



Community Development

Collaborations

Indiana Regions

Community foundations, universities,
industries and other partners work together
to build regional prosperity

SOUTH BEND, IND.

Students and faculty from around the world make their way to the University of Notre Dame, drawn to northern Indiana because of the university's reputation as one of the most prestigious universities in the United States.



While it has long focused on undergraduate education, Notre Dame in recent years has transformed itself into a major research institution that during the last decade doubled its annual investment in research to more than \$220 million.

Now, Notre Dame is putting its resources to work to help drive greater economic growth and prosperity for the South Bend-Elkhart region. With support from a \$42 million grant from Lilly Endowment in 2019, Notre Dame, along with the South Bend-Elkhart Regional Partnership, has created the Labs for Industry Futures and Transformation (LIFT) Network. The collaborative effort is bringing together community foundations in St. Joseph, Elkhart and Marshall counties, local businesses and other educational institutions to:

- help companies in the area—particularly manufacturers—be more innovative and globally competitive.
- broaden the region's economic base by encouraging the development of newer sectors, such as information technology and data analytics.
- educate and train more people to be successful in 21st-century careers.

LIFT is the latest collaboration to be funded through the Endowment's Strategic Community Advancement Initiatives, a series of efforts across Indiana focused on strengthening regional prosperity.

Strengthening Region's Economy

The Notre Dame campus is surrounded by a region whose economy is driven in large measure by manufacturing. For more than a century, this has been a place where people work in factories, making, among other things, cars, tractors and other vehicles and the parts that go into them. Today, the most prominent illustration is the recreational vehicle industry. RV companies in the region, which are primarily located in Elkhart County, produce 80 percent of the RVs sold in the United States and employ nearly 25,000 people. Many of these workers earn wages far above the national average.

Yet, the RV industry and related companies face significant threats to their economic health, including intense global competition and the disruptive forces of automation and other technological changes. Further, the performance of these industries can be volatile: when an economic recession hits, the South Bend-Elkhart region feels the adverse effects more than most areas in the country.

- Workers on the factory floor of manufacturing company ITAMCO in Marshall County, which has joined the LIFT Network (opposite).
- The University of Notre Dame (above).
- A farmer in Tippecanoe County tests new digital agriculture equipment as part the Wabash Heartland Innovation Network (below).





LABS FOR INDUSTRY FUTURES AND TRANSFORMATION (LIFT) NETWORK

Region/Countries:

South Bend-Elkhart/Elkhart, Marshall and St. Joseph counties

Funded:

April 2019

Grant:

\$42,431,066

Grantee:

University of Notre Dame

Goals:

- Increase productivity by 5 percent for regional industry partners engaged with LIFT Network through technological advancement, operational efficiencies, new product lines and access to broader markets.
- Increase economic resilience by broadening the region's economic base by supporting growth in emerging, high-potential economic sectors, such as IT/data analytics, healthcare technology, aerospace and defense.
- Strengthen the region's talent base by expanding post-secondary credential offerings in advanced industry and STEM-related areas; developing best-in-class K-12 apprenticeship program in the region; and launching a new regional effort to engage students at regional colleges and universities with hands-on experiential learning and capstone projects with regional industry partners.

Community leaders in St. Joseph County and neighboring Elkhart and Marshall counties have been working together during the last several years to strengthen the three-county region, including taking steps to make their economy less vulnerable to inevitable economic downturns. The LIFT grant is designed to strengthen these efforts, with Notre Dame directing increasing levels of research and entrepreneurial activities to help the South Bend-Elkhart region diversify its economy by growing sectors such as IT and advanced data analytics and helping to make existing industries more resilient and productive.

Notre Dame and partners in the South Bend-Elkhart region are augmenting the Endowment grant with \$126.4 million from varied sources during the next five years, investing a total of nearly \$170 million to help the region prosper in the years ahead.

"This generous grant will allow us to help transform the region's cyclical manufacturing economy," says Notre Dame's provost, Thomas G. Burish (above). "The Endowment wasn't in this for the splash. They were in this for the long-term vitality of the community."



Collaboration and Training

LIFT is the sixth Strategic Community Advancement Initiative the Endowment has helped launch since 2007.

These initiatives are designed to encourage collaboration among community foundations, educational institutions and other local and regional partners to improve quality of place and, ultimately, prosperity within regions across Indiana. The primary aim of the initiatives is to better connect and build on regional assets in ways that expand opportunities in so-called "traded sectors," where products and services produced locally are sold outside their home regions. And the

initiatives are helping communities align education and job training with employer needs so that their communities are more attractive places to live and invest.



WABASH HEARTLAND INNOVATION NETWORK (WHIN)

Region/Counties:

Northwest Central Indiana/Benton,
Carroll, Cass, Clinton, Fountain,
Montgomery, Pulaski, Tippecanoe,
Warren and White

Funded:

September 2017

Grant:

\$38,943,732

Grantee:

Wabash Heartland Innovation Network

Goals:

- **Digital agriculture:** Engage farmers and agriculture technology companies to innovate through collaboration with Purdue University and Ivy Tech; develop career-ready certificates and digital training; adopt sensors in agriculture sector.
- **Next-generation manufacturing:** Analyze processes and delivery systems in real time; develop content to help employees use IoT-empowered tools; develop supply chain network model to be used by manufacturers in the region to manage procurement.
- **Quality of life:** Invest in innovative place-making projects that increase education, vitality and prosperity in the region.



Agriculture Embraces Technology

The **Wabash Heartland Innovation Network**, or WHIN, is an initiative launched in 2017 to help a 10-county region around Purdue University become a global center for “Internet of Things” in digital agriculture and advanced manufacturing. Internet of Things (IoT) enables everyday objects as varied as lamps and cars to exchange information through the Internet and is commonly thought to be one of the most important frontiers in technology. The \$38.9 million Endowment grant to Northwest Central Indiana Community Partnerships, Inc. to fund the development of WHIN was designed to encourage collaboration among agriculture companies, community foundations and Purdue and other educational institutions in the region.

Claims of uniqueness can be audacious, but WHIN CEO Johnny Park uses the term confidently. Nowhere in the world, Park asserts, is there a collaboration that includes:

- a university (Purdue) with national top-10 rankings in agriculture and industrial engineering;
- a community college (Ivy Tech) willing to train students in IoT; and
- networks of farmers and of manufacturers willing to test IoT equipment and share what they learn.

“The combination will be alluring to companies needing a leg up on the future,”

says Park, who holds bachelor’s, master’s and doctorate degrees from Purdue in electrical and computer engineering. One such company, Brazil-headquartered ag tech firm Solinftec, established its North American headquarters in Purdue Research Park in late 2018. The \$50 million expansion is projected to create more than 334 jobs by 2022. Solinftec then announced in late 2019 that it was moving its global headquarters from Brazil to West Lafayette. The company cited the deep capabilities of Purdue and WHIN as reasons for the comprehensive relocation to West Lafayette.

“A lot of people are saying data is the new oil of the 21st century,” Park explains. “Ag and manufacturing will be transformed. Our ambitious goal is to leverage our strong assets and develop this region into a global epicenter of digital agriculture and next-generation manufacturing by harnessing the power of Internet of Things technology. We want to lead the charge.”

■ LIFT Network efforts include career and job exploration programs for young people (opposite top) and collaborations to upgrade manufacturing, technology and tools (opposite bottom). ■ WHIN is working to connect farmers with innovation in agriculture and technology (above).

Already, WHIN has organized 20 farmers in the region representing 80,000 acres to vet devices that track soil metrics—including temperature and moisture—in real time. Next up are plans to have manufacturers add sensors to factory floor equipment to predict failures and better inform maintenance schedules and electricity management. And Purdue’s Krannert School of Management is building a database of the hundreds of manufacturers in the region to encourage them to do more business with each other and reduce purchases of parts from outside the state.

Recognizing that quality of life is critical to attracting and retaining companies and talent, WHIN also is funding projects throughout the region that will enhance community vitality. For example, WHIN is helping to fund the development of a 90-mile bike and pedestrian trail near the Wabash River.

A Plan for the Bloomington Region

One hundred miles south of the Lafayette area, another Strategic Community Advancement Initiative is producing results in eleven counties in and around Bloomington. Kicked off in 2015 with three grants totaling \$42.2 million, Indiana Uplands is an initiative that has:

- **implemented an education and workforce plan and a regional opportunity fund for quality-of-place investments funded by a \$25.87 million grant to Regional Opportunity Initiatives, Inc. (ROI). ROI is a charitable organization focused on enhancing prosperity in the eleven-county region. Led by a regional board of directors, ROI is affiliated with the Community Foundation of Bloomington and Monroe County.**
- **launched the Indiana Innovation Institute (IN3) with a \$16.2 million grant to the CICP Foundation. IN3 is working to drive new regional economic opportunities near the Naval Surface Warfare Center, Crane Division (NSWC Crane). Indiana University, Purdue University, other academic institutions and private industry are working together to commercialize technology invented at the federal research facility. The goal: create businesses and jobs.**
- **helped Indiana University to explore the potential development of a Rural Center at Indiana University to study and address societal challenges found in rural communities.**

Universities Provide Leadership

As Indiana University and Purdue University are important anchors for the work in their respective regions, Notre Dame is a catalyst in the South Bend-Elkhart region. But the university cannot do it alone. Much of the job training and outreach to companies will be conducted through the South Bend-Elkhart Regional Partnership. Ivy Tech is an important partner that will help employees in existing manufacturing companies upgrade their skills to meet the demands of new technologies.

“Cooperation with industry wouldn’t have been as effective prior to Notre Dame’s relatively recent emphasis on research,” says Tom Fuja (above), the dean of Notre Dame’s College of Engineering and faculty director of industry labs, which is the center of LIFT efforts on campus. LIFT is organizing its engagement into an easily accessible program offering use of sophisticated research equipment, such as electron microscopes. And Notre Dame students will fan out across the region to connect with businesses through a variety of experiences, including internships.

“We want this to be the front door to local companies,” Fuja says. “A lot of these kinds of arrangements tend to be one-offs now, word-of-mouth. We want to make this standardized.”

Notre Dame has ambitious goals for LIFT during its first five years. Among them: help launch 24 start-up businesses; assist 40 companies to improve productivity; develop nearly 1,400 new internships connecting undergraduate students to meaningful work in the region; and help at least 75 Notre Dame graduates in science, technology, engineering and mathematics launch their careers in the region.



INDIANA UPLANDS

Region/Counties:

Southwest Central Indiana/Brown, Crawford, Daviess, Greene, Dubois, Lawrence, Martin, Monroe, Orange, Owen and Washington

Funded:

December 2015

Grants:

\$42,217,600 (total of three grants)

Grantees:

CICP Foundation
Indiana University Foundation
Regional Opportunity Initiatives

Goals:

- Incubate and develop the Applied Research Institute at WestGate@Crane Technology Park (renamed Indiana Innovation Institute – IN3—in 2018)
- Develop the Center for Rural Engagement
- Support Regional Opportunity Initiative's Advancing Education and Workforce Through Career Immersion programs



Formidable Headwinds

The work of LIFT will need to be significant. While the region has important assets, it also faces critical challenges. In South Bend, it has been nearly 60 years since Studebaker made its last automobile in the iconic factory on South Lafayette Boulevard. And in 1966, the company closed for good. Even though the factory and nearby Studebaker headquarters building are being repurposed into spaces for entrepreneurs, South Bend has not rebounded from the loss of Studebaker and the subsequent closure of other heavy manufacturing plants in the area. In Elkhart, manufactured housing, a close cousin of recreational vehicles, has shrunk, and Conn-Selmer, a major musical instrument maker, has shifted much of its production out of the United States.

As if to sharpen the point, Brookings Institution issued a landmark report in early 2019 ranking Elkhart-Goshen third among 381 metropolitan statistical areas in vulnerability to automation and artificial intelligence. The prominent think tank also assigned Indiana an ominous crimson color on a national map of vulnerable states. Taken together, the report paints the Elkhart area as top-heavy with an industry that is among the least prepared for the future in a state highly susceptible to technological disruption.

Fortunately, leaders in the region already were thinking collaboratively. In 2015, four years before Notre Dame launched the LIFT Network, the South Bend-Elkhart Regional Partnership received a \$42 million Indiana Regional Cities grant from the Indiana Economic Development Corp., an arm of the state. The funding has sparked 40 regional development projects totaling \$736 million in investment.

Perhaps more important than the projects, the Regional Cities grant helped establish a new frame of mind, that has been strengthened by the development of LIFT, according to Pete McCown, president of the Community Foundation of Elkhart County. Leaders are realizing that the best chances for their communities to succeed depend on their working together.

“We’re excited about the momentum we have and feel like our region is poised to thrive in the 21st century,” McCown says.

Notre Dame is committed to LIFT for the long term. Burish, the provost, recalls the Endowment asking Notre Dame how it could sustain the initiative beyond its initial five years. Burish responded that the university is committed to raising money needed to ensure that LIFT continues to have an impact for many years to come. To encourage the effort, the Endowment’s grant to Notre Dame is providing a \$4 million match for funds Notre Dame raises to sustain LIFT.

Burish was especially grateful for the way the Endowment engaged Notre Dame and other organizations in the region in the development of the project. “The Endowment provided insights that helped us refine our approach, encouraged us to think long-term,” Burish says, “and to put collaboration at the center of it all.”

■ A student at Vincennes University's Jasper campus works in a lab at the university's Center for Technology, Innovation, and Manufacturing (opposite). Vincennes University is collaborating with Indiana Uplands. ■ Networking events for businesses, educators and innovators (above) are hallmarks of the South Bend-Elkhart region's LIFT Network.



Community Development

Opening Doors for Would-be Home Buyers

**Program Brings Nonprofit Employers and Their
Workers Together to Build Stable Neighborhoods**

There's a sign in the office lobby of Indianapolis Neighborhood Housing Partnership (INHP) that reads:

"The vision of INHP is that every person in Indianapolis has the opportunity to live in a safe, decent and affordable home in a vibrant neighborhood."

Jamila Fann is one of those individuals who reflects that vision. In 2016, she and her husband Jamichael bought their eastside Indianapolis home where they're now raising two young daughters. Jamila credits INHP for that. "I didn't know what went into homeownership," Fann says. "INHP provided the information and guidance I needed."

For more than 30 years, INHP has been providing support and encouragement through a variety of programs to aspiring and current homeowners throughout Indianapolis, with the goal of increasing access to affordable housing available to low- and moderate-income residents and improving existing housing stock by helping to fund home repairs and upgrades.

Since an initial grant in 1988 that helped INHP get started, Lilly Endowment has been supporting INHP's mission with program and general operating funds on a regular basis.

In 2015 timing was right for a grant that would leverage INHP's collaborative approach to further strengthen efforts across Marion County. That's when the Endowment approved a \$26.6 million grant that INHP president and CEO Moira Carlstedt calls "transformational."

"From the beginning, we have worked to offer residents the skills and guidance they need to overcome the real and perceived barriers they face in becoming long-term successful homeowners. This grant is giving us the ability to expand what we do to the other side of the housing equation, which is 'place.' It's helping us address the negative forces that affect the supply of affordable housing and neighborhood quality of life," Carlstedt says. "We have new partners—employers who run nonprofit organizations that are vital to thriving neighborhoods, developers who want to help create affordable housing in places where mass transit is strengthening our city, and neighborhood groups and other organizations working to make Indianapolis a great place to live for all of its residents."

The grant has helped INHP develop affordable housing programs that are breaking new ground in Indianapolis. Two of them—the Anchor Housing Program and the Equitable Transit-Oriented Development (ETOD) loan fund—made significant strides in 2019 to provide more housing options to low- and moderate-income individuals and families.

Anchor Housing Program

According to Joe Hanson, INHP's executive vice president of strategic initiatives, the Indy Chamber and INHP in 2016 began to collaborate on an opportunity for Indianapolis: help large nonprofit institutions—hospitals, universities and cultural organizations—embrace their roles as anchor institutions that can provide stability, leadership and other resources in their neighborhoods.

The chamber and INHP identified three arenas in which to collaborate. The first was housing—to support anchor institutions in helping their employees buy homes close to where they work. The second was purchasing—to improve anchor institutions' purchasing of products and services locally. The third was hiring—to encourage anchor institutions to identify, train and hire employees from their neighborhoods.

To help anchors with housing, the chamber turned to INHP. The result was the Anchor Housing Program, which prepares interested employees of anchor institutions for home ownership, then helps them with down payment assistance. Half of the money for these down payments come from INHP and half from a participating anchor institution. Mortgages INHP helps borrowers secure are below market rate. Furthermore, employees who already own their own homes are able to receive funding to make home improvements.

"Our mission is people- and place-based," says Hanson. "Our focus is on helping people get access to affordable housing. If we can help them live close to where they work, that's even better."



■ Jamila Fann and her family (opposite) became homeowners with support from INHP. ■ A vacant lot near 22nd and Illinois streets in Indianapolis (above) is part of INHP's work to develop affordable housing through its Equitable Transit-Oriented Development loan fund.



One of the institutions that was eager to take part in the Anchor Housing Program was Community Hospital East, which is a bedrock of the regional healthcare provider Community Health Network. The hospital is located on the eastside of Indianapolis, in an area where its presence and investments have sparked neighborhood revitalization in recent years. “We do a lot of outreach on the eastside,” says Joe Housh, Community’s director of human resources, “so the Anchor Institution Housing Program seemed like a natural fit.”

The relationship between INHP and Community began in earnest in 2017. To introduce the program to employees, Community hosted a series of INHP classes to help with everything from budgeting and improving credit scores to applying for a mortgage. This was especially useful to employees who came from families in which no one had owned a home.

“Generally, the down payment is the biggest issue for people buying their first home,” Housh says. “Through the Anchor Institution Housing Program, Community provides half and INHP provides half—it’s in the form of a loan that’s forgivable after five years.”

One Community employee who took advantage of the Anchor Housing Program was Linda Miller, a life skills clinician who bought her eastside home through the program. “To be able to be in a community that is rebuilding itself and growing means a lot to me,” Miller says in a promotional video the hospital created. The fact that Community helped her become a homeowner strengthened her bond with the hospital. “For me, it feels like I’m important to them and that they value their employees.”

Hanson credits the hospital’s strong leadership and entrepreneurial spirit for making the partnership with INHP work.

“They communicated well with their employees about the program,” Hanson says. “They made information about INHP and this program easily available.”

Though Jamila Fann, who works as a lead supervisor of community health advocates for Community, and her husband bought their home before the Anchor Housing Program was available, they used INHP’s services. Her success led her brother, brother-in-law, mother-in-law, and a friend to buy homes with similar guidance from INHP.

“The fact that I’m a first-generation homeowner has inspired other people,” says Fann, who now volunteers with INHP as a family ambassador.

By the end of 2019, nine Community employees had purchased homes through the program and three had repaired the homes they already owned in the neighborhood. The total investment provided to those 12 employees was \$229,000.

Equitable Transit-Oriented Development Loan Fund

For low- and moderate-income individuals and families, a lack of reliable, efficient transportation can be an obstacle when looking for affordable housing. INHP looked around the country for how other cities were addressing the need to make housing more affordable. INHP liked what they learned in Denver, where city leaders in 2010 created one of the nation’s first loan funds to help develop affordable housing near transit lines. Through its fund, Denver achieved nearly 1,000 affordable housing units near transit during a five-year period. In 2018, INHP adapted the approach to Indianapolis to create the Equitable Transit-Oriented Development (ETOD) loan fund. INHP’s

lead partner in the effort is Cinnaire, a nonprofit community development financial organization based in Lansing, Michigan.

INHP used funds from the Endowment grant to establish the fund, then leveraged equity investments from the city and JPMorgan Chase to raise more than \$8 million in capital from seven local banks. Cinnaire administers the fund, with INHP as the only loan recipient. INHP uses loans from the fund to buy properties near transit lines for future affordable housing development.

According to Charlie Mercer, INHP's director of commercial and community lending, the value of property along or near major bus routes will continue to appreciate as the city improves its transit services. In 2019, Indianapolis realized the first major mass transit upgrade in a generation with the opening of IndyGo's Red Line. The rapid bus line runs 13 miles through the city, from the University of Indianapolis on the southside to just north of the Broad Ripple neighborhood. Two additional rapid bus lines are expected to be completed in the coming years. Buying property now and holding it for future development is the primary way to ensure affordable, multi-family housing will be available to the very people who most need access to public transportation.

"We look at transit lines as providing low- to moderate-income people with access to jobs, school, healthcare, grocery stores, pharmacies, the arts," says Rick Laber, Cinnaire's executive vice president of new ventures and product management. "That's access that people with higher incomes may take for granted."

By buying transit-proximate properties, INHP is creating what amounts to a land bank, Mercer says. "We're stepping in to preserve those locations. We're not actually developing them ourselves—we're just holding on to them until we find developers to do that."

Once INHP finds a site and gets it under contract, it applies to Cinnaire for funding to purchase it. "When they apply for a loan from the fund, we know they've already done everything they can to make sure it's a worthwhile site," says Zina Risk, Cinnaire's vice president of underwriting.



■ Jamila Fann and Joe Housh (opposite) work at Community Hospital East, which participates in INHP's Anchor Housing Program. ■ Top, from left: Michael Osborne of the Near Northside Development Corporation and Moira Carlstedt and Charlie Mercer of INHP. ■ Jamila Fann and her family (below, next page) are inspiring friends and coworkers to become INHP clients.



According to Risk, when INHP applies for a loan for a specific property, Cinnaire has the site appraised and makes sure the property is not in a flood zone or has any other problems that would affect its development.

Essentially, the ETOD fund is a line of credit for INHP, Laber says. Cinnaire loans INHP money from the fund to acquire the property, then INHP finds a developer willing to buy the property and build affordable housing on it. With the money it receives from the developer, INHP then pays off the ETOD loan, which makes the money available for future loans.

At the end of 2019, the ETOD fund had helped INHP buy six properties, with others pending. One property is near the intersection of Illinois and 22nd streets. It abuts a parcel to the north owned by the nonprofit Near North Development Corporation (NNDC). Having worked with NNDC in the past, INHP granted the organization an option to buy the land.

In turn, NNDC selected Real America Development as its partner to help develop the properties. Plans call for 60 apartments affordable to lower- and moderate-income individuals, with an additional 4,000 square feet of nonresidential space on 22nd Street that will include the building's management and maintenance facilities, as well as NNDC's office.

"By acquiring key parcels in up-and-coming areas, before land prices become prohibitively high, INHP can ensure affordable housing won't be left out of the discussion about redevelopment in those areas," says NNDC president Michael Osborne, who is also a former INHP board member. "INHP and the ETOD fund are critical. Their ownership not only provides control of the land, but it also provides community development organizations like NNDC with the time to put together plans, the complex financing, and the development partners to undertake affordable housing projects."

"What makes the ETOD fund work well is the fact that it was a well-thought-out plan" Laber says. "We really didn't know INHP at all until we started talking with them about establishing the fund in 2015. We've spent a lot of time with them since then, and we've come to have a lot of respect for them, as an organization and as people. They know what they're doing, they're committed to doing it well and to providing access to affordable housing to people who need it."

Housing Challenges Continue

Though the Anchor Housing Program and ETOD fund help address affordable housing needs in Indianapolis, there remains a widening gap between availability and affordability.

"The people we serve are working families," Carlstedt says. "They generally earn between 50 and 80 percent of the median income for our region, which is \$36,000 to \$57,500 for a family of three. That means they can afford a home priced between \$75,000 and \$140,000. But the median home sales price in Marion County in June 2019 was \$165,000. As housing costs rise, it becomes more and more challenging to find a home in decent condition in an area where families want to live. It's a difficult problem to solve."

The solution lies in continuing to strengthen the partnerships that have helped INHP develop the Anchor Housing Program and the ETOD loan fund, according to Carlstedt. "The individuals and families we serve are our partners in strengthening our community and so are the neighborhood groups, employers, city agencies and financial institutions that believe in this work, too. We couldn't do it alone."

