



LEARNING IN REAL TIME

Learning in Real Time examines the *Chicago Prize*, a grant competition of the Pritzker Traubert Foundation to identify and invest \$10 million in a single community development initiative on the city’s south or west sides. It is the fifth in a series of reports about the *Chicago Prize*. Earlier papers were primarily descriptive; they discussed the design and other aspects of the competition, such as outreach, proposal review, and the selection of finalists. In contrast, this paper recalls the purpose and intent of the competition; discusses the winning initiative and the reasons for its selection; considers whether the competition achieved the intended results; and shares some of the lessons learned along the way.¹

The Pritzker Traubert Foundation plans to convene funders and practitioners to critique *Learning in Real Time* and discuss the implications for place-based grantmaking in Chicago. Reactions to the draft will no doubt help Pritzker Traubert as it looks to the future of the *Chicago Prize* and funding for community development. The Foundation also hopes the paper will contribute to conversations and continued cross-sector collaboration to create a more equitable and inclusive economy for the region, one that increases opportunity and builds wealth in Chicago’s Black and Latinx communities.

Chicago Prize

Two years ago, when the Pritzker Traubert Foundation decided to address “the lack of capital in communities of color,” it framed its interest in the form of a question:

What would it take to create economic opportunity and a sense of belonging for residents of disinvested communities by ‘activating’ vacant and underutilized spaces (land, buildings, natural assets) on the south and west sides of Chicago?

To better understand place-based grantmaking and impact investing, Foundation staff and trustees reviewed academic and market research, organized discussions with practitioners and policymakers, consulted with funding colleagues, toured

¹ *Learning in Real Time* draws on discussions with Foundation staff and trustees; documentation of design team and other meetings; interviews with applicants, reviewers, technical assistance providers, and funders; conversations with community development experts; review of internal and public-facing materials and media accounts; and analytic memoranda produced by the RW Ventures technical review team.

neighborhoods, and met with dozens of local leaders. These activities, coupled with the direct experiences of the trustees and staff, solidified the Foundation’s commitment to invest in Chicago’s Black and Latinx neighborhoods.

Pritzker Traubert decided to underwrite an open-call competition with a high-dollar prize, thinking that it could be a powerful way to surface existing plans and ideas, encourage new partnerships, possibly stimulate new thinking and approaches to neighborhood revitalization. The Foundation could begin to address the lack of capital in communities of color. It also could begin to test the idea that an unexpected infusion of cash in a physical development initiative—if carefully conceived, funded sufficiently, and implemented well—could visibly improve places *and* deliver economic benefits to people.

The *Chicago Prize* design team began work in the fall of 2018; launched the competition in April 2019; announced the finalists in December 2019; and provided \$100,000 planning grants and technical assistance to each of six finalists. The coronavirus pandemic and economic crisis forced adjustments to the process. The deadline for revised proposals was pushed back; neighborhood driving tours and Zoom meetings substituted for site visits and in-person conversations with team leaders; a group of national community development experts analyzed the feasibility and likely impact of the six final applications; and, in August 2020, an expanded selection committee named the **Auburn Gresham, Always Growing** initiative the *Chicago Prize* winner.²

Auburn Gresham, Always Growing

Led by Carlos Nelson of Greater Auburn Gresham Development Corporation and Erika Allen of Green Era and Urban Growers Collective, the **Auburn Gresham, Always Growing** initiative will create construction and permanent living wage jobs; improve access to health and wellness services, healthy food, and green space; deliver positive environmental and entrepreneurial gains; and offer intergenerational education opportunities.³ Two cornerstone projects—the Auburn Gresham Healthy Lifestyle Hub and the Green Era Renewable Energy and Urban Farming Campus—are at the core of **Auburn Gresham, Always Growing**. They are the initiative’s stage-one projects, ready for investment and implementation now, set to produce outcomes within three years, and expected to gin up momentum and create the conditions for stage-two

² The following profile describes **Auburn Gresham, Always Growing** as of January 2021.

³ While the application to the *Chicago Prize* competition identified Greater Auburn Gresham Development Corporation and Green Era as the lead organizations, it was the exceptional team and partnerships assembled to execute **Auburn Gresham, Always Growing** that set the initiative apart. Team members include Norma Sanders of Greater Auburn Gresham and Jason Feldman of Green Era, who direct and manage the cornerstone projects; and consultants Teresa Prim and Ryan Huddleston, who provide additional real estate development and financing expertise.

developments. The initiative addresses the health and economic disparities of Auburn Gresham's 46,000 residents through "transformative investments in health, wellness, and environmental sustainability [that] harness market forces [and] connect the neighborhood to the regional economy."

Both projects involve the restoration and reuse of vacant buildings and land; the activation of an arterial commercial corridor that connects several residential neighborhoods to downtown Chicago; and the attraction or creation of new amenities, such as a medical center and a resident-designed public park. The projects rely on independent market analyses produced by Urban Real Estate Research, Ecostrat, and other firms; take into account Auburn Gresham's current circumstances and trajectory relative to adjacent neighborhoods and the region; capitalize on existing and new public transit infrastructure and easy access to the interstate highway system; and tap the expertise and involvement of eight external partners to lease space and deliver specialized services. The physical development budget totals \$52.8 million, of which nearly \$40 million has been committed. The \$10 million *Chicago Prize* grant, coupled with CARES funding from the City and anticipated State investment, completed the financing.

Cornerstone Projects

With Carlos Nelson and Norma Sanders of Greater Auburn Gresham in the lead, an experienced commercial development team will convert a vacant 49,000 square foot building to establish the *Auburn Gresham Healthy Lifestyle Hub*. To be completed over eleven months, the renovated terracotta-clad building will house the University of Illinois Mile Square Health Center, one of the oldest federally qualified health centers in the nation. At capacity, the Center will deliver primary care, dentistry, and behavioral health services for 10,800 unique patients (21,000 patient visits). Other tenants include a pharmacy; a bank branch providing commercial banking services; two City of Chicago delegate agencies; locally-owned food establishments; educational and workforce development programs; local nonprofits and other small business tenants; and the infrastructure to support a programmable green "living" rooftop. Located at 79th and Halsted in an historic business district, the visible transformation of the building will kickstart implementation of a multi-corridor masterplan developed with the City of Chicago and the Southwest Corridor Collaborative.

Jason Feldman and Erika Allen of Green Era bring industry expertise and leadership to the *Renewable Energy and Urban Farming Campus*. The nine-acre project will position the neighborhood as first-mover in the growing green economy, locally and throughout the region. An Anaerobic Digester will anchor the campus, draw on the area's history as a location for industry, and return manufacturing jobs to Auburn Gresham. The digester will produce 30,000 yards of compost annually; generate renewable energy in partnership with People's Gas and BP; and support production of up to 26,000 pounds

of food per year at on-site greenhouses. The campus will feature an urban farm, a hands-on educational facility, a retail nursery, and food stands. Its public entry—a plaza that will be designed using a community charrette—will serve as a community gathering and maker space, incubate small businesses, and support food and agriculture-related enterprises.

Taken together, the cornerstone projects will increase Auburn Gresham’s economic prosperity, neighborhood vitality, and environmental sustainability. The projects will create hundreds of jobs, including 315 temporary construction jobs and 233 permanent jobs (82 full-time, 151 part-time), with 90% paying living wages and most expected to offer benefits and job training. They will restore a vacant building to productive use, and remediate a brownfield that has blighted the area for years. Given Green Era’s for-profit status and financing for the Campus, they also will help create community wealth. Greater Auburn Gresham Development Corporation will invest in the digester and sit on the company’s board of directors. If the enterprise is successful, the nonprofit will recoup its initial investment, realize a preferred return, and generate recurring profit in excess of \$500,000 per year, conservatively estimated, to be reinvested in Auburn Gresham.

Auburn Gresham, Always Growing takes advantage of significant public infrastructure investment, such as a new \$20 million Auburn Park Metra Station and INVEST SOUTH/WEST support for a mixed-use development on vacant lots across the street from the Healthy Lifestyle Hub. These visible improvements signal the return of economic opportunity to the neighborhood; they also pave the way for the stage two projects, which include the redevelopment of the former Calumet High School; the expansion of Leo Catholic High School; and the restoration and programming of Mahalia Jackson Park. Like the initiative’s stage one cornerstone projects, stage two efforts will repurpose existing assets without displacement, prioritize projects that address the social determinants of health, deliver direct economic benefit to area residents, and build community wealth.

The creative yet pragmatic team for **Auburn Gresham, Always Growing** presented a compelling case—and the Pritzker Traubert Foundation found a compelling investment opportunity—at the intersection of physical development, civic infrastructure, and local economy. Recalling the comments of Pritzker Traubert Foundation trustee Bryan Traubert at the start of the grant competition, the initiative will likely realize the Foundation’s “greatest hope” for the *Chicago Prize*—that it result in “a sustainable community asset that makes a real difference in people’s lives.”

Why Auburn Gresham, Always Growing?

In advance of *the Chicago Prize* competition, the Pritzker Traubert Foundation specified a set of principles that, along with an Urban Institute framing paper, guided the development of the competition. The principles informed the application and other *Chicago Prize* source materials; influenced outreach and communications activity; and figured prominently in the review of proposals. Four criteria—impact, feasibility, collaboration, and leverage—were used to review 86 applications, narrow the field to the top 20, and select six finalists. **Auburn Gresham, Always Growing** scored at the top on all four criteria, in every case exceeding expectation.

Impact. The **Auburn Gresham, Always Growing** team offered a persuasive theory of change that articulated how the initiative will produce direct economic benefits for residents in the short term, strengthen social and civic life over time, and have lasting *impact*. The team’s logic model was grounded in local history and lived experience; mindful of local politics and market dynamics; sensitive to context, both within and beyond Auburn Gresham; and clear about the pathways to change, anticipated outcomes, and performance metrics.

To put their model to the test, the team contracted with independent, industry-specific data firms to check their read of local and regional markets, assemble and analyze data, examine the viability and appeal of the cornerstone projects, and validate their projections and plans. Using multiple data sources and indicators, they delineated how the cornerstone projects will create living wage jobs for area residents; strengthen existing and establish new local enterprises; stimulate pedestrian traffic and restore vibrancy to a commercial corridor; and cultivate green spaces and “third places” that engage residents, promote neighborliness, and contribute to community health and safety.

The campus’s Anaerobic Digester is especially promising in potential impact. The future-oriented enterprise reaches across racial and economic divides. It returns manufacturing jobs—once a mainstay for area residents—to the neighborhood. It relies on regional market data and the team’s combined knowledge of business innovation and urban agriculture to establish revenue-producing, job-creating enterprises. The Digester will deliver living wage jobs—jobs that do not require specialized skills or credentials—in a growth industry and connect the local economy to a regional market to benefit both.

Feasibility. Auburn Gresham, Always Growing is driven by Carlos Nelson and Erika Allen. Both are seasoned leaders with the sensibility, skills, and on-the-ground experience to prepare and carry out *feasible* implementation plans. They share the same values and priorities; they respect the neighborhood’s history, but are not nostalgic; and they appreciate Auburn Gresham’s potential as well as its assets and challenges. Forward-looking and shrewd about market dynamics and possible pitfalls, they have envisioned “not just growth but JUST growth” and developed plans that operationalize equity and social justice principles.⁴ As trustee Penny Pritzker would say, they have made the “pivot from aspiration to executable plan.”

The leaders have what it takes to do the job—and the wisdom to welcome specialized expertise, especially that of Jason Feldman in startup and business management and Teresa Prim in real estate development and finance.⁵ They have put together topflight development teams for the capital projects; specified risk management strategies; and created 10-year operating plans to attract a federally qualified health center and commercial enterprises to Auburn Gresham, and operate a triple bottom line social enterprise anchored by a commercial digester.

Drawing on third-party experts as needed, the initiative’s leaders have formed legal entities, acquired land, and secured site control and permits. Implementation is underway. The team has commitments from future program partners, potential tenants, and purchasers of goods and services; and meets monthly with residents and community partners from Auburn Gresham and nearby neighborhoods.

Community-led Collaboration. Auburn Gresham, Always Growing finds strength in relationship and stands on reputation. Greater Auburn Gresham Development Corporation has shepherded resident-led Quality of Life planning for years and delivered on those plans. With the first plan, neighbors called for a celebratory event to reflect community

⁴ Brenner and Pasteur, *Equity, Growth, and Opportunity*, 2015.

⁵ **Carlos Nelson** and **Greater Auburn Gresham Development Corporation** have repaired 500+ properties; built a \$5 million school-based health center; and advocated for transit-oriented development, including a \$20 million Metra station. **Erika Allen** and **Urban Growers Collective** builds urban farms and gardens; manages eight farms on eleven acres of city land; provides fresh foods at farmer’s markets and other venues; and organizes workforce development and training programs. **Allen** and **Feldman** established **Green Era** to operate a commercial digester and a companion nonprofit to operate educational, cultural, and other programs.

pride, support local businesses, and showcase Auburn Gresham as a great place to live, work, play, and pray. Sixteen years later, the 79th Street Renaissance Festival has become an iconic Chicago neighborhood event, attracting thousands of exhibitors and visitors as well as local residents each year. That first plan also sought better transportation options and a broader array of consumer choices. The outcomes: a new Metra station, now under construction at 79th and Lowe; the designation of a business improvement district, the first Special Services Area in a Black neighborhood in Chicago; and a masterplan for 79th Street corridor development that spans three communities and involves several organizations in its implementation.

Auburn Gresham's current five-year plan, *Your Voice Matters*, reflects the lived experience and personal investment of time and attention of 1,500+ individuals. The plan calls for the cornerstone projects and the results they will produce; lifts up and integrates the work of other partner organizations; and has the support of elected and appointed officials within and beyond Auburn Gresham. Through the social and professional networks of all, the plan connects to experts and others active in transit-oriented commercial development, business incubation and job creation, health and wellness, urban agriculture, environmental sustainability, and the green economy. In other words, the initiative and its leaders are not starting from ground zero, nor are they going it alone.

Already powered by community preference, **Auburn Gresham, Always Growing** is fueled by trust and transparency, invigorated by the embrace of mutual accountability, and validated by past accomplishments. Partnerships and projects that emerge in this way, through community planning and respectful collaboration, prove to be especially resilient. Now, in concert with residents, other nonprofits, and businesses, they are linking local assets and the neighborhood economy to regional markets, all influenced by global economic forces. They are also looking ahead. With Erika Allen in the lead, stage two planning for the campus is proceeding. A community charrette to design the visitors' center/educational facility and shape future programs is well underway.

Leverage. Having secured significant financing and other resources, **Auburn Gresham, Always Growing** is ready for full implementation of the initiative. The Foundation's \$10 million investment in the \$52.8 million initiative leverages \$40 million in other investment, and closes the funding gap for the cornerstone projects. The initiative capitalizes on infrastructure investments within blocks of the cornerstone projects;

expects additional funding for transit-oriented and commercial corridor development through the city's \$750 million INVEST South/West program; and, as described elsewhere, anticipates an evergreen source of revenue for community reinvestment through an equity stake in the digester.

In the end, the Pritzker Traubert Foundation selected the Auburn Gresham initiative as the winner of the inaugural *Chicago Prize* for many reasons, among them the desire “to support entrepreneurial leaders and innovative initiatives that have the potential to be transformative or disruptive.”⁶ With **Auburn Gresham, Always Growing**, the Foundation is awarding capital funds to a conceptually sophisticated, operationally sound physical development initiative, confident that it will provide tangible benefits for people and place. The initiative's separate but synergistic cornerstone projects restore property and land to productive use; deliver goods and services to improve the health of residents; create small businesses and well-paying jobs to increase household income and build community wealth; and activate streets and public spaces in ways that promote health, foster social interaction, and invite additional investment.

For all the expected visible impact, **Auburn Gresham, Always Growing's** award also acknowledges the value of less-tangible assets: respectful, transparent collaboration with residents, reliable and productive over many years; partnership between effective local organizations managed by outward-looking high achievers whose actions influence others; genuine openness to new ideas and alliances, especially alliances that extend the partners' reach and expertise; and the authority of relationships and processes that advance equitable, inclusive development. All of these attributes—plus technical expertise, operational sophistication, and a certain level of risk tolerance—will be tapped to execute **Auburn Gresham, Always Growing**, given its complexity at a time of great challenge in Chicago's Black and Latinx communities.

In **Auburn Gresham, Always Growing**, the mechanical engineer (Carlos Nelson), the social change artist (Erika Allen), and the social entrepreneur (Jason Feldman) conceived of an initiative that goes beyond an alignment of interests, beyond the development of amenities, to the (re)creation of a local economy in which household income circulates and community wealth increases. The bottom line is, when Auburn Gresham's leaders looked at the blight of non-residential land and buildings, they saw a new and different bottom line. Coming from different disciplines and perspectives, yet converging on the principles of community-first and sustainability, they apprehended and then steadfastly pursued, and made real, an invisible opportunity.

⁶ “Our Values,” Pritzker Traubert Foundation, <https://www.ptfound.org/who/values>, accessed 31 March 2021.

The trio merged their talents and resources, dedicated four years to joint research and planning, engaged with residents through Auburn Gresham Quality of Life planning, recruited the support and involvement of other local groups, sought advice and expertise from any number of independent sources, and investigated similar projects in other parts of the country. With staged development in mind, they began to secure land, buildings, and financing, all in the service of moving ahead to develop a rigorous business plan for an innovative idea. Along the way, they established the complex of organizational entities that undergird the initiative's interrelated projects.

Nelson, Allen, and Feldman assembled the narrative and numbers that revealed “the hidden order” present in Auburn Gresham that, with a little luck and hard work, foreshadows the successful implementation of **Auburn Gresham, Always Growing**.⁷ As luck would have it, hard work paid off handsomely. With the “divinely timed” *Chicago Prize*, the financing gap was filled, the initiative is out of the gate, the projects have made the first turn, and now are racing toward a 2022 finish line.

The Pritzker Traubert Foundation also realized many of its aspirations. It had hoped to “help unlock philanthropic dollars...stimulate innovation ...leverage its financial resources...increase the likelihood of impact...[and] promote learning.” By most accounts, the *Chicago Prize* accomplished these objectives. External reviewers rated 20 applications as worthy of serious consideration; technical experts provided additional analysis; and the selection committee singled out six contenders.

A game-changing initiative was selected as the inaugural *Chicago Prize* winner: **Auburn Gresham, Always Growing** is on track to create good jobs for local residents; locate a full-service medical center; jumpstart commercial corridor development; and structure the \$10 million capital grant to generate revenue for neighborhood reinvestment. The competition generated excitement and raised the visibility of neighborhood initiatives. It drew attention to the importance of place-based grantmaking, and accelerated investment in several neighborhoods. And it contributed, in important ways, to conversations about equity and development.

Observations

The Pritzker Traubert Foundation sponsored the *Chicago Prize* for many reasons, among them a desire to deepen its understanding about what works to revitalize urban communities. The Foundation had determined an objective—increasing economic mobility through community development strategies and investments on the south and west sides of Chicago. It had taken a problem—the lack of capital investment in city's Black and Latinx neighborhoods—as its principal focus. And it had identified the

⁷ Holland, *Hidden Order: How Adaptation Builds Complexity*, 1995.

outcome it hoped to help bring about—physical developments that “activate vacant and underutilized spaces (land, buildings, natural assets), visibly improve the community, and deliver economic benefits to the people who live there.”

The Foundation’s trustees and staff also put together a learning agenda comprised of questions, both operational and theoretical, that had surfaced in an earlier “deep dive” into the field of community development. Memorialized in an internal document, the learning agenda covered practical matters (e.g., where can we add value, how do we source and review new ideas, how can we access expertise), as well as more conceptual concerns (e.g., can community investment advance individual economic mobility, can physical development create or strengthen civic infrastructure, can a single initiative be transformative).

The *Chicago Prize* competition allowed the Foundation’s staff of three to reach beyond their knowledge and networks to solicit new ideas, develop new partnerships, acquire new knowledge, and arrive at a theory of change to guide its future investment in Chicago communities. The observations that follow are early lessons of the *Chicago Prize* competition, potentially useful to the people and institutions involved in community development in Chicago.

Early Lessons of the 2020 Chicago Prize Competition

LESSON 1: Neighborhood context matters. Support initiatives and projects targeted to specific opportunities, market conditions, and neighborhood trajectories; and anchor community development initiatives with commercial projects that can attract investment, produce revenue, and enable a broader set of activities.

The 2020 Chicago Prize recipient, Auburn Gresham, Always Growing restores vacant properties to productive use and capitalizes on public infrastructure investments to:

- *Build an anaerobic digester to convert organic waste to clean energy*
- *Locate a full-service health center and create an urban farm campus*
- *Establish two revenue-producing social benefit businesses*
- *Activate and link a commercial corridor to a new Metra station*
- *Create 315 construction and 233 permanent jobs*

The initiative's cornerstone projects address the health and economic disparities of Auburn Gresham's 46,000 residents, and connect the local and the regional economy through new commercial industry.

The challenge in place-based grantmaking is to find and fund efforts that best fit the context within which they will unfold—efforts that, if adequately resourced, will produce a desired result. Neighborhoods vary in physical conditions, demographic composition, the social and economic circumstances of residents, institutional infrastructure, and development trajectory. They also vary in economic potential, their fortunes affected by macroeconomic forces and decades of disinvestment.

Some neighborhoods and initiatives have outsized potential to produce visible changes that, in turn, “tip” the neighborhood in a positive direction. Their leaders have the skills and savvy and social capital to make the most of market opportunities. Adequately financed and scaled, such initiatives can restore confidence in a place, enhance community image and curb appeal, reinforce or

reframe the neighborhood narrative, and incentivize residential and business investment. They can be catalytic, as when early, visible results produce sufficient improvement to shift the balance toward growth, generate buzz, and spur investment.

The most promising initiatives build on a neighborhood's physical and cultural assets; take into account local characteristics and market realities; present a convincing theory of change; have an economically viable action plan; and call for projects that current residents want.

Investors who aspire to catalyze significant change will seek opportunities in neighborhoods that, based on empirical and experiential evidence, are trending upward, led by entrepreneurial developers prepared to take advantage of market forces.

LESSON 2: Leadership matters, as does development expertise. Invest in leaders with strong vision, dedicated to building on local assets and deploying local talent, who are open to drawing on experts and resources in and beyond the neighborhood.

The Auburn Gresham, Always Growing team includes community activist leaders, a seasoned development consultant, and a real estate lawyer. Greater Auburn Gresham Development Corporation partnered with Green Era on the 2020 Chicago Prize winning initiative; together, the two organizations developed business plans, acquired properties, and secured site control. They continue to collaborate with local and citywide nonprofits, engaging firms and consultants to deliver expertise and specialized services when needed.

Effective community developers are “deep generalists.” Smart about economic conditions and neighborhood dynamics, most have strong organizational and relational skills and finely-tuned political instincts.

Some have extensive real estate development expertise; others are newer to the enterprise. In most cases, they seek mutually beneficial relationships, readily connecting to others to obtain advice, resources, and expertise.

The most effective community developers appreciate the complexities of community development finance. They have the foresight to engage experts who have the financial chops, and tenacity to secure and

manage multiple sources of public and private investment over the long term.

Real estate development is complicated. Each individual deal has a risk-reward profile that varies by project type and stage of development. In under-resourced neighborhoods, real estate development is especially fraught, complicated by a lack of conventional financing at each stage.

Ready to marshal all the resources they might require, smart community leaders engage outside experts and technical assistance providers when needed. They also tend to involve less-experienced staff in the process, thus building their bench and adding to the field.

LESSON 3: Invest big. Significant capital is necessary to stimulate catalytic change in underinvested neighborhoods, but capital alone is seldom sufficient. Invest at scale in community initiatives *and* in the leadership, organizational capacity, and expertise needed throughout development.

The Chicago Prize directed attention to the lack of capital investments in communities of color; awarded \$10 million to a single neighborhood initiative; structured the capital investment to generate revenue, facilitate future development, and create community wealth; created an inventory of community initiatives for consideration by other investors; provided matching grants and technical assistance to finalists; and leveraged its \$13 million commitment to over \$35 million in investment.

The lack of—or limited access to—patient, flexible, low-cost capital for development is a significant barrier to revitalizing Black and Latinx neighborhoods. Layered financing, compliance reporting, and restricted funding increase the cost and difficulty of neighborhood development.

When asked about their fundraising experiences, community developers mention the challenging dynamics, especially the mismatch between project timetables and foundation processes and the cost of development relative to the typical grant award.

Investors can offer relief. They can supplement capital investments with unrestricted grants, add to contingency funds, and earmark resources for back office operations. In-kind contributions of reputational capital or professional services also add value.

In some cases, investments can be structured to establish renewable sources of unrestricted revenue that strengthen community organizations and boost their ability to initiate future projects. For example, the *Chicago Prize* investment positions Greater Auburn Gresham CDC as a shareholder in large-scale commercial enterprise, producing income it can use to finance future real estate projects or other community benefit initiatives.

The *Chicago Prize* competition also identified other community initiatives suited to different investors, and supported them with capital grants and technical assistance. The *Capital Marching Fund* offers up to \$500,000 to five finalists to further develop one or more of their capital projects. The *Finish Line Fund*, a partnership with JPMorgan Chase, connects finalists to expert assistance and networks across the city and beyond to continue to refine their overall initiatives.

LESSON FOUR: Competitions—pros and cons.

The Chicago Prize elevated six initiatives as finalists and provided each with a \$100,000 planning grant. These initiatives have attracted \$40 million of investment; six have or are ready to break ground. Several credit the Chicago Prize with directing attention and resources to projects that had been underway for years. There were other worthy projects that did not get the funds or attention they deserve.

Open-call grant competitions have been debated in philanthropic circles for years. By now the negatives are familiar. Competitions are a misuse of most applicants' time; they favor invention over implementation; they end up funding the usual suspects anyway; and their reviewers often lack substantive or practical knowledge.

Some observers argue that online applications with word counts and other limitations run the risk of confusing differences in style and grantwriting skill with issues of relevant capacity and competence. They worry that big-money contests compound disadvantage; that effective, but historically underfunded, community organizations may not have the fundraising resources to compete effectively. Concerned that competitions tend to reward organizations that "are not proximate enough to the root causes," some critics argue that "prizes are not going to fix the power dynamics" that bedevil efforts to redress decades of disinvestment.

To proponents, the counterarguments are clear. Competitions that are open, fair, and transparent can address issues of inequitable access and funder prescriptiveness. They can open up the

grantseeking process and focus on what is being proposed, not on who is doing the proposing.

Competition sponsors underwrite the outreach and application processes, review proposals, complete due diligence, and more often than not, showcase top-rated applicants. They accomplish their original purpose—and they "unlock philanthropic resources" that otherwise would not be deployed. Competition sponsors often raise the visibility of overlooked or emergent social problems, routing new resources to underfunded but socially significant endeavors.

For the Pritzker Traubert Foundation, the *Chicago Prize* "was a means to an end...[intended]...to lift up community investment done a particular way, surface and fund strong locally-driven initiatives, identify and learn from all the innovative work being done in neighborhoods throughout Chicago, and leverage the support of others for that good work." In the end, the competition surfaced a winning initiative, created a pipeline of investment-worthy projects, and drew attention to leaders and opportunities in Chicago's communities of color.

LESSON FIVE: Be as transparent as possible about your purpose and priorities; specify the outcomes, processes, and project components you seek; and, in dialogue with organizational leaders, customize funding to capitalize on strengths, shore up capacity, and contribute to sustainable change.

When the Pritzker Traubert Foundation sponsored the Chicago Prize, the trustees and staff were clear about the purpose and desired outcome. The competition would address the lack of investment in Black and Latinx neighborhoods by making a significant capital investment in a neighborhood initiative, one that would activate vacant or underutilized spaces, visibly improve the community, and deliver economic benefits to residents.

2020: a year of upheaval and uncertainty in every sphere. The COVID-19 pandemic, the subsequent economic collapse, and the protests following the police murder of George Floyd—all three disproportionately affected the people and places of primary concern to community developers and funders. The crises also accelerated changes underway in philanthropy, intensifying calls for equity and inclusion.

Some funders adopted the principles of “trust-based philanthropy,” shifted to participatory grantmaking, and organized constituent advisory groups. Others streamlined application processes, loosened restrictions and reporting requirements, and responded to “the fierce urgency of now” with faster decision making and release of funds. Some

grantmakers acknowledged the power imbalance in philanthropy; they sought to deepen relationships and foster more equitable arrangements with grantee-partners.

These and similar efforts require that grantmakers are clear and candid about institutional priorities, with sufficient substantive knowledge and self-assurance to be forthright with potential and actual grantee-partners. Some funders find it useful to specify the desired outcome, and reverse-engineer to decisions about eligibility, proposal requirements, review criteria, and selection. When developing grants, they aim for frank discussion; when new needs emerge over time, they seek to fill gaps and supply flexible resources whenever possible.

LESSON SIX: It takes a village. Build a multisector coalition from the start, cultivate support of different kinds from many sources, seek out opportunities to leverage resources, and share learning, all in the service of driving collaboration across neighborhoods and throughout the city.

The work of the Pritzker Traubert Foundation on the *Chicago Prize* has come full circle. Conversations with colleagues that started three years ago about community development and partnership continue today. More than a dozen funders have stepped up with commitments to the competition's finalists.

A "kitchen cabinet" of local and national experts helped shape the competition's content; activated social media and networks to publicize the competition; and formed the core of the review panel. Happily, many remain involved, supporting and assisting community leaders in a variety of ways.

A learning agenda, commemorated in an internal memo two years ago, has led to new insights—and new lines of inquiry. Then and now, two questions continue to demand attention:

- Given the level of need relative to available resources, what can be done to expand the pool of potential investors and to match investors to community priorities?
- Given a global economy and the need to create a more equitable and inclusive regional economy, is it time to fundamentally rethink community development theory and practice?

Over the course of the *Chicago Prize* competition, the Pritzker Traubert Foundation has returned to these and similar questions time and again, often gaining insight in conversation with colleagues.

Continued collaboration across sectors—and several evaluations currently in design—promise to yield new knowledge and investment to benefit Black and Latinx neighborhoods and Chicagoans throughout the region

