant program” – which provides low-paperwork funding to local agencies and non-profits seeking to enhance their services to kids and families. That annual program – which continues to this day – educated the Casey Foundation and built for us, critical relationships and alliances. Over the last 14 years, we have expended more than \$15 million in support of more than 200 city and regional organizations. I like to think the program has strengthened many non-profits; expanded the leadership role of Associated Black Charities; and encouraged greater communication among Baltimore’s children and family-serving organizations.

I am also pleased to recall that in the late ‘90s, we joined the Baltimore Community Foundation, the Robert Wood Johnson Foundation, the Goldseker Foundation, Open Society Institute, the United Way, and others to launch and grow the Safe and Sound Campaign. Over the past decade, that campaign has helped raise up the needs of Baltimore City kids; expanded public and private funding for evidence-based interventions; expanded quality after-school activities; enlarged early learning investments; and expanded family preservation and family strengthening programs. Perhaps as important, the allies in the Safe and Sound Campaign have helped forge new, more purposeful partnerships between foundations, city programs, and state initiatives. These new alignments (exemplified by the Reason to Believe initiative), helped to enlarge some smart early intervention and prevention programs – programs that are still making a real difference in the conditions and outcomes for Baltimore children. More recently, the Safe and Sound partners (including Casey, the Family League, OSI and others) have negotiated agreements with state government to give incentives and reward creative local efforts to get more Baltimore kids out of foster care, to divert delinquents from incarceration, and to encourage successful reintegration of returning felons. These path-breaking agreements, known as Opportunity Compacts, have – I believe – the potential to reorient our whole approach to vulnerable families and troubled kids – to reorient our efforts away from our enormously expensive and wasteful deep-end system responses toward a more humane and effective emphasis on prevention, early intervention, and positive supports. I think we are on the cusp of a real breakthrough here.

I am also proud of the role we are playing, along with many other partners, in an effort known as the Leadership In Action Program (LAP). This effort, launched some five years ago, brought together all the relevant public, private, academic and advocacy organizations committed to getting more of our children ready to succeed in school. We all agreed to be guided by results measurement, by best practice, and a commitment to a more collaborative and coordinated approach to improving early learning. The results have been stunning. In just four years, the percentage of Baltimore City children entering kindergarten “ready to learn” went from 28% to 58%. This is remarkable testimony to what we can accomplish when we set common goals, measure what we are doing, and truly work together.

The night before last, I had an especially heartening opportunity to reflect on where these promising examples of progress for Baltimore kids and families may be headed. We hosted a reception Tuesday night at the Foundation for three relative newcomers to our state. One was Brenda Donald, former deputy mayor in D.C., and now the Secretary of Maryland Department of Human Resources. Another was Delores Briones, a family focused, two-term County Executive from El Paso, Texas, who has just been appointed to lead the Governor’s Office of Children and

Families. And the third was Molly McGrath, a former Illinois human services manager with a reputation as a turn-around artist, who came 10 weeks ago to be deputy director of Baltimore City's Department of Social Services.

It happens that these three exceptionally committed individuals are all alumni of the Annie E. Casey Foundation Children and Family Fellowship program for young leaders. They were here in Baltimore a few years ago as young, aspiring would-be reformers. Now they are back as leaders, equipped with great skills, the right values, and motivated by the belief that public social services in Baltimore can become as effective and efficient as our children and families need them to be. I have a hunch that Casey's investment in these three talented women may yield more return for Maryland than a lot of other things Casey has done.

Of course, human service needs and challenges are not all that ail and threaten this great city. Underlying and at the root of all those problems lie the deep poverty, social exclusion, and dim prospects that afflict tens of thousands of our fellow Baltimoreans. The depth of that problem is most unmistakable in those Baltimore neighborhoods where poverty is concentrated, abandonment is pervasive, and disinvestment is the rule.

No matter how much our schools struggle to improve, no matter how hard our social service agencies stretch, no matter how good our public human service system managers are, no matter how generous is our philanthropy, we aren't going to become a great city again – and we aren't going to give all our kids a fighting chance again – until we find a way to reverse the decline, decay, and despair of those neighborhoods that have become the breeding grounds of much of Baltimore's human hardship and human failure.

Let me be honest here. I am by no means confident that we know all we need to know to successfully revitalize and rebuild these distressed communities, but I became absolutely certain – in the wake of the Dawson family tragedy – that we have an obligation to try.

And, as many of you in this room know well, we are trying. The “we” I refer to here is not just Casey. The “we” is Johns Hopkins, the Save Middle East Action Coalition, the Goldseker Foundation, the Abell Foundation, the City of Baltimore, the state of Maryland, the Baltimore Community Foundation, the Weinberg Foundation, Empower Baltimore, the Atlantic Philanthropies, and a host of national partners we have brought in.

The focus of all this effort is a community of 70-some city blocks, known as Middle East, lying just north of Johns Hopkins Hospital in East Baltimore. Six years ago, Mayor O'Malley and Hopkins leaders resolved to do something positive in Middle East. The neighborhood challenges they were embracing were daunting. More than half the population was gone; building vacancy rates were at 50 percent and rising. The neighborhood's core infrastructure – electric, sewer, water, and gas – was crumbling. Crime was bad and increasing. Health statistics – including immunization rates, HIV, childhood lead poisoning rates, asthma incidence, drug dependence, and mental health problems – were appalling. Unemployment and under-employment for adults were two times city averages, and school failure for children in Middle East was the norm.

In 2002, Joseph Haskins, who had volunteered to chair the East Baltimore planning effort, and Martin O'Malley asked me if Casey would participate in the emerging idea of a major revitalization initiative. For lots of reasons, I was profoundly skeptical. The track record of large scale urban renewal in this country isn't an encouraging one. Most such reinvestment efforts have just plain failed – the result of providing too little, too late. And when they do work, they usually succeed by pushing out all the poor folks who endured the community's decline to make way for a new, more prosperous population. Neither of those outcomes seemed likely to advance Casey's commitment to social justice goals.

But I decided to think about it, and I spent some personal time in East Baltimore. When I first visited the neighborhood, armed with all the grim social statistics about the area, I was expecting to find a community of “victims” – a collection of people irretrievably damaged by the harshness of their environment and the hardship of their lives. Instead, I found lots of ordinary folks – poor to be sure, afflicted to be sure – but folks who were more survivors than they were casualties – people with their pride intact, their anger and indignation intact, their sense of injustice sharp, and most powerfully, their dedication to their children and their elders and their community and their faith every bit as fresh and robust as anywhere else in this city.

It was, for me, a transformative revelation. I ended up saying to myself – if this whole effort could be aimed at transforming the life circumstances of these long-struggling people (and not just the landscape of the place), then we just might have a challenge worth embracing and big risks worth taking.

Armed with this half-a-notion, I went back to Joe Haskins, the Mayor, and the Hopkins leaders and said, “If you will make this about the people AND not about the place – then I'm in, Casey's in.”

I'm not sure they knew what I was talking about; I say that because I'm quite sure that I didn't know what I was talking about. Nonetheless, I think it struck a common chord. Everybody agreed that we should try to make improved conditions and outcomes in the lives of the low-income families of East Baltimore our paramount objective, our primary success measure, and the core rationale for our shared investment in this initiative.

To a remarkable extent over the last four years, we have kept faith with this goal and with this vision. We have, of course, a very long way to go, but I think one firm conclusion is now warranted. Based on Casey's involvement in 15 other American cities and based on my knowledge of the National Community Development Initiative's 15 year work in 30 cities, I am prepared to assert that no large scale urban renewal effort – anywhere in America – is as innovative, as ambitious, as resident-focused, or as important as what is being tried just a few miles from here on the East Side.

Let me describe very briefly a little about what's happening in the East Baltimore Development Initiative project. First, on the physical front, EBDI has demolished 30 acres of dilapidated rowhouses and buildings and prepared the ground and infrastructure for redevelopment. A world class bio-tech lab facility, with street-level retail space is nearing completion and is 60 percent leased. A high-quality 75-unit affordable senior housing building

has already been constructed, opened, and is 95 percent leased. More than half the senior residents are former East Baltimore elders who are coming home to safe, new, and beautiful apartments. A 78-unit affordable rental housing unit for families has also just been completed and opened. It is 80 percent leased and we expect many of the tenants will be East Baltimore families. This spring, construction will begin on hundreds of additional for-sale and for-rent energy-efficient townhomes, condos, rehabilitated rowhouses, and a graduate student dorm. We are confident we can offer one-third of this new housing to very low-income households, one-third to moderate income families, and the rest at market rate.

As this is taking place, EBDI and the City are preparing to acquire an additional 50+ acres, seven of which will be dedicated to a world-class educational campus for a new K-8 school, as well as recreational, social, and health resources for the families and kids of the new East Baltimore neighborhood. We look forward to this campus opening in late 2010. In 2009, the new school will open its doors in interim renovated space at the old Elmer Henderson facility.

The balance of the 50 acres are slated for demolition, rehabilitation, and construction of hundreds more units of mixed-income housing along with new retail and commercial uses. That part of the new East Baltimore is planned for completion in 2011 and 2012.

Even more complex and important than the physical investment is what's happening on the human side of the redevelopment equation. Four hundred households – 150 owners and 250 renters – had to be relocated as part of Phase I. EBDI has kept track of every single one of them. These households have found new homes – mostly within the city – and virtually all have moved to neighborhoods with better safety, school, economic and property value characteristics than Middle East. Thanks to EBDI benefits, the homeowners, on average, have increased their debt-free home equity by more than \$100,000. Thirty-seven of the rental households have become first-time homeowners. And the balance of the relocated renters now lives in higher-quality, safer and more stable housing.

Despite the trauma of relocation, the surveys of these 400 uprooted families indicate that the overwhelming majority find themselves better off and report they were fairly treated by EBDI and the city. I know of no other large scale mandatory relocation experience – anywhere in the country – that can report such positive outcomes.

Equally important, EBDI is creating critical new economic opportunities – not only for relocated households – but also for the families remaining in and around the project. High quality jobs, training, job finding and re-entry programs are creating an opportunity pipeline to construction, health care, and service sector employment for hundreds of East Baltimore residents. A remarkably high fraction of the labor required by East Baltimore developers is being performed by minority workers, many of whom reside in East Baltimore. I daresay more of the wages generated by this project are going to low-income Baltimore residents than any other development project in the city in recent years.

Furthermore, EBDI, with a host of partners including Hopkins, is intensifying support services, health services, counseling services, youth services, early childhood, financial education, and recreational activities to the kids and families who remain in the area.

Finally, and maybe most important, the EBDI process has engaged rather than expelled the residents of this part of town. Over the last four years, Casey and EBDI and Hopkins staff have held over 300 community meetings with affected neighbors. These began as confrontations, rife with rage, cynicism, sadness, and anxiety. And, while skepticism and fear for the future remain strong, these meetings are now more about collaboration and co-management than they are about confrontation. In the last four years, East Baltimore residents have helped shape the master plan for their neighborhood; they had a big role in designing our relocation policies and benefits; they helped design EBDI's house pricing and right-of-return policies; they did much to design the state-of-the-art demolition protocols we have used; they are helping set housing rehab standards; and they are actively engaged in planning the new school and related support services. Once again, I know of no major urban revitalization project anywhere that has so thoroughly sought to reflect the views and interests of affected residents as EBDI.

I'm out of time and I've left so much out. But let me conclude that when I look back on our 15 years – looking especially at what's emerging in our human services and in our new approaches to reinvesting in our toughest neighborhoods, I am left with great optimism. I am convinced that if we – in this city and state – work even more closely together and if we leverage the positive momentum of our current progress, then – in five or 10 years – Baltimore will not only be a far stronger city, but it will be a model for hard-pressed American cities across the nation.

I am honored to be here this morning and the Casey Foundation is honored to be your neighbor here in Baltimore.