Informing the Debate

Michigan Applied Public Policy Brief

Unnatural Disasters: Can Nonprofit Governance Promote Recovery in Detroit and Flint?

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Michigan Applied Public Policy Briefs

Informing the Debate

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Informing the Debate

MAPPR Policy Research Brief

Unnatural Disasters: Can Nonprofit Governance Promote Recovery in Detroit and Flint?

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ABSTRACT

In response to Detroit's financial crisis and Flint's water crisis, philanthropies and nonprofits announced multi-million dollar investments and new initiatives. We examine the activation of the nonprofit sector in response to crises augmented by governmental failure. Can significant nonprofit engagement in crisis response promote local recovery efforts? Does nonprofit involvement contribute to rebuilding local government capacity or does it tend to supplant local government? Our findings support prior work demonstrating the importance of the Grand Bargain in Detroit's recovery. We also show the substantial contribution of nonprofits responding to the Flint Water Crisis. While Detroit's Grand Bargain was primarily a resource transfer that enabled city government to regain fiscal stability, Flint's nonprofits have provided essential "boots on the ground" responsiveness to the continuously unfolding impacts of the water crisis. In the conclusion, we argue that while nonprofits have been essential to recovery efforts in both cities, more attention is required to address local government capacity, particularly in Flint.

INTRODUCTION

The announcement by 13 foundations to provide a pool of more than $125 million dollars to Flint's ongoing water crisis recovery efforts is one of the most recent developments in what looks to be a long recovery from the effects of lead exposure, as well as the long-term economic and community disinvestment that has plagued the city for many years. The Flint announcement came just over a year after 12 foundations collectively committed $366 million towards Detroit's Grand Bargain—a compromise resulting from the city's bankruptcy proceedings that salvaged the Detroit Institute of Arts and helped fund the city's pension plans. Both of these Michigan cities have faced devastating economic and governmental crises and the philanthropic and nonprofit sectors have stepped in to provide capacity and support. In both of these cases, two broad factors are present: a city beset by a range of local government failures and a policy environment characterized by racial, economic and social divisions.

Detroit and Flint have experienced decades of white flight and the departure of middle-class African American families out of the city, resulting in a local population that is disproportionately in poverty compared to the surrounding suburbs. In both cases, the strains on local government financial stability and capacity are well noted (Jurkiewicz, 2016; Schindler, 2016; Sweeney, 2006). Both cities suffered before their respective disasters from economic disinvestment, ineffective governing regimes, federal and state policies supporting the development of metropolitan segregation, and the consequences of racially divisive politics. These common characteristics complicated efforts to produce coherent policy solutions for the social and economic issues present in both cities (Highsmith, 2016; Sugrue, 2014; Massey and Denton, 1988). In both cases, nonprofit organizations have provided some relief and responses to these problems.

This research explores the questions of nonprofit activity post-disaster. In this case, disaster is defined as a disruptive event that poses specific and significant challenges to governing and service provision. Further, this project explores the activities of the philanthropic sector in post-disaster periods and seeks to understand what happens to the nonprofit sector post-disaster. Namely, we examine how the nonprofit sector shifts its operations to fill needs in communities that the local government either does not have the capacity or expertise to supply fully, and whether nonprofit organizations increase their partnerships with local governments in this post-disaster environment. Additionally, this project explores the dynamics of local government capacity in the wake of increased philanthropic and nonprofit activity. Finally, this project seeks to inform policymakers and practitioners about nonprofit perspectives on responding to disasters and answer the following questions:

- What kinds of resources, support, or leadership have nonprofits provided to recovery efforts in Flint and Detroit?
- Do "disasters" provide an opportunity for nonprofits to improve the futures of local governments in distress?
- Finally, what comparisons in recovery can be made in cities with different levels of nonprofit engagement in disaster recovery?

Our findings show that both cities relied on substantial investments from the philanthropic and nonprofit sectors to offer an immediate response to the crisis and to aid recovery efforts. In Detroit, this mostly occurred through the Grand Bargain, and we find mixed evidence of a broader nonprofit investment in recovery efforts. In Flint, a lesser known, but similarly important coordination effort among nonprofits and philanthropy provided day-to-day crisis response and service delivery. The nonprofits in Flint have been engaged in daily recovery work in the city, both prior to the official declaration of an emergency in response to the water crisis and long after the crisis was officially recognized. The nonprofit contributions to recovery in Flint are unprecedented, but questions remain about the longer range recovery of the city's public sector.

EMERGENCY RELIEF AND MANAGEMENT OF DISASTERS

Nonprofit organizations often play a critical role in both day-to-day service provision as well as policy development and implementation in cities. Collaboration between local governments and nonprofits can help or hinder the passage of important legislation, garner support for government initiatives, provide valuable feedback to local leaders on implementation issues, and create pathways for unique solutions to problems at the neighborhood level. During times of crisis, nonprofit organizations, also referred to as Community Based Organizations (CBOs) are critical resources for local government in managing the dissemination of relevant information to neighborhood residents, providing delivery of emergency services, mobilizing resources for response, and organizing collective action to plan longer term recovery efforts. Managing collaborations involving multiple CBOs as well as government agencies can be increasingly complicated when a disaster strikes due to the number of additional stakeholders involved, issues with urgency,

and sometimes conflicting goals to resolve the emergency quickly (Cornforth, Hayes, and Vangen, 2015: 776).

Furthermore, policy development concerning disaster response presents unique challenges, making policy development not as effective as it could be (Downey, 2016). Emergency response planning is a special category of policymaking that is directly impacted and complicated by the collaborative environment at the local level (Kingdon, 1984; Lieberman, 2002; Almond & Verba, 1989; Tierney, 2012). Responding to a disaster requires high technical and integrated participation among political and non-political actors. Additionally, the racial composition of a locality matters, but relief programs do not always take racial disparities into account in distributing services and resources (de Oliver and Dawson-Munoz, 1996). The difficulties of planning for low probability, high hazard events, are made even more complicated by racial segregation within cities and counties (Elliott and Pais, 2006, 2010; Lavelle, 2006; Stivers, 2007). While emergency planning is not a minority issue on its face, decisions about zoning, evacuation plans, and service distribution in a post-disaster context can have racialized impacts, particularly if segregation is prevalent within a city (Trounstine, 2016).

One central problem with emergency and disaster mitigation policy is the fact that it is difficult to evaluate its success because each disaster is different; there is no "routine" to how much damage a natural or man-made disaster will do in an area. Local governments rarely take the initiative to create the horizontal networks between agencies and organizations that are needed during disasters. Should they occur, these issues are further complicated by competition over scarce resources between minority and majority groups as well as bureaucratic inertia (Hill, 1991).

Nonprofit organizations fill an important gap in communities with high heterogeneity along economic and racial lines (van Bortel and Mullins, 2009; Cowen and Cowen, 2010). Further, nonprofit organizations tend to better represent the needs of people at the neighborhood level than the formal institutions of local government and often can change gears to fill gaps in service in ways that local or state government counterparts cannot (Levine, 2016; Daniel and Moulton, 2017). It is up to political leaders to seek out the needs of these groups by tapping into CBOs and bringing them into the process of developing responsive emergency plans to ensure that when a disaster strikes, these communities know how to react (Waugh and Streib, 2006; Tierney, 2012). This paper seeks to look at the collaborative structures developed in the post-disaster environment in two Michigan cities: Flint and Detroit. The critical difference between these two cities at the time of this research is the scale and nature of their crises.

As severe weather events increase, as infrastructure crumbles due to neglect or lack of funding, as resources are mismanaged, and as simple human error threatens the public, nonprofit organizations can play a critical role in the response. CBOs can provide direct assistance where local governments and state and federal counterparts are not always able to quickly provide "boots on the ground." More importantly, these CBOs have cultural knowledge about localities that elected officials and bureaucrats may not. Media attention, sense of urgency, long-range planning, availability of public assistance, and strong

leadership in addition to a collaborative structure is, and will continue to be, critical to the redevelopment of both cities (Downey and Reese, 2017).

DETROIT AND FLINT: THE CONTEXT OF THE CRISES

Municipal Bankruptcy in Detroit

Detroit has long been a subject of research documenting the issue of urban decline (see for example Galster, 2012, Reese, Sands and Skidmore, 2014, Eisinger, 2014). Several factors have been identified as impediments to the recovery of the city; we will focus on two broad categories: Internal and External. Internally, the city of Detroit has had problems with governmental corruption (Baldas, 2013, Zywicki, 2014); lack of action by local government to address the problem of declining resources and rising costs, such as pension obligations; pervasive racism, and troubled relations with surrounding suburban governments and the state (Apel, 2015; LeDuff, 2013; Thomas, 2013). External issues that have complicated Detroit's revitalization include structural downturns in the automotive industry, a low-skilled labor pool, rampant suburbanization from the 1950s onward, population loss, and significant reductions in state revenue sharing to local governments in Michigan (Brueckner and Helsley, 2011; Zukin, 1987; Morgan and Mareschal, 1999; Reese, Eckert, Sands, and Vojnovic, 2016).

In 2012, the city of Detroit was near insolvency; the state treasurer notified Governor Snyder, and the city entered into a consent agreement. In 2013, an emergency manager, Kevyn Orr, was installed to manage the restructuring of the city's finances (Farley, 2015; Cohen, 2016), and in July 2013, the city filed for Chapter 9 bankruptcy. The city had amassed approximately $18 billion dollars of debt, and the restructuring of the debt threatened all aspects of local governance, including public services such as police, fire, water, sewer, and electricity. Finally, the bankruptcy affected bondholders as well. The city also had a number of obsolete, blighted and abandoned properties that created safety and health hazards and impacted the city’s ability to collect taxes on these properties.
As the bankruptcy process took shape, it became clear that representatives of the city could face extremely tough choices. The city’s debt burden included pension obligations to retirees as well as bonds, and some creditors argued the city should rely on one of its largest assets--the Detroit Institute of Arts--to pay its debt obligations. As Kresge Foundation President Rip Rapson explained:

> Detroit was between Scylla and Charybdis – impairing pension obligations by 50 or 60 percent would have caused unspeakable hardships for thousands of retirees living on $20,000 or $30,000 a year; conducting a re-sale of the DIA’s art would have dismantled and disgraced one of the crown jewels of Detroit’s cultural patrimony (Rapson, 2016).

The attorneys representing the city feared that pursuing substantial pension cuts or selling art from the DIA could result in a lengthy legal battle. The Grand Bargain emerged during the bankruptcy process through a collaboration among philanthropic foundations,

the State of Michigan, and the Detroit Institute of Arts (DIA) as a strategy to resolve this dilemma and expedite the conclusion of the bankruptcy process. Foundations committed approximately $366 million towards this settlement, which provided funding to reduce cuts to benefits for the city's pensioners and prevent the sale of art from the DIA by transforming it into a nonprofit institution. Due to the bankruptcy, unsecured creditors received about 20% of their claims against the city, and the city reduced its size of government significantly and privatized services such as refuse collection to make up the remaining balance of the filing (Associated Press, 2014).

Much has been written about the uniqueness of the events surrounding Detroit's unprecedented bankruptcy filing. What has captured the attention of many scholars is both the scale and the impact of philanthropic giving (Ferris and Hopkins, 2017; Husock, 2016; Lindsay, 2014). Many have heralded the efforts of foundations and nonprofits that have stepped into the void left by the local government to develop a vision of the Detroit that is sustainable going forward. Others, however, have cautioned that neighborhoods and resident voices have been missing from many parts of the city's development regime, and that many of the causal factors contributing to bankruptcy have yet to be resolved (Reese, Eckert, Sands and Vojnovic, 2017; Cohen, 2016).

Flint and the Water Crisis

On the surface, many of the factors present in Detroit are mirrored in the city of Flint, Michigan. In 2011, the city was placed under emergency management by the State of Michigan due to a declaration of financial emergency. In fact, during the period that the water crisis occurred, Flint had no less than three emergency managers governing the day to day actions of officials in the city. In 2014, Darnell Earley, the fourth of six state-appointed emergency manager oversaw the switch of Flint's water supply from the Detroit water system to the Flint River (Brush, et.al, 2015). This decision was motivated by financial considerations; the move was reported at the time to save $5 million while a new pipeline was completed connecting the city to Lake Huron (Jurkiewicz, 2016). To prevent lead contamination due to lead service lines in many urban water systems, federal laws require that anti-corrosion agents be added to existing pipelines to prevent lead leaching. However, the anti-corrosion agent was not added during the treatment process in Flint (Torrice, 2016; TIMELINE, 2015). Experts have since testified that the addition of this simple additive could have prevented 90% of the damage that followed (Butler et al., 2016).

The impact of this decision was immediate. In June 2014, the first reports of Legionnaire's disease hit this city, followed by reports from the Michigan Health Department of spikes in blood lead levels from Flint residents. The city issued a boil advisory in July 2014 after E. coli was discovered in the water supply. The water treatment staff added chlorine to the water in response to this issue, which also increased the corrosion problems caused by the water. Citizens had been complaining of issues with taste, rashes, hair loss and other mysterious ailments beginning in the summer of 2014. Lee Anne Walters, a Flint resident, had her pipes tested by the city after reporting issues of

rashes and discoloration in her home (Lurie, 2016). The first test of several revealed 400 parts per billion of lead in her home, significantly higher than the EPA limits for this contaminant. Dr. Marc Edwards, a scientist at Virginia Tech, began conducting tests of homes in the city. His findings were explosive. Of the homes he and his team tested, many samples "exceeded the World Health Organization's standard of 10 parts per billion" (Hohn, 2016). In September 2015, Dr. Mona Hanna-Attisha, an Associate Professor at Michigan State University, went public with her study of evidence of lead poisoning in Flint's children linked to drinking water (this study has since been published in the *American Journal of Public Health*). City and state officials initially rejected the research findings of both Dr. Edwards and Dr. Hanna-Attisha. The city was soon found to be in violation of the Safe Water Drinking Act requirements, however, and switched back to the Detroit Water system in late October 2015. In December of that year, the City of Flint declared a state of emergency, and in January 2016, a state of emergency in Flint was declared by the State of Michigan.

The resolution and response to the Flint Water Crisis are still ongoing. Several state and local officials have been fired as a result of their inaction during the time of the crisis, and other officials have been indicted for involuntary manslaughter, due to deaths resulting from the Legionnaire's disease outbreak. The citizens of Flint will continue to have long-term health impacts as a direct result of lead exposure. These social costs to the city have been estimated to be upwards of $400 million based on the likelihood of lost economic productivity due to lower IQs of children in the region who were lead exposed (Sanburn, 2016). For a city that is already facing an exodus of residents, strapped for financial resources, and long term consequences of deindustrialization and low investment--these are issues that will not be resolved anytime soon.

METHODOLOGY

This research is based on compiling philanthropic grant data for both cities pre and post disaster, as well as cross-sectional surveys of nonprofit organizations in both cities. The authors also participated in a series of face-to-face meetings with leaders in Flint to add depth to the survey data collected. Combining qualitative and quantitative approaches highlights the complexity of disaster response and allows us to compare responses between the two cities systematically.

The Foundation Directory Online provided data on the amount of philanthropic giving for two years before each disaster, as well as one year after (2011 to 2014 in Detroit; 2013 to 2016 in Flint). The authors examined philanthropic grants from four philanthropies involved in Flint (the C.S. Mott Foundation, the Ruth Mott Foundation, the Community Foundation of Greater Flint, and the Ford Foundation) and 11 philanthropies involved in Detroit (the Knight Foundation, the Ford Foundation, the C.S. Mott Foundation, the Community Foundation for Southeastern Michigan, the Skillman Foundation, the Kresge Foundation, the Hudson-Webber Foundation, McGregor Fund, the Erb Family Foundation, the Kellogg Foundation, and the William Davidson Foundation). These funders were identified using news reports and through a review of nonprofit websites to cross-

reference grants given to organizations in our dataset during the time periods of interest. Our dataset includes 3,397 grants.

To explore the issues related to collaboration, funding, and services provided in the wake of disasters, a list of nonprofit organizations in both cities involved in direct service provision was developed. Nonprofit organizations were selected based on the National Taxonomy of Exempt Entities (NCCS, 2017) and were chosen based on the services they provide to each community.[1] The NTEE system is used by the IRS, the National Center for Charitable Statistics (NCCS) and the Foundation Center to classify both grants and grant recipients on an annual basis.

After gathering this data, the authors searched online to collect contact information for each organization, including email addresses and phone numbers. Nonprofits without an online presence were dropped from the sample; the final list of nonprofit organizations contacted in the survey included 385 in Detroit and 138 in Flint. Using the NCCS database, the date of founding for each nonprofit organization was also recorded along with the following information: website address, officer or president contact information, revenues, and physical address.

The nonprofit survey was developed to assess the impact of each city's crisis on nonprofit activity as well as the coordination between nonprofits and the local government. The survey asked nonprofits to report the following: revenue sources, the effectiveness of the nonprofit during the disaster in each city and addition of services, changes in the relationship between the city (Detroit or Flint), reliability of finding funding since the time of the disaster, and the capacity of the local government during the disaster.
In the city of Detroit, 74 usable surveys were received out of 385 nonprofit organizations, or a 19% response rate. In Flint, 49 useable surveys were received out of 138 nonprofit organizations, or a 36% response rate. In the city of Flint, guided interviews were also conducted with 20 nonprofit organizations over a two-week period, along with participant observation at community meetings from January 2017 to May 2017.

RESOURCE RESPONSE TO CRISIS

In both cities, philanthropic grant funding increased substantially in the year after the crisis. The foundations tracked in Detroit annually gave an average of $152 in grant dollars per person in Detroit each year before the crisis (2011-13). In Flint, the foundations tracked annually gave an average of $446 in grant dollars per person each before the official declaration of a disaster (2013-15). Both cities saw a significant uptick in the year after official recognition of a crisis. In Detroit, grant funding grew to $421 per person in 2014, and in Flint, grant dollars grew to $827 per person in 2016. Figure 1 shows the total

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[1] Our survey included organizations under the following categories: A) Arts, Culture, and Humanities; B) Education; C,D) Environment and Animals; E, F, G, H) Health; I, J, K, L, M, N, O, P) Human Services; R, S, T, U, V, W) Public, Societal Benefit; X) Religion Related.

grant dollars to each city. The increase in grant funds in both cities shows a substantial growth compared to the trend of the prior three years. As might be expected, there is a lag in philanthropic response. Detroit declared bankruptcy in 2013, but grant allocations changed substantially in 2014. Similarly, in Flint, many residents and organizations recognized problems with drinking water in 2014 and 2015, but the substantial growth in funding occurred in 2016.

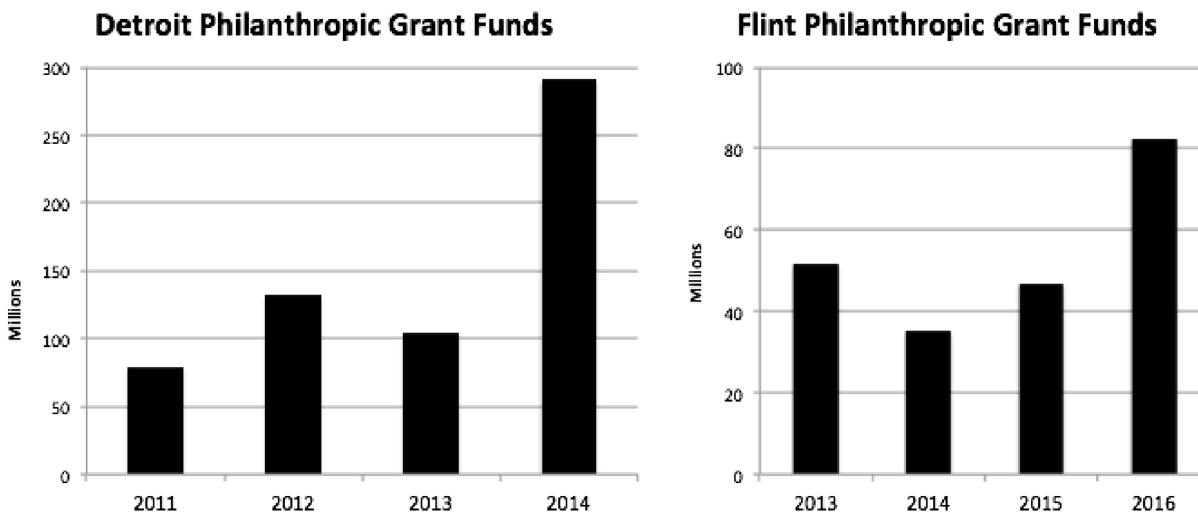

Figure 1

Furthermore, in both cities, funders created a new local institution to coordinate resources directed towards the crisis response. Following the Grand Bargain agreement, the Community Foundation of Southeast Michigan created a secondary fund called the Foundation for Detroit's Future. This fund was established to administer the funds committed during the Grand Bargain, which support the city's pension fund as well as the Detroit Institute of Arts. While the largest philanthropic contributors to the Grand Bargain were the Kresge Foundation and Ford Foundation, it is the Community Foundation that houses this coordinating entity. According to the organization's website, the Foundation for Detroit's Future will, "help monitor the City's compliance with ongoing grant conditions, including proper pension fund oversight, and provide status reports to the contributing foundations." Thus, not only did philanthropies provide critical funding in the bankruptcy process, but they also institutionalized to monitor the city's financial conditions in the recovery period.

After the official recognition of the water crisis in Flint in 2016, most grant dollars were earmarked to support the Foundation for Flint, an entity operated by the Community Foundation for Greater Flint. Much like Detroit, the local community foundation stepped in to play an administrative role in managing funds for crisis response. Unlike the Detroit funds, which are somewhat narrowly focused on the city's pension system and the DIA, the Foundation for Flint has a broader mandate to respond to the water crisis. For instance, one program of the Foundation for Flint is the Moving Flint Forward Fund, which is focused on distributing small grants to assist with business recovery from the water crisis.

Overall, the data on grant funding in both Flint and Detroit shows a substantial investment from the nonprofit sector in crisis recovery. Non-governmental actors filled several gaps in disaster recovery. Part of the role of nonprofits and philanthropies in both cities is not only funding the crisis response and delivering services but also managing the response through funds set up by the local community foundations. In the case of Detroit, the fund has also taken on a role of holding the city government accountable. It is not clear whether or how this support may enable the local government to rebuild capacity following a disaster, however.

THE VIEWS FROM NONPROFITS

To further understand how organizations in Flint and Detroit responded to each disaster, and how they view the role of the local government in the recovery, the results of our nonprofit surveys can be examined. Overall, survey responses show increases in nonprofit involvement and engagement with partners to support recovery in both Flint and Detroit. Yet the scale of the increase in Flint is much greater than Detroit.
On the issue of nonprofit partnership, the survey provided the following statement: Since the crisis (bankruptcy in Detroit; water in Flint) "My organization has had trouble finding reliable nonprofit partners to support our work." The level of disagreement was stronger in Flint than Detroit--in Flint 71% of respondents either strongly or somewhat disagreed with that statement. In Detroit, only 36% of respondents disagreed. These results suggest that Flint nonprofits are more confident in finding fellow nonprofit partners for their recovery work than Detroit nonprofits.

Another area of contrast in Flint and Detroit responses is the addition of new services after the crisis in each city. In Flint, 82% of respondents indicated that their organization began providing new services after the water crisis. Based on interviews and observations in Flint, a large share of the new service activity in Flint was focused on bottled water delivery. According to one Flint informant, during the first four months of the response, the "nonprofit sector drove this process, with a significant diversion of resources and it is still going on." Another nonprofit leader explained, "it's just been water, water, water...small nonprofits have had to stretch mission statements- this can take you out of line with funders." In Detroit, 56% of respondents stated that their organization added new services after the bankruptcy. It is significant to note that more than half of Detroit respondents indicated adding services, but these responses further emphasize the outsized role of the nonprofit sector in Flint's disaster recovery. Nonprofits in both cities played a large role, but the level of engagement in Flint has been particularly high.

On the issue of funding, most respondents (70%) either disagreed or were neutral in response to the statement "More funding is now available for my organization." Only 30% agreed that more funding was available for their organization since the crisis in each city. Thus, despite the uptick in philanthropic funding in both cities, these funds may not be reaching many of the direct service providers in each city. Further, many funds were earmarked specifically for crisis response, rather than dollars that support more traditional nonprofit service activities. The distribution among the respondents on this question was

relatively similar in both Flint and Detroit. As one Flint informant explained, the water crisis may have reduced funding available for other areas: “Last year we raised a ton of money and had one gift to support education, but made it a water gift. [There’s the] issue of donor fatigue--they gave all this money for the water crisis. It affects all types of nonprofits.”

The survey also asked respondents to indicate three organizations that were the “most important community leaders” since the disaster in each city. These responses were coded for nonprofits (1) and governments (0), to create a nonprofit leadership scale based on these responses. Thus, a respondent that listed all nonprofits as most important community leaders would have a value of “3” for nonprofit leadership; a respondent who lists two governments and one nonprofit would have a value of “1” for nonprofit leadership. The responses to this question for Flint and Detroit were compared using a comparison of means test. The mean on the nonprofit leadership scale for Flint respondents was 2.37 compared to 1.47 for Detroit. The difference in means is statistically significant at the $p<0.00$ level. Based on these values, Detroit respondents were relatively split between mentioning nonprofits and governments as the most important community leaders. Meanwhile, in Flint, the overwhelming share of respondents mostly mentioned nonprofits as the most important leaders. In fact, among the 49 Flint respondents, 24 listed only nonprofits as the most important community leaders. Examples of Flint responses for top leaders include the Community Foundation of Greater Flint, the C.S. Mott Foundation, and the United Way of Genesee County. Detroit respondents were much more likely to mention the City of Detroit, compared to Flint respondents who mentioned the City of Flint far less often. See Table 1 for the top responses for “most important community leaders” from the survey respondents in each city.

Detroit		**Flint**	
Organization	Frequency	Organization	Frequency
City of Detroit	40	United Way of Genesee County	21
Detroit Land Bank Authority	15	Community Foundation of Greater Flint	16
The Kresge Foundation	12	C.S. Mott Foundation	14
Community Foundation for SE Michigan	10	Food Bank of Eastern Michigan	14
The Skillman Foundation	9	American Red Cross	13
United Way of SE Michigan	9	City of Flint	12

Table 1: Responses for “Most Important Community Leaders” in each city

	Detroit	Flint	T-test
The capacity of the City of Detroit/Flint government to provide services has *improved* significantly.	**0.45**	**-0.73**	***p<0.00***
The City of Detroit/Flint has become a *more* reliable partner for my organization.	**0.16**	**-0.47**	***p<0.01***

Table 2: Capacity and Reliability of Local Governments

Finally, on the issue of local government capacity, there is a sharp difference between the responses of Flint nonprofits compared to Detroit. Table 2 shows the contrasting results for two of our survey questions related to local government from Flint and Detroit. The responses are coded on a 5-point scale: strongly disagree (-2) to strongly agree (2). On statements related to local government capacity and reliability since the crisis, Flint respondents largely disagreed--indicating that local government capacity and reliability had not improved since the crisis. Meanwhile, Detroit respondents tended to agree, particularly on the statement that the capacity to provide services has improved. These responses show that Detroit's bankruptcy process provided a firmer footing for initiating local government recovery, while Flint's local government is still struggling.

Overall, based on these results, local government capacity is weak in Flint, but the nonprofit sector is collaborating well and expanding its services. Furthermore, much of the leadership in responding to the crisis is emanating from the nonprofit sector in Flint. In Detroit, the local government has made a stronger recovery, but nonprofits are less positive about partnership opportunities and more likely to see both nonprofits and governments as important community leaders in the recovery.

SPOTLIGHT ON FLINT: NONPROFITS ADVANCING URBAN RECOVERY

The story of philanthropic and nonprofit engagement in Detroit--particularly surrounding the bankruptcy process--has been widely shared and often touted as a success. As the name, "Grand Bargain," suggests, the collaboration of major private funders was immediately recognized as significant, unique, and large (not to mention, Grand Bargain is a memorable moniker). Flint's water crisis has also garnered a large share of media attention, but there has been considerably less focus on the role of the philanthropic and nonprofit sectors; instead, government ineptitude and ongoing criminal and civil litigation tend to dominate the headlines.

Our research brought us to several meetings in Flint, as well as in-depth interviews with major participants in Flint's recovery effort. Below, we draw on findings from these interviews and observations to further develop the lesser known case of Flint nonprofit response to the water crisis. Our account also features churches as part of the broader

nonprofit sector in Flint. We focus on three overarching themes: 1) the personal impact of the crisis on nonprofit leaders in Flint; 2) the role of meetings and multi-organization collaborations; and 3) how nonprofits helped fill a void left by significant distrust in the public sector.

One feature of the Flint crisis is the way that nonprofit leaders not only were engaged in organizing and leading recovery efforts, they were also responding to the personal impacts of the crisis on their own families and daily lives, a situation that compounded the stress of working on the response. As the African-American minister of a Flint church that hosted a point of distribution for water and food during the crisis explained, she first became aware of a problem when her own 1-year old daughter tested positive for lead. Her family was initially told that the lead may be coming from the child's toys, but she soon learned from talking to other parents that many families were concerned about lead in the water. By December 2014, her church was giving away water to community members--this was an entire year before the City of Flint declared a state of emergency. She expressed frustration about not initially knowing how to protect her own family or church community, commenting that both she and her husband had master's degrees, but adding that contradictory information about water safety created widespread confusion. Moreover, she commented on a racial gap in the spread of information about water: "All the black people I knew were drinking water but white people weren't. There was a lack of awareness in the black community." As faith-based leaders faced these direct and personal challenges, their churches were often the first line of response to the water crisis--providing bottled water and food assistance, often door-to-door in neighborhoods--long before state and federal assistance arrived.

As Flint nonprofits were among the first to respond to the ongoing water crisis, they also helped lead the charge to coordinate activities and share information. Weekly meetings became a regular feature of Flint nonprofit activity--including multiple meetings organized around different aspects of the crisis response. For example, the Food Bank for Eastern Michigan hosted Tuesday morning meetings of the community resource group, which focused on delivery of emergency food and water. On Thursdays mornings, the communications group met weekly to discuss how to share and better disseminate accurate information about the water crisis. One nonprofit leader commented, "My life has been attending meeting after meeting." Interviewees mentioned several key organizational leaders who led coordinating efforts and organized meeting schedules and venues. According to one church leader, "two organizations rose to the top in cementing relationships: the Red Cross and the United Way." These two organizations came up time and again among our informants, along with funders such as C.S. Mott and the Community Foundation.

Larger nonprofits, such as the Red Cross and United Way, stepped forward to provide coordination and leadership for managing distribution sites and crisis response throughout the city. The American Red Cross was particularly helpful in these coordinating efforts through the development of several working groups that were formed to tackle "many pieces of the recovery effort." These workgroups spanned several areas of the recovery, including, but not limited to Education, Planning and Coordination, Physical Health, Stress

Management and Outreach to Vulnerable Populations within the city. Community organizations, individuals, and other interested parties met on a weekly basis for several months during the height of the crisis. As the severity of the crisis expanded, individuals within the community began to turn to these workgroups for assistance rather than the local government units. These working groups were eventually enveloped under the purview of the Flint Cares organization, which, at one point, totaled over 120 organizations working together to create short, medium, and long term solutions to the crisis.[2] The director of the Red Cross commented about this organic and spontaneous cross-networked environment, stating, "The Red Cross often deals in relief, but in this situation, where the needs were so great, it took our additional skills as collaborators and administrators to provide a space for all community actors who needed assistance, or who wanted to be a part of the solutions, to participate." City, county and state officials were participants at these various workgroup meetings so communication about policy developments were easily disseminated through the community.

Government officials also relied on nonprofits, and their highly coordinated efforts, in responding to other local emergency situations. For example, the city has been implementing controversial water shut offs when property owners fall behind on water payments. As a leader from the United Way explained, the "City now calls me when they are about to do a shut-off. I can contact Red Cross, MDHHS can start paperwork, and advocates can get storage units for tenants." In other words, one phone call to a coordinating leader in a nonprofit agency kicks off a cascade of responsive actions.

Nonprofits in Flint were also grappling with widespread public mistrust in governing institutions. A direct fallout of the delayed local, state, and federal government response to the crisis, as well as months of denial and misinformation from government authorities, is that Flint residents were angry and deeply distrustful of government officials--even those coming to offer help and resources. The leader of a health care nonprofit described the challenge of mistrust as a "recurring nightmare." This was a constant theme in Flint communications group meetings, where state and local officials were often reminded by nonprofit leaders that the nonprofits would be more effective messengers. At a March 16, 2017 communications group meeting, the attendees discussed a state sponsored effort to provide door-to-door information and water filter installation for residents. As participants discussed providing an idea for a PSA to alert residents about the door-knocking campaign, a leader from the United Way at the meeting flatly told an official from the State of Michigan: "It cannot come from the state. I'm telling you straight up. I am protecting you." Most of our interviewees explained that the highest level of mistrust in government was directed towards the State of Michigan. The local government has earned some trust, but as one philanthropic leader explained, there is "recognition of major capacity issues" for the city government. This remark highlights an ongoing challenge for the City of Flint. While the nonprofit response to the Flint Water Crisis has been extraordinary, it is not a direct substitute for city government. The longstanding capacity challenges for the city--including

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[2] For more information, see: www.flintcares.org/about

many that predated the water crisis, while the city was under emergency management--remain unresolved.

CONCLUSION

This paper began as an attempt to quantify and trace the activities of nonprofit organizations during times of crisis and to ascertain the impact of intergovernmental cooperation between the nonprofit sector and local governments. In Detroit, the Grand Bargain provided the financial resources to save pensions, save the Detroit Institute of Arts, and put the city back on track towards sustainable governance. In Flint, the nonprofit organizations involved in the immediate response to the water crisis improved capacity, expanded their programmatic activities, and bolstered the public health response of the local government and county government; however, most nonprofits report that the local government has not improved its capacity following the disaster.

Regarding the gaps that CBOs fill post-disaster, these cities paint two very different pictures of the capabilities of nonprofit organizations. In Flint, communications, public health, and direct aid to citizens were paramount to aiding victims of the water crisis--nonprofits of all types from churches, to service organizations, to food banks, and the large coordinating agencies all focused their efforts on the immediate needs for safe drinking water in the city. Strengthening programs aimed at stemming the long-term effects of the water crisis will hopefully prove effective for Flint schools and the economy. In Detroit, foundations have mostly developed mechanisms for funder dollars to be funneled towards city needs, while new programs have been more limited.

Overall, what does this say about nonprofit engagement in disaster recovery? First, nonprofit organizations can be reliable partners in responding to emergencies. They can change more quickly and adapt to new factors in the local environment to meet disaster-related needs. Nonprofit organizations are also able to adapt mission and programs to fill service gaps. Local governments should take note of this important resource and build communication structures that allow for interaction between the two sectors. Finally, our findings show that nonprofit leadership and funder collaboration can be improved going forward. The Flint experience shows the extraordinary level of coordination that develops in a time of crisis; however, in the longer term, there are questions about whether organizations will have the capacity to sustain the time commitment required for weekly meetings and ongoing communication efforts.

Yet our analysis also shows varying trajectories for regaining public sector capacity; while there is improvement in Detroit, the same is not true of Flint. A recent analysis by Michigan State University Extension directly tackles the issue of public sector capacity to provide services. The report identifies 32 Michigan cities that face “service insolvency” meaning that “services are as low as to place the viability of the city in jeopardy” (Kleine and Schulz 2017, 3). Flint appears on the list of service insolvent cities, with an inadequate fund balance and cuts to public services that have resulted in the lowest level of public safety spending per capita among similarly sized Michigan cities. The authors also issue a

dire warning about Detroit: “With such a low tax base and high tax rate, it is hard to see how Detroit would not fall back into a fiscal crisis the next time there is an economic downturn” (14).

Thus, although our research demonstrates the important and impressive contributions of philanthropies and nonprofits in both Detroit and Flint, we conclude on a more pessimistic note. Nonprofits have provided investments that helped to stabilize both cities in times of serious crisis. Yet nonprofits cannot substitute for day-to-day service provision such as public safety, sanitation, water, and other municipal functions. The long term financial and governing capacity of cities in Michigan, including Detroit and Flint, will not be resolved by nonprofit action alone.

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