

Liman Fellowship Report
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Debbie Becher
Ph.D. Candidate
Department of Sociology
Princeton University

Placement
The Reinvestment Fund
718 Arch Street, Suite 300 North
Philadelphia, PA 19106-1591
215.574.5800
www.trfund.com

My summer placement with *The Reinvestment Fund* (TRF) allowed me to work with an unusual type of organization. TRF is a non-profit investment fund, which may sound like an oxymoron. TRF invests in “low-wealth people and places through socially and environmentally responsible development.” Its combination of financial and social concerns is so unusual that many of its own staff members admitted they didn’t understand exactly what TRF did until after they were hired. One of the first of approximately 1,000 certified Community Finance Development Institutions in the nation, TRF was founded in the 1980s and currently manages \$300 million for its investors: philanthropic, religious, civic, financial, and corporate institutions as well as individuals. (For more information on these types of institutions, visit the website of [TRF](#) or the [national association](#) they helped start in the 1980s.)

In its early years *The Reinvestment Fund* focused on Philadelphia and provided mostly real estate development loans to non-profit Community Development Corporations. As TRF has tried to maximize its community impact, it has expanded in a number of ways that were inconceivable at the start. Clearly, the amount of capital it manages has mushroomed. It has moved from making loans only for real estate to funding education projects, businesses, energy conservation, and, most recently, supermarket development. To support more of a good thing (like affordable housing), TRF now provides loans to for-profit corporations and individuals, as well as to non-profit corporations. Now that it has developed experience in Philadelphia, TRF is expanding geographically, with offices in Washington DC and Baltimore, and often consults

with policy-makers in other cities. About six years ago TRF added a policy-analysis arm to the investment organization.

I applied for a Liman fellowship to help me as I begin a dissertation relating to the sociology of law. My dissertation will investigate how Philadelphia government uses its eminent domain powers for development. (Eminent domain is the power to “take” private property in return for “just compensation;” U.S. Const. Amend. 5.) I turned to TRF because they had been integrally involved in developing a controversial, groundbreaking city ordinance, passed in 2002, which made possible the “taking” of thousands of Philadelphia properties. TRF also has a solid reputation of respect among community activist groups, government bureaucrats, and politicians.

As the first Ph.D. student supported by the Liman summer program, I was unsure how my placement would work out. I hoped to assist a non-profit organization while advancing my own research. An early meeting with TRF’s director and assistant director of policy made the relationship seem promising. We agreed that I would research and write about the development of the ordinance mentioned above. They could use this report in their future work, both in Philadelphia and in other cities. In the process, I would build relationships with leading Philadelphia policy-makers and learn about issues relevant to my dissertation.

I spent the summer collecting information (archival and interview data) for a report detailing how a mayor’s campaign promise to attack neighborhood blight became a city ordinance two years later. The version of Mayor Street’s Neighborhood Transformation Initiative bill passed by City Council was a major political compromise, in which many of the Mayor’s and TRF’s plans for government reform remained, but many were altered. And the year between proposing a bill and having one pass the legislative body cost the Mayor time to accomplish his goals and political capital.

The “market-value analysis” TRF created to inform resource allocation by Mayor Street’s Neighborhood Transformation Initiative received national attention for being the first of its kind. Numerous city governments struggling with urban decline are now contacting TRF to help with similar analyses. TRF’s policy director, Ira Goldstein, hoped that my report would help the staff learn from the Philadelphia experience and highlight philosophical and practical issues other cities would need to consider when pursuing similar initiatives.

I thoroughly enjoyed my time at TRF, mostly because of its culture of curiosity and commitment. Staff members in the policy section are genuinely interested in using their creative analyses to help cities solve problems. When not working furiously at their desks (which they do a lot of the time), they seemed to enjoy having their first Ph.D. student intern around to talk and laugh with. At one point, a mapping analyst pulled together a lunch meeting of a handful of non-supervisory staff and interns to imagine together how TRF might devise new spatial components to its market-value analysis. The supervisors saw us sitting in the “idea room” and started making good humored complaints about how the “elderly” (over 40) weren’t invited when in fact they were tickled that the younger staff members were taking this kind of initiative.

Though the atmosphere of intrigue and creativity were generally inspiring, I was most impressed by the interviews I completed with TRF’s top staff for my report. They had decades of experience working with local and national organizations, in legal and political environments, and at grassroots and policy levels. I questioned them about how they helped a newly elected activist mayor, with a history that included squatting to demand affordable housing, use his power to help neglected neighborhoods. When Mayor Street came to office, Philadelphia had over 40,000 abandoned vehicles on the streets, and about 10% of its properties were abandoned. Thousands of abandoned buildings were deemed dangerous (in danger of collapsing), and much

of the vacant land had become neighborhood dump sites. Anyone who came from outside and looked at Philadelphia neighborhoods would not be surprised to learn that for decades the city had lost population. During his mayoral campaign, John Street had promised to spend \$250 million to improve neighborhoods, and this promise to significantly reduce neighborhood blight seemed important to many who voted for him. When he took office, Mayor Street did not know exactly how he would make this happen.

Those who studied the situation (including Street and his transition team) proposed two broad governmental changes to help turn around neighborhoods' fate. Financing for basic city services and development needed to be directed not only to the Center City area but across the many outlying neighborhoods, and basic government service provision needed to undergo comprehensive reform to streamline processes and improve government responsiveness to its citizens. These two strategies – allocating money to neighborhoods and inducing wide-scale government reform – would be uphill battles for the Street administration. I investigated how TRF staff and the Mayor's office worked toward realizing those ideals.

In their interviews, TRF staff all displayed a combination of wisdom and humility, which must allow them to continue taking risks, learning from their experiences, and finding creative solutions to new circumstances. They described situations that I never could have imagined. For instance, they worked tirelessly to convince City Council members that their proposed legislation was beneficial for Philadelphia. In the "small rooms," Council members demanded funding for their districts; in public they said their resistance was based on entirely different principles. Despite decades of experience at high levels, some TRF staff members were open about realizing their own naiveté when faced with City Council and union resistance to government-reform proposals. They talked with enthusiasm and inquisitiveness about their creative, practical

attempts to solve these seemingly intractable problems and help the City of Philadelphia (and other cities) survive for the benefit of their residents. Staff members shared with me how they became personally committed to the success of the Mayor's initiative and spent a great deal of their own time and energy in the political trenches. By doing so, they learned that they might consider more carefully setting boundaries between their work as technical consultants and others' responsibilities for political communication in the future. As I mentioned above, they also shared many of their curiosities about how to improve the technical analyses they provide. They realize, for instance, that their quantitative analysis of housing markets risks missing dynamics affecting neighborhoods because of its limited focus. At the same time they believe the analysis is so strong because of its focus on place, and its ability to summarize so much information about neighborhoods by categorizing local markets.

The report I have written for TRF tells a compelling story of technocratic idealism and political negotiation, mediated by formal executive and legislative powers. We plan to distribute the long version of the report to interested insiders. Though several articles have been written on the Neighborhood Transformation Initiative ordinance, none provides such a comprehensive overview of its beginnings. TRF will cut the report down to a more accessible length for audiences from other non-profits and city governments. To spread the news to academics, I hope to revise the article for legal and social sciences audience.

TRF has offered its resources to help me complete my dissertation on eminent domain, including letting me use my office there. As I collect the data for my research, I plan to preserve my relationship with them. In a few years, I hope to complete my dissertation, and then revise it into a book. In the long run I plan to find a position as a university professor where I will research and teach about how law is practiced in everyday life.