VOICES

from the empowerment zones:

Insights about launching large-scale community revitalization initiatives

The Annie E. Casey Foundation

Efforts to revitalize distressed communities offer the hope of brighter futures for the children who live there. The EZ/EC Foundation Consortium's youth photography project gave voice to children's own views of the progress being made toward that objective. In mid-1999, young people between the ages of 9 and 19 in Lowell (Massachusetts), Chicago, Baltimore, Philadelphia, and the Rio Grande Valley of Texas were asked to document the changes taking place around them as a result of the EZ/EC Initiative. Mentored by nationally known photojournalist Stephen Shames, these first-time photographers captured powerful images of new jobs, new homes, refurbished community institutions, and broadened opportunities for them to learn and grow in healthy, nurturing environments. The photographs in this publication were produced as part of this project.

" Often we don't take time to capture the real stories and the real experiences. A lot of times what it takes to get to an outcome is a lot more than what is seen in the public eye. That's the part of the work that really makes the difference, that's the capacity-building, that's the change that will last over a long period of time … People need to hear that we were able to build some new neighborhood relationships and truly begin to empower some communities to make decisions, not just on economic development, but on a whole array of social interventions. That's a powerful message. The strategic approach taken by some of the Empowerment Zones suggests a different kind of model of neighborhood revitalization than what most cities are doing right now. What cities basically do now is fund institutions to provide services, rather than trying to grow neighborhood intelligence or build local capacity. I think this is a very exciting story. "

CONTENTS

FOREWORD

In 1988, the Annie E. Casey Foundation launched a major systems reform initiative entitled New Futures. Ten mid-size cities received planning grants and, subsequently, five of them received substantial implementation grants intended to help them improve their ability to prepare disadvantaged youth for successful lives as adults.

Some of the cities made important strides toward the objective; others were less successful. But from our perspective, as a foundation that intended to continue seeking ways to improve conditions for America's disadvantaged children, youth, and families, each city's experience afforded valuable lessons that could inform our future endeavors. We sought to capture and share those lessons in two publications: *The Path of Most Resistance,* in which we reflected on what the Foundation itself had learned from the effort; and *Eye of the Storm,* in which two local implementers offered insights drawn from their on-the-ground experience.

The extraordinarily positive public response to these candid documents reinforced for us the value and importance of honest and open reflection by those who are leading the search for more effective strategies to address difficult and deeply rooted societal problems such as poverty. It therefore was natural for us to encourage similar reflection about the Empowerment Zone/Enterprise Community (EZ/EC) Initiative, the largest and potentially most far-reaching public effort in decades.

The Foundation's attention first was drawn to the EZ/EC Initiative during the application phase, as we witnessed an outpouring of enthusiasm, energy, and commitment in cities around the country. This, together with the scale of the effort and the fact that its design essentially affirmed the core principles of community-building as public policy, moved us to seek ways to join the capacity of the philanthropic sector with that of our public counterparts.

In addition to funding a number of related projects directly, we became a founding partner with other national and local foundations[1] in the EZ/EC Foundation Consortium. The Consortium's mission is to help EZ/EC sites succeed and to help others learn from their experience. In line with the second purpose and with our conviction that hearing from those actually doing the work is as important as hearing from analysts and observers, we asked the Consortium to help compile the key emerging lessons of the EZ/EC Initiative as seen through the eyes of the implementers themselves.

Under contract to the Consortium, much of the work to gather these insights and present them in this document has been carried out by Community Development Associates, Inc. (CDA), a consulting firm with extensive experience in research and technical assistance related to comprehensive community-building initiatives.

We appreciate the work of the monograph's coauthors, Mark Joseph of CDA and Janet Levy of the Consortium, and the contributions made by their staffs, including Ben Butler, Lisa Pickens, Perrin Wicks and Erica Burroughs of CDA, and Chuck Bean and Bruce Woodhams of the Consortium.

Advising the Consortium and CDA was a panel of individuals knowledgeable about the EZ/EC Initiative and community-building in general. Advisors included Michael Bennett of the Egan Urban Institute at Chicago's DePaul University, Bruce Katz of the Brookings Institution, Anne Kubisch of the Aspen Institute Roundtable on Comprehensive Community Initiatives, and Roy Priest of the National Congress on Community Economic Development.

In addition to the contributions of the Consortium, CDA, and the advisors, we acknowledge with deepest appreciation those EZ/EC implementers who generously gave of their time to be interviewed, participate in roundtable conversations, and review and comment on this document. As becomes clear when one reads their words, these implementers are at once pioneers, change agents, and scholars. They have taken on enormously challenging and demanding work with enthusiasm, dedication, and resilience. And by sharing openly their successes and setbacks, their reflections and their insights, they have offered valuable guidance to others engaged in the crucial effort to revitalize distressed communities and improve the circumstances and opportunities for children and families in those communities.

The Foundation now is about four years into the initial *Making Connections* phase of its Neighborhood Transformation/Family Development Initiative, our latest major community-building endeavor. Already, we have been able to refine our own approaches by understanding the emerging lessons of the EZ/EC Initiative, such as those presented in this document. We commend these lessons and the experience that undergirds them to all those in local communities, the public sector, and philanthropy who, like the Casey Foundation, are committed to the well-being of America's children and to a path that combines action and reflection in the search for approaches that can move us toward that objective.

Ralph Smith
Senior Vice President
The Annie E. Casey Foundation

INTRODUCTION

The Empowerment Zone/Enterprise Community (EZ/EC) Initiative

The EZ/EC Initiative, launched by the federal government in collaboration with local communities, is the largest effort in decades designed to help revitalize deeply distressed urban and rural areas. In December 1994, over 100 communities received a ten-year designation as either an Empowerment Zone or an Enterprise Community.[2] Approximately two-thirds were urban, the balance rural. The six urban Empowerment Zones each received a cash grant of $100 million; the cash grant for each of the three rural EZs was $40 million. Enterprise Communities, by far the largest number of designees, each received a $2.95 million cash grant. All designees qualified for preference in competitions for other federal discretionary funds and some tax incentives, with the number and type of incentives depending on the nature of the designation. Additional designations in a second round brought the total number of participating sites to 135, and a third round has just added several more Empowerment Zones and forty designees in a new category, Renewal Communities. Benefits for Round II and Round III designees differ from those available to Round I, with increasing emphasis on tax incentives over cash grants. This monograph focuses on the early experiences of Round I Empowerment Zones.

The competition for designation required that each applicant community prepare a strategic plan that identified the goals of the local effort, at least tentative programs to address those goals, and the way in which the local effort would be governed and managed. A broad range of stakeholders, including community residents, was to be involved in developing the plans and then in structuring the governance and management approach for implementation.

Beyond this mandate for broad-based inclusion, federal directions regarding the expected content of the plans were remarkably few, reflecting the conviction that each community would be in the best position to assess its own assets and needs and to select the most appropriate priorities and strategies. Each community was encouraged, however, to consider comprehensive approaches that would address simultaneously economic development, human development and strengthening of the social infrastructure.

Given the flexibility afforded by the federal government, there understandably was great variation among the applications and, consequently, among the designated sites. EZs and ECs varied in square mileage, size and makeup of the population, and size relative to the jurisdiction as a whole. The context of intervening events was reasonably stable in some sites, but, in others, significant developments such as dramatic change in the political environment or—for

one site—even hosting the summer Olympics set a backdrop for the early implementation stages of the EZ/EC Initiative. One could also find substantial variation in racial, ethnic, and class diversity among the sites, in the nature and quality of existing relationships among different stakeholder groups, in the state of the local economy, and, of course, in the specific programmatic strategies that were proposed.

Thus, the EZ/EC Initiative in many respects is not a single undertaking, but rather well over 100 different efforts. Nonetheless, despite the many differences, a number of common themes emerge whenever one listens to a conversation among peers about the challenges they face and the changes they are seeing take place in their communities. It is on these commonalities, rather than on the often idiosyncratic experiences of individual sites, that this volume focuses.

The "Voices" Project

The process of documenting the lessons of this important initiative has been underway almost from the beginning, but to date virtually all of the literature has been written from the perspective of third-party analysts and observers. There have been few if any opportunities for those who actually have done the work to reflect on their efforts and speak directly about the insights they have gained.

The Annie E. Casey Foundation, known for encouraging those with firsthand experience in community revitalization to speak openly about the challenges and achievements of their endeavors, commissioned the "Voices" project to fill that gap. Through extensive interviews in the seven[3] Round I urban EZs and roundtable conversations that brought together managers and community stakeholders from across EZs, as well as from selected Enterprise Communities and rural EZs, implementers had a chance to share openly and in their own "voices" the lessons they have learned.[4] Background interviews also were conducted with key federal officials, and an advisory panel of people knowledgeable about the EZ/EC Initiative and community-building in general helped place the emerging lessons in a broader context.

The variety and richness of experience across so many sites greatly challenge any attempt to distill a manageable set of lessons. Yet, that is what this small volume endeavors to do, considering the application and early implementation phases of the Initiative and presenting, as much as possible in their own words, the insights and advice implementers have to offer to those who will undertake similar work in the future.

Who are the implementers whose "voices" are heard in this document? They include people who have been part of the Initiative from the beginning and remain so, and others who helped launch the effort and then moved on to new endeavors. The experience of some has been entirely in the community of which they were a part when the Initiative began; others gained

knowledge in one EZ, which is being enhanced as they work in a new position in another designated site. They are now or have been government officials, not-for-profit executives, bankers, nurses, businessmen, lawyers, and foundation officers. Some are employed directly by the entity administering the EZ, where they are responsible for overall leadership and management. Others serve or have served in a volunteer capacity, representing the neighborhoods in which they live or work or sectors whose support for revitalization is essential. Some bring a long history of civic leadership pre-dating the EZ/EC Initiative, while others first found their voice through the opportunities the Initiative provided.

Despite this diversity in backgrounds and roles in the Initiative, however, there are striking commonalities. All of the implementers share a deep and abiding passion for the well-being of their communities and a confidence that change is possible. Although seasoned by experience, they are not jaded or cynical.

Moreover, there is notable convergence of thought about the achievements, challenges, and lessons of the work to date—the more remarkable because, in the early days of the Initiative on which this volume focuses, what often was most apparent were differences and struggle. Now in retrospect, though, with the perspective afforded by time and an opportunity to see hard work begin to pay off in concrete results, leading implementers ranging from top EZ managers to resident leaders to business executives for the most part agree on the guidance they would give about effective strategies for community revitalization. The struggles now are seen as a natural and valued part of the work rather than a threat to the very existence of the endeavor, the potential for significant change now seems more attainable despite the challenges that must be overcome, and the experiences of the EZ/EC Initiative's early days seem to offer to those who will follow less a warning about the perils ahead than insights that can help smooth the path and foster more rapid progress in future endeavors.

Overview of Key Insights and Lessons

The insights shared by EZ implementers covered a broad range of topics such as planning and launching a high-profile initiative, including new voices in decision-making, developing priorities and accountability mechanisms as initial plans are translated into action, making strategic decisions about how to invest new resources for maximum impact and sustainability, and identifying and supporting strong leaders.

Among the insights that they offered were the following:

• **The sometimes unrealistic expectations that accompany the launch of a high-profile initiative must be anticipated and effectively managed.** To clarify expectations and build consensus, those involved in planning should be encouraged, early in the process, to share the specific outcomes they would like to see result from the effort. Although some

Serious and consequential participation by residents in decision-making about goals and strategies is an essential principle of community-building. In Lowell, Massachusetts, among the residents of the EC were Cambodian immigrants who had fled their own country because of severe government repression. With encouragement from outreach workers, these immigrants overcame fear of government and voted in elections for the EC governing board. Since that beginning, participation has moved beyond the EC neighborhood borders, and a Cambodian immigrant now serves on the City Council.

PARTICIPATION

level of "hype" is inevitable with any major initiative, it can and should be balanced by helping stakeholders understand from the beginning that progress is likely to be incremental.

- **Discretion in how resources can be used is empowering, but it also can bring challenges in establishing clear priorities and appropriate processes.** It is important to provide adequate time and resources for the planning phase of an endeavor, if communities are to be able to take full advantage of flexibility to develop their own solutions. Even while granting wide flexibility and local discretion, the sponsor of an initiative should make explicit expectations about important concepts and strategies such as assuring serious resident engagement.

- **Focusing on a target area has merit, but some flexibility often is desirable.** A place-based strategy should consider *both* where there is substantial need and where there are assets that can serve as engines of economic development. Allowance should be made for investments outside the target area, if they can be strategically linked to significant outcomes for people inside the area.

- **The high level of need in many communities, competition from multiple constituencies for funding, and the need to show results make strategic choices about the use of funding especially important**. Even though a comprehensive perspective is key to effective community revitalization, implementers must be careful not to spread their efforts too thinly. Investing in early projects that will produce relatively quick, visible victories can help buy time in which to achieve more complex objectives. Especially when a plan of action is crafted with broad input, agreement should be developed up-front on an inclusive process through which mid-course corrections can be made in response to changing circumstances and knowledge gained during implementation. Making funding decisions based on clear criteria such as alignment with strategic priorities, feasibility, capacity of the proposed provider, and potential for significant impact and sustainability can help assure both that the decisions are fair and that they are perceived as fair.

- **Economic development and improvement in the financial well-being of community residents, as well as other tangible outcomes such as reduced crime and increased homeownership, are at the heart of revitalization.** Realizing these tangible outcomes means increasing private investment and the pool of capital available to local business, creating jobs, and adopting complementary human service strategies to assure that residents are able to take advantage of the expanding opportunities. Efforts that help a community's families accumulate assets, such as support to encourage homeownership, also are essential to sustainable revitalization.

- **A genuinely inclusive process can harness the respective strengths of a wide variety of stakeholders, so that all are pulling together to achieve the desired outcomes.** An important part of an inclusive process is capacity-building to enhance the knowledge and skills of stakeholders so that they can engage as effective partners in implementing a complex set of strategies necessary to realize the outcomes.

- **Sustainability is derived both from the way in which resources are invested and from the relationships and capacity that are built among key leaders, institutions, and organizations within a community and citywide.** To have a sustainable impact, the majority of funds provided by a source like the EZ/EC Initiative should be viewed not as a new grant program, but as investment capital to seed change and provide a renewable resource for the community. Identifying and building the capacity of key partner organizations that will continue in existence beyond the specific revitalization effort create a foundation for supporting the long-term vitality of the community. This foundation is strengthened by the development of "community intelligence," or residents' expertise on subjects like the nuts and bolts of economic development, and by the opportunity for residents and other stakeholders to get to know one another and to work together effectively.

- **Effective leadership at all levels is especially critical in an initiative of this complexity.** While experience and connections are important assets for the leader of a complex effort like EZ/EC, perhaps the most important characteristics are an understanding of the multiple constituencies that must be served and the patience, skill, directness, and versatility to deal with them. The leader must at once command respect *and* respect the contributions of others. A test of long-term impact will be if emerging community leaders move into new arenas of civic leadership, using the skills they have developed to make sure that the community perspective is considered in broader decision-making.

- **Changing "business as usual" so that local government works in a more inclusive way with distressed communities requires both vision and political will inside government and strong community-based capacity outside government.** Strong local partnerships depend not only on the willingness of local government to share power, but also on the ability of community representatives to shift from a reactive stance to a proactive, constructive stance. Changing "business as usual" in local government seems to be done most effectively when there are complementary efforts both within and outside of government directed toward a common objective. EZ/EC experience shows that, as the administrator of a major revitalization effort, both government and independent entities can be effective change agents, depending on the local context, so long as their efforts are reinforced by like-minded efforts in the other arena.

GETTING STARTED

The way in which the Initiative was launched in each city[5] greatly influenced how the work would play out in the ensuing early years. There were basic decisions to be made: How would the Zone boundaries be drawn? Who would lead the process of developing the strategic plan, the heart of the application for designation as a federal Zone? And in most places, there was a fairly elaborate process to be managed, tapping a wide range of stakeholders who proposed an equally wide range of ideas about what should be included in the plan. In six short months, from January 1994 when the federal government invited applications to June 1994 when the applications were due, local and state government, community residents, representatives of the private sector, and others with a stake in the well-being of the target areas had to create a vision for the future and select the path that they believed would lead them to that vision. Enthusiasm was high, but so were expectations. Given the magnitude of the task ahead, these high expectations often presented a key challenge to those charged with launching the Zone.

What Would You Do with $100 Million?

That is the question that the federal government posed to cities throughout the country when it announced the EZ/EC Initiative. There were almost no rules, no limits on what could be included in the answer. Indeed—reflecting core principles of community-building such as comprehensiveness and broad-based inclusion—the invitation seemed to open the gates as widely as possible, encouraging applicants to include all interested parties in the planning process and exclude no idea from at least initial consideration.

For some, the announcement of the Initiative sparked hope and excitement that the federal government was making such an ambitious and flexible opportunity available:

> *I remember the expectation that was created in our community during the strategic planning process. This was going to be manna falling from heaven, and you were going to be able to do anything you wanted to do, without rules or regulations.*

> *I think when the program was put in place, and the call was sent to the cities, a lot of us thought it was a stroke of genius that this program had so much flexibility and allowed the communities so much freedom in being able to define what they would like to see in their strategic plans.[6]*

Others had grown discouraged after years of continually worsening conditions in their communities and were reminded of past disappointments. But even they were challenged to join the process:

> *I said to them: 'You can be a skeptic, because it will keep us accountable, but to be a cynic is not to believe that we can change the lives of children in need.'*

All—the visionaries and the cautious, the veterans and the newcomers—had to develop a consensus response to the federal government's question:

> *What we collectively recognized is that you had a set of players, all with varying degrees of experience, background, cultural norms, and understanding. Some people had a set of experiences that caused them to believe this wasn't realistic. Some people had a set of experiences that said that this was possible. If all of this was going to be able to come together, you had to find a way to keep them all engaged.*

Managing Expectations

EZ implementers know that the "sky's the limit" sentiment was a big part of the excitement that surrounded development of the applications and encouraged the resulting broad-based participation. But they also caution that such early excitement can lead to unrealistic expectations for rapid change, becoming a standard against which progress is measured that may

overshadow the incremental achievements and small victories that are more common to the revitalization process.

> *You really have to manage expectations and change what those expectations are. We would have been much better off if expectations had been more realistic in the beginning. People needed to understand that decades of disinvestment in these communities made it unlikely that jobs would quickly return en masse just because of the designation.*

> *What I regret is that there was so much hype, and there was no way that the reality could live up to the hype. The hype of the program exceeded anything that could possibly be delivered.*

> *Community development is an incremental, nonglamorous thing. This was pushed as a very high-profile, big-ticket-item program, and I understand why it was. But on the other hand, the way it was portrayed really hampered the ability of the people who were running the process to manage the press, manage the expectations, and make things more realistic.*

On reflection, those responsible for early implementation, who confronted the varied and often extraordinary expectations that were born in the application stage, realize that it would have been wise from the beginning to help people articulate in tangible terms what they wanted to achieve:

> *If I were to do this again, before we moved into program design, I would force each person around the planning table to translate his or her vision into something real, because I think everybody had a different sense of what the outcomes would be. Part of managing expectations is to figure out what outcomes are inside people's heads and then determine what has to be shown in order to demonstrate progress.*

One way to help people think about outcomes in tangible, specific terms is to ground the concept in a clear motivation for change, for example the well-being of children:

> *When we started, I suggested that a measure of the success of our local Zone should be: How would we want the life of a child who is ten years old now to be different in ten years? People could visualize a child. There was a certain amount of urgency and specificity that you could embody in the image of a child.*

The Flexibility of the Federal Guidelines

One of the most appealing elements of the Initiative was that the federal government was devolving more control to localities to decide how the new resources would be used:

I think that what the federal government did, in terms of the guidelines for the Initiative, was the proper thing. That's what excited me about the Initiative. Look, what have we been asking for all along? We've been asking for the opportunity to take control. And that's what they did. They handed it down.

The federal government laid out a series of broad principles that were to guide the development of strategic plans—for example, community residents were to be fully engaged in the planning process—but left it to those in each locality to determine exactly how those principles would be put into action. For most, this latitude was welcome, but in some places, the very flexibility of the guidelines made it more difficult to narrow down what should or should not be in the plan:

The first round of EZ funding had almost no guidelines whatsoever. This provided the community the opportunity to help set the parameters for the local initiative, but also resulted in more opportunity for self-interest to get in the way. People were able to walk into the room and say, 'No, you can't tell me that this is not viable because there's nothing in the guidelines that says that this idea should not be advanced.' As the EZ/EC Initiative moved into the second round, the federal government was much tighter in setting guidelines.

Others wished that there had been more support and guidance for the local planning process:

I think the federal government should have been clearer about the type of planning infrastructure that needed to be developed at the local level and made resources available to develop it.

As for federal officials, there are those who, in retrospect, agree that there was too much flexibility in the initial guidelines:

We should have been more explicit, for example, about the type of partnership role we expected the city and state to play, rather than leaving it up to each locality to struggle through.
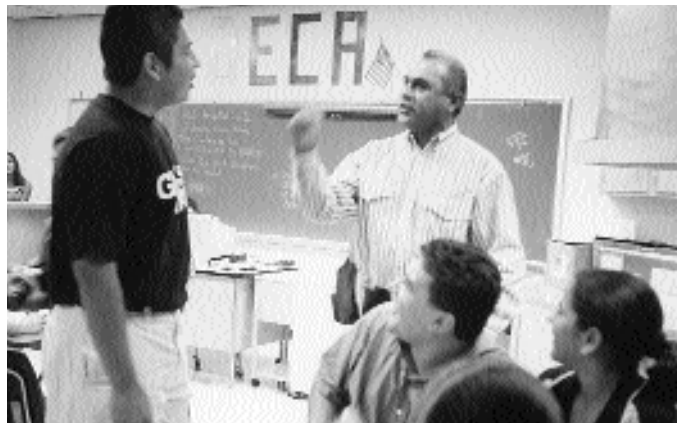
The Focus on "Place"

Designating Zone boundaries was another key start-up challenge. There is broad agreement that establishing a geographic and demographic target helps to focus planners' attention on some of a city's most distressed neighborhoods and people:

> *I think one of the things about targeting, despite all of the problems attached with it, is that it says, 'You must work with* these *neighborhoods.' The alternative of being able to recruit participants from all over the city can lead to creaming. Targeting a specific area forces you to find a way to get to the people who need it the most in an uncompromising way.*

How best to define the target area? Perhaps foremost, after assuring that there is substantial need in the area, is to consider any "natural" boundaries that exist:

> *I would go for neighborhood boundaries. Let's not create a new boundary. Let's see how the community defines itself.*

Defining the target area to assure that low-income residents benefit and that any existing sense of community is respected is critical, but consideration also should be given to strengths on which major revitalization can be built. For instance, experience has shown that it is important to incorporate within the Zone boundaries existing or potential assets that could drive economic development within the target area:

> *In [our city], we went deep into the inner-city neighborhoods and chose from a very neighborhood-based perspective. We should have thought more about the market forces that influenced our city and region instead of simply looking for the areas that were the most in need.*

Some adopted this strategy early in the planning phase and have reaped the benefits in implementation:

> *We realized that we should consider not only how many poor people were in the Zone, but what were the engines, the things that we could build on in order to create some economic prosperity for all the people within the Zone.*

Greater consideration of the existing organizational networks and capacity in the Zone also can result in a better balance between level of need and ability to make effective use of the resources:

> *It worked better in one of our EZ neighborhoods than in the others because, just by chance, that neighborhood's Zone boundaries happened to include community organizations and community leaders that had already worked together on different kinds of issues. And so they knew some of the nuances of how to work together. Our other Zone neighborhoods did not reflect organized communities whatsoever. To improve the planning process, we should have thought more carefully about what we meant by community and what the ingredients for success needed to be.*

Although there is broad support among EZ/EC implementers for a place-based focus, in retrospect many feel that they should have thought more carefully about how to link opportunities, resources, and people outside of the Zone to efforts within it:

> *The problem you have is that when you try to impact a community, you can't relegate the funding to a defined dotted line, which includes this thing called an Empowerment Zone. If there is an opportunity that is a block away from that Zone, or two blocks away from that Zone, or five blocks away from that Zone, which is going to have a sustainable impact on a person's life, there needs to be a mechanism so we can say: 'The boundary doesn't work here. We need a waiver. We need to bring some common sense to this.' We've had a hard time reconciling that physical dotted line with the human beings inside and outside that line.*

> *I don't buy into this being* only *a place-based strategy, for me it's a people-based strategy as well. It's that integrated strategy that allows you to attach the people of that place to broader opportunities beyond the Zone. That's how we developed our reverse commuting strategy.*

In addition to being somewhat flexible about boundaries when it is appropriate, implementers suggest using complementary resources, such as those from the city or state, to reach other communities adjacent or similar in character to the Zone.

Key Insights

- Some level of "hype" is inevitable with any major initiative, but it can and should be balanced by helping stakeholders understand from the beginning that progress is likely to be incremental.

- It is important to provide adequate time and resources for the planning phase of an endeavor, if communities are to be able to take full advantage of flexibility to develop their own solutions.

- Even while granting wide flexibility and local discretion, the sponsor of an initiative should make explicit expectations about important concepts and strategies such as assuring serious resident engagement.

- To clarify expectations and build consensus, those involved in planning should be encouraged, early in the process, to share the specific outcomes they would like to see result from the effort.

- A place-based strategy should consider *both* where there is substantial need and where there are assets that can serve as engines of economic development. Allowance should be made for investments outside the target area, if they can be strategically linked to significant outcomes for people inside the area.

EZs are improving the quality of life for children and families…

■ The Baltimore EZ has helped more than 780 families become new homeowners. In Detroit, over 2,300 housing units are being rehabilitated or constructed through partnerships between the EZ and community-based housing developers. The Atlanta EZ's Affordable Housing Initiative also promotes homeownership. EZ funds have been allocated to help acquire up to 450 tax delinquent lots in the Zone, which will be transferred to community development corporations (CDCs) at no cost for the construction of affordable housing. In addition, the CDCs can tap a revolving loan fund to which the EZ has contributed, and EZ residents can obtain down payment grants, help in securing mortgages, and homeownership training.

■ In Philadelphia, 14 City agencies, utility companies, and community residents collaborated to convert 70 refuse-strewn vacant lots into a ball field and new recreation center that serves over 700 neighborhood children annually. Neighborhood improvements continue as EZ resources are combined with the Mayor's Neighborhood Transformation Initiative. Among the accomplishments to date are the cleaning and "greening" of more than nine acres of vacant land. The Camden EZ also is improving community amenities, for example by purchasing 75 trees for a community-led effort in which residents cleaned up a community park, planted the trees, and made a commitment to ongoing maintenance. In Detroit, a cooperative effort between the EZ and the Recreation Department has renovated 36 playgrounds, two ball fields, and two swimming pools.

■ Cooperative efforts between community residents and the Baltimore City Police Department have helped reduce crime in the Baltimore EZ by over 40 percent since designation, compared to a city-wide reduction of 30 percent.

■ As in many poor rural areas, basic utility service was limited in the Kentucky Highlands Empowerment Zone counties. At the time of designation, only about 40 percent of households in Wayne County had access to clean water. Stimulated by seed money from the EZ, water lines now have been extended to provide service to over 98 percent of County residents. In Jackson County, the first residential natural gas system has been completed.

17

INCLUDING NEW VOICES

Consistent with community-building principles, the objective of including a broad range of local stakeholders in decision-making about community revitalization was central to the design of the EZ/EC Initiative. Local jurisdictions were explicitly challenged by the federal government to experiment with new ways of sharing control over the allocation of EZ resources. Where it worked well, "changing business as usual" had several implications. Government leaders, particularly the mayor, had to develop and stand behind a vision of a more inclusive process and create space in the political arena for broader input and oversight. The corporate community too had to alter its usual pattern of decision-making to be more inclusive. Community representatives used to focusing their energies on trying to extract concessions were challenged to adapt to an opportunity for more constructive engagement and joint problem-solving. Even within the Zone communities themselves, there were internal struggles to identify common ground and establish strong working relationships in order to present a united front in negotiations with representatives of the government and business sectors.

The Mandate for Inclusion

Although it was a daunting task, the federal directive to include a broader range of voices in local decision-making was an essential component of the Zone process:

I think the resident involvement mandate was the best thing about the Empowerment Zone. It may have been difficult, it may have complicated the Zone process, but it actually forced local government to listen to people in their communities who were not their voters, not their contributors, but the little guy in the distressed community. Their motivation may have been: 'We want the $100 million, so we'll listen to these people if we have to.' But that was brilliant, because without that incentive, it would not have happened.

The voices of residents and small business owners in the Empowerment Zone have traditionally been excluded from decision-making about their neighborhoods; so much has been done to them, for them, about them, and without them. Their voices aren't respected or it is believed that they don't have the knowledge, capacity or skill to make a contribution. Including new voices is about realizing that those who work there and live there should have some voice in what happens there.

The question of why to include new voices reminds me of the question of why should we have a democracy. It's not that you want everyone to be a politician in a democracy, but you want people to understand how they can make a difference in the environment in which they live.

Each city's approach to including new voices was very much influenced by the local political context and the capacity and vision of key players such as the mayor. In many cases, local elected officials were wary of sharing decision-making power, particularly over resources for which the city and state were ultimately accountable to the federal government. The mandate for inclusion was best realized in cities where the mayor had a personal commitment to a more inclusive process and had the political will and leverage to intercede with the city council so that the EZ process would be given space to develop independently:

Our mayor was tremendously engaged, which made the huge difference. He was engaged and willing to interact directly with community residents. Furthermore, he would engage in honest conversations and he was willing to be up front about say-ing no to folks and setting boundaries and rules. There would be times that we couldn't reach a common resolution with the community that the mayor took respon-sibility and said, 'Listen, this is my prerogative, I'm going to make the call, and this is why.' But he was definitely willing to compromise as often as possible. And he directed every city department to designate a senior staff person to work with the EZ. That gave a level of access that was fairly impressive.

Moving from Distrust to Constructive Engagement

Many of the community representatives involved in the planning process had grown accus-tomed to reacting to and protesting actions taken by government or corporate entities. Faced with an opportunity to shape proactively an endeavor targeted to help their neighborhood, some community representatives embraced the opportunity for more constructive engage-ment, while others continued to see themselves in opposition to local government and the business sector:

In those neighborhoods where progress was most difficult, the first reaction was to resist. The second was to obstruct. The third was to reject. And community repre-sentatives would do this at all costs to maintain their power base. So try as we might to have an inclusive process, those claiming to represent the community became the biggest obstacle.

Many of our community members came to the table with an "us versus them" attitude, understandably derived from the experiences they had had in the past.

Much of the challenge was in finding ways to develop trust among parties who could find little basis for it in past relationships or who previously had not even had occasion to work together:

That's a struggle that we certainly had—having people at all different levels of understanding and trust in the same room and trying to get something done. But the answer is not to put those whom we don't trust out of the room. The answer is you find a way to deal with it.

The process that we went through was healthy, but it wasn't easy. I remember the day the EZ application was due, members of the community demanded to be in the room when the package was sealed because they were absolutely convinced that we would switch the community's application for a city application. And so it really was a matter of trust. Before then, there had been no opportunity to have this kind of dialogue and interaction.

People finally realized that if we wanted to achieve our goals, we would need to rely on outside expertise as well. So there was an opening to allow that to happen that was not there at the beginning because people felt threatened by outsiders. They felt that the experts would come and run the show and probably run with the money. This was all simply a reflection of previous experiences people had.

Nurturing and Sustaining Emerging Voices

Including new voices was not just about shifting the dynamics of the relationships among government, the corporate sector, and community stakeholders, but also about shifting the power dynamics within communities as well:

I think that most of us would say that we made some progress in the Zone communities to reinvent how those communities did business. And what we did is make sure that the normal power brokers in those communities no longer had as strong a voice.

Across the Zones, the strategic planning process is described as a time of high enthusiasm and broad participation that engaged many individuals who had not previously participated in a formal planning effort. However, one of the key challenges became how to sustain this breadth and depth of engagement over time. As the Initiative proceeded in each city, individuals who remained engaged in the process were often those who were motivated and supported by the self-interest of their nonprofit organization. Time demands and a lack of resources made it hard for residents who were unaffiliated with any particular organization to sustain their participation. Yet, while many "grassroots" participants dropped out of the process, for others, the rewards of engagement were strong enough to justify continued involvement:

> *I was elected to a leadership role in our Zone, a position that I rather enjoy. The role has power that's out of this world, and the amount of respect that I have received from that seat is truly tremendous. My position gives me the opportunity to meet others and exchange ideas and bring ideas back to my community.*

Building Toward Collective Action

To negotiate effectively with local government and citywide business leadership, a Zone neighborhood had to agree as a collective on common goals and priorities:

> *When we started, there was the grab, grab, grab, gimme, gimme, gimme and favoritism and undermining each other. But we decided as a group that we weren't*

going to let the dividing tactics overcome us. Because if we had let that happen, then there would have been no Empowerment Zone in our neighborhood.

The Empowerment Zone brought us together at the community level and forced us to stand undivided. In spite of the fact that we had some knock-down drag-out fights behind closed doors, we still managed to come out of it presenting a united front.

Extensive deliberations even struggle were an important part of the capacity-building process:

Those communities that struggled with the conflict, that struggled to establish a framework for operation, have the stronger infrastructures now, and have the most capacity.

Two of our Zone neighborhoods developed a lot of the rules and procedures without really going through the kind of painstaking process where there was debate and compromise. They took a shortcut to get to their desired endpoint of getting a check or getting a project approved. So it wasn't a real learning process and they weren't building the capacity to work together effectively.

I'm thankful that we didn't have structure imposed on us, because if it weren't for our internal struggles to implement the EZ, none of our community associations would have ever come together in the way we did. If somebody had come in and designed a program and brought it in for five years, it would have gone away in five years.

Attempts to short-cut this process of building community-level trust and common ground were generally unsuccessful:

We had a difficult time convincing others that, rather than putting all the money into executing programs, we should also invest in building civic infrastructure and community capacity. Unfortunately for us, we leaned toward the programs as opposed to building the infrastructure. So we didn't have enough training, retreats, and board development. Anytime those interventions were made, we made progress. But they were sporadic. The lack of focus on capacity-building made us less effective advocates for our community.

Through partnerships with schools and community agencies, EZs and ECs seek to nurture children's learning and healthy development and to help adolescents navigate the challenging transition from school to careers. Apprenticeships, youth-run enterprises, and summer jobs give young people exposure to and an appreciation for the demands and rewards of adult life. YouthBuild, for example, is a highly successful national program through which young adults learn construction skills on the job, actually building homes. In Baltimore, a special summer version of the YouthBuild program allowed even younger students to try their hand at carpentry.

PARTNERSHIPS

The importance of a community's capacity to advocate on its own behalf is stressed by EZ/EC implementers:

> *There is still a clear role for advocacy and for sometimes seeking change through the manipulation of politics and power. It is important that communities develop political savvy and, since the EZ is eventually going out of business, it is important to get the community connected with some players who can help them develop that capacity. How to get community members to understand the leverage they have is an important part of this work. Communities must be sophisticated in their own political advocacy, and understand their own political power.*

Taking the time to develop a strong infrastructure provides a basis not only for sound governance and effective advocacy, but also for increasingly sophisticated activities initiated and overseen at the community level:

> *We would start board meetings at 6:15, and for the first two years, we probably didn't get out of there until 10:30 or 11:00. And we would fight over the smallest things. We had a lot of competing agendas when we first started, which led us not to trust each other at the table. We implemented a system of rotating chairpersons because there was no capacity and trust. But by late 1997, we were able to move to a one chairperson system. Now we get business done in board meetings that are basically an hour and a half. A lot of the power now is decentralized into commit-tees. We just purchased two buildings on our commercial strip. Two years ago we even negotiated to buy a $1.5 million shopping center. And those are things that we could not have done five years ago. We've done a lot of capacity-building. People are feeling empowered. We now can trust each other to do the things we need to get done and bring in outsiders to help us get those things done, which was unheard of.*

Key Insights

- Clear commitment by local government, especially the mayor, to a process that facilitates meaningful input and genuine participation in decision-making can help build the trust of community residents and other stakeholders.

- Strong local partnerships depend not only on the willingness of local government to share power, but also on the ability of community representatives to shift from a reactive stance to a proactive, constructive stance.

- Broad-based inclusion may mean shifting power dynamics within a community, as well as between the community and external stakeholders, so that there is a place for new voices to be heard and new leaders to emerge.

- Extensive deliberations—and even struggle—about goals, values, and the way in which decisions will be made often are essential if a community is to develop the ability to act with authority when dealing with other stakeholders and to make responsible decisions about the use of significant resources.

- Investment in leadership development, community organizing, and capacity-building to enhance knowledge and skills is vital to help community residents be effective advocates for their constituencies and participate as significant partners in planning and decision-making. For low-income residents whose participation is not underwritten by an employer or other organization, help with at least the real costs that accompany participation—such as child care and transportation—may be essential to sustain involvement.

- Tangible outcomes such as an increase in jobs, expansion in homeownership, reduced crime, and more opportunities that nurture positive youth development are among the areas on which virtually all stakeholders would agree. A genuinely inclusive process harnesses the respective strengths of the different stakeholders so that all are pulling together in a common direction to achieve these outcomes.

EZs are expanding economic opportunity…

■ Since designation, over 5,000 jobs have been created in Baltimore's EZ. Six business loan and investment funds have loaned over $18 million and leveraged more than $60 million, directly helping to create 1,900 of the new jobs; partnerships with city and state agencies and overall improvements that made the community more attractive to business also contributed to job creation.

■ Over 7,600 EZ residents have been placed in jobs across the Baltimore area, about half of them through programs that receive direct funding from the Baltimore EZ, such as customized training and career centers. The Upper Manhattan EZ, in partnership with community agencies, also has created career centers that offer preparation in both hard and soft skills. To date, the Upper Manhattan centers have helped place almost 3,200 community residents in jobs.

■ The Upper Manhattan EZ has provided loans for large-scale development projects that are bringing jobs, quality retail goods and services, and first-class office space to the community. The 275,000-square-foot Harlem USA complex has attracted major national retailers like Old Navy and created 500 permanent jobs. The 500,000-square-foot East River Plaza development will house Manhattan's first Home Depot and other popular stores, and the Gotham and Gateway Plazas will add a total of 45,000 square feet of Class A office space, as well as additional retail space.

■ EZ loans of $21 million to 30 companies in the Bronx leveraged an additional $72 million of private investment, helping to retain more than 1,700 jobs and to secure commitments to hire more than 800 residents. A high-tech small business incubator created by the EZ has provided affordable office space and state-of-the art facilities for 35 Bronx entrepreneurs.

■ Total employment in the three Kentucky Highlands Empowerment Zone (KHEZ) counties has increased 36 percent since designation, compared to statewide growth of 9.9 percent. 5,500 jobs have been created, a substantial number through help provided by the KHEZ Development Venture Fund. The Fund thus far has committed $18 million—$4 million of which are from repaid

loans—and has leveraged over $100 million in private investment. Expanded opportunities have reversed a decline in population that occurred when residents left the community to find jobs elsewhere. The population in the three KHEZ counties grew by 11.7 percent during the 1990s, compared to a statewide increase of 9.7 percent and a population decline in the overall Appalachian region of which the KHEZ counties are a part.

■ The decommissioned USS Battleship New Jersey, which was built in the Camden/ Philadelphia Port in the early 1940s, has been anchored on the Camden Waterfront, on the border of the Camden Empowerment Zone. The Zone provided funds for a visitors center and shore-side improvements supporting the battleship museum and memorial, which is now visited by more than 1,000 people daily. EZ residents hold 35 percent of the jobs created and plans are underway to use the ship's carpentry, electrical, and mechanical shops to provide skills training to EZ residents.

■ Infrastructure investment by the Mid Delta Empowerment Zone helped bring to the area a new Dollar General Corporation distribution center. The facility is expected to employ 350 people within its first three years of operation and to use 150 tractor-trailer operators to deliver products to stores throughout a four-state area. In addition, a variety of EZ loan and grant programs have helped to save or create several hundred jobs in local companies.

MOVING FORWARD

Having achieved designation as an Empowerment Zone, each city felt pressure to make a quick transition from planning to implementation. Given the short time in which the strategic plans had been completed, often little thought had been given to how the "wish lists" proposed in the plan would actually be put into action. This left a considerable challenge to the new Zone management and governance entities as they determined how the initial EZ resources would be disbursed. This challenge was further complicated by vigorous, divergent demands for funds, particularly from organizations that had contributed an idea or project that was included in the proposal and expected to receive a check soon after Zone designation was achieved. Moving forward successfully required establishing clear strategic priorities and building strong working relationships among diverse stakeholders representing the community, the city, and the private sector.

Establishing Strategic Priorities

Given the limited time in which the plans had been developed, federal encouragement to think comprehensively, and the broad array of possible uses for funding, most initial EZ plans seemed to be more like lengthy "wish lists" than carefully thought-through guides for effective action.

Moreover, announcement of the designation set off a scramble for money in virtually all the EZs:

> *When the Empowerment Zone came, everyone's head blew up. A great big pot of money was coming, and everyone wanted a piece of it. When we started off, it was so rocky, because we had multitudes of people with their hands out. Everyone had a project or a program that he or she felt should be funded. Everybody was ready to dig into that pot. Nonprofits appeared with one and only one question, 'Where's my check?'*

> *We had to come to grips with what we each wanted out of the Zone. And every organization, every individual, every political leader wanted something different. It became like a big dart board.*

Organizations that had contributed a program idea that was included in the plan felt entitled to receive funding to carry it out, regardless of the organization's capacity or of the fit of the idea with other EZ efforts. There often also was a tendency to trade favors, with organizations supporting one another's pet projects in an effort to position themselves better to benefit from the new resources that were available:

> It was kind of like, 'Okay, we'll pass these ideas along, we'll all nod and wink, I'll pat your back and you pat mine, because I want my program in, you want yours in.'

> In many cases, the questions should have been: How is it going to push a strategy for the overall community? Does it fit with an attempt to focus nonprofit and government resources in the same strategic direction? But, unfortunately, people were mired in the confines of their self-interest. So, often, there was a disconnect between the potential for strategic impact and the proposed programs that was very frustrating and hard to fight.

Indeed, the first struggles over how to spend the money were so great in some EZs that a number of Enterprise Communities, which qualified for a much lower level of funding, were grateful that they could engage in a calmer, more rational process for allocating resources:

> In [our city], we ended up receiving far less than the $100 million we had hoped for. I think in a real sense that was a Godsend, because that allowed us to establish priorities through a different local process than if we had received the $100 million.

Where EZ implementation worked best, pressure to move money quickly was moderated by an understanding of the need to make wise and defensible choices about priorities:

> As we moved out of the initial planning phase, when it became time to now go do something, it was immediately apparent to us that we had to step back and really prioritize—What was in the application? What were the things that we could do quickly, our quick hits? What were our long-term goals for impacting the community? And what were our limitations? How much could we do and remain true to ourselves? How far were we going to let ourselves be pushed by the outside forces that were pressuring us to do something immediately and making other demands that resulted from having a disposable pot of funds that everybody wants a piece of?

Having a broad scope doesn't mean you have to be all over the place. You have to decide what your entry doors are and figure out what other things will be secondary gains. For example, early market analysis can identify growth industries for the city and region on which to focus, so that you're integrating the community into the local economy. You have to set priorities.

While setting priorities mostly means focusing on those strategic actions that promise substantial and sustained change, balancing these inevitably long-term commitments with some early projects that can demonstrate quick results may help buy the time and support needed for more large-scale investments:

We should have started with an up-front investment in something highly visible like graffiti or trash removal. Instead, we started with projects that didn't provide any of the visibility that would inspire momentum.

Just as important as setting wise priorities is establishing a process that can create confidence that decisions about who receives funding are objective and equitable:

We had to step back and develop a process that would allow everyone an equal opportunity to participate, but also clearly establish that there were criteria that had to be met every step of the way. We had to inform people that this was not an entitlement program. That meant we had to define qualifications for grantees. We came up with clear qualifications for the applications—impact, feasibility, sustainability—so that we could eliminate in an unbiased manner people who said, 'This was my dream, so I'm supposed to be the one doing it,' but who were not really qualified to do the work. And we had to set up those things early on and put everybody through the same process and prove that we were using the same process with each one.

Revising the Plan Over Time

Making changes in plans that were developed through an elaborate process with broad input is not always easy:

When we attempted to modify strategies presented in the original plan, the response was, 'Wait a minute, this is the way it was laid out in the plan and that is how we want it to be done.'

Some feared even making the attempt:

We treated the plan like gospel, because we knew once you opened the door to changes there would be no going back.

But others saw revision over time as essential to respond to changing circumstances and new insights:

We have to agree that planning doesn't just happen, and then it's done. Things that we learn along the way have to have a way of getting integrated into the process in order for us to grow and actually use the things we are learning. A plan cannot be stagnant and be any good. That's basic.

We have had at least ten versions of our Request for Proposals because we keep tweaking it. We still have our same core goals, we are still assessing and evaluating based on the same criteria. But we've made mistakes, and we continue to make changes based on what we've learned. Even if we had our plan perfect the first time, what was perfect in 1996 would not be perfect in 2001.

A regular process of plan review and revision might be most desirable, but in the absence of that, opportune moments such as turnover among staff or governance board members can provide an occasion to revisit the strategic plan:

Bringing new people on forced the community groups to constantly review the issues. Even when they would say, 'We've already agreed on this,' I would respond: 'That may very well be so, but we have new people at the table, and they have to go through that process as well.' Inevitably it was a way to reaffirm what they took for granted, or revisit strategies that we had come to feel less strongly about and, as a community, agree that we now wanted to do things differently.

Establishing agreement up-front that revising the plan will be necessary and, in fact, desirable can make later efforts to enhance the plan less problematic. Revisions also can go more smoothly when an inclusive process ensures that the review and decisions to make changes are a collective endeavor:

You learn a lot along the way. We originally had 115 specific goals. Then we eliminated 30 and created another 20. That's been a natural process, as long as you're doing it with your core stakeholders and they're part of the decision-making. We've even been able to reconsider and drop projects that were sacred in the beginning.

Helping Diverse Stakeholders Work Together

If establishing common ground within the Zone neighborhoods was a challenge, developing an effective citywide governance process among community, business, and government representatives added an even greater level of complexity:

> *Multiple partners are needed, with residents as the core change agents, in order to go about changing communities. Clearly the inclusion of new voices at the planning table is critical. However, what we often leave out in our discussion is the how, the actual process of bringing diverse groups together. If you're talking about bringing a diverse group of people together with a different set of values, different set of beliefs, how do you set the table? How do you frame the table so that people feel safe, while you allow trust to develop? Because trust is not there in the beginning. You really do have to have a place and a process to allow trust to develop, and that's a critical part of inclusion and decision-making.*

Fundamental to that process is agreeing on an explicit set of principles and guidelines that represents shared values and interests and can be used to guide interaction:

> *As we began the implementation phase I felt like I was the only voice in the wilderness saying we need to set the rules of the game, before we can play the game. We reached a level of serious conflict at the table before everyone realized that we couldn't continue without establishing explicit guidelines. Once we clarified the roles of staff and board members and determined how we would manage the process, we were able to move forward more effectively.*

One long-time Zone manager shared the following advice about essential steps when convening diverse stakeholders:

> *1) Set core common values and principles from the beginning.*
> *Because everyone comes to the table with his or her own values, you have to clarify the values that will guide the process. This is a way to focus everybody's agenda, a way to focus on the similarities. This goes along with setting mission and vision, and must be done collectively.*

2) Assign responsibility for paying attention to group interaction at all times.
Somebody has to pay attention during group interactions to the interpersonal dynamics, the nonverbal cues, and the language. With such a diverse group of players coming to the table, you want to make sure there's translation. Someone should be making sure that everyone understands the language, sometimes stopping the conversation and saying, 'Did everyone understand?' to allow for clarification.

3) Identify clear rules of engagement.
Explicit rules for interaction and decision-making should be clearly identified so that people who don't trust each other when they initially come to the table have a basis on which to build strong relationships.

Undergirding all this must be staff who are trained to have sensitivity to these processes and can help put all these pieces together in a conscious way to promote inclusion.

Accountability Takes Many Forms

The EZ/EC Initiative—as a high-stakes, high-visibility undertaking with significant public funding and strongly held stakeholder interests and expectations—carried with it a strong demand for accountability.

Within individual communities, trust and accountability to one another for common goals had to develop among community residents and between residents and their representatives:

I believe that the Zone communities were fairly successful at creating accountability among the people who lived there. I think that this "culture of accountability" is one

When a neighborhood is in decline, families can become isolated behind locked doors and even essential businesses like grocery stores may disappear. To restore the confidence of residents, storeowners, and others whose investment will benefit the community, EZs and ECs put a strong emphasis on safety and the appearance of the neighborhood. In Philadelphia, City agencies, utility companies, and community residents worked together to convert 70 refuse-strewn vacant lots into a ball field and recreation center for neighborhood children.

SAFETY

of the outstanding successes of the Empowerment Zone. It was not imposed from the outside, even though we had guidelines. It was internally driven. There were struggles, but that culture of accountability did emerge.

Building trust was important not only within communities, but also across the effort as a whole. Complete openness—"transparency"—about the process helped overcome suspicion and misunderstanding and nurture the development of that trust:

The inclusion process was extremely exhausting, particularly the need for the process to be completely transparent, even through the conflict. I think of the decision-making, the anger, the inclusion of folks who are not accustomed to being included, the corporate folks that are accustomed to making their decisions from one moment to the next, the community that is saying, 'Wait a minute, this is the way it was laid out in the plan and that is how we want it to be done.' So the entire process was as hard as it was because I always kept in mind the transparency, so that never would there be a question of what was going on. The decision-making process is very public and I am held accountable for everything I do and say.

Beyond building a sense of trust, accountability mechanisms also had to respond to specific concerns that arose as a result of the risks inherent in what was being done. New voices were being heard in decision-making processes, and new strategies were being tried to tackle deeply rooted, longstanding problems. Mechanisms were needed that could address legitimate concerns without stifling the inclusiveness and broad creativity and commitment that was vital to an EZ's success:

There was a high degree of paranoia about the risks that were being taken. Given that this effort was so visible, we were automatically set up to have pot shots taken at us. Thus, we had to have mechanisms to ensure that the money could get out there in a way that was accountable and would avoid the degree of paranoia that we began to experience.

At the start of this, I guaranteed that my name would never be associated with any intentional wrongdoing. I knew that I'd better put some type of system in place, in part to cover myself but, even more importantly, to protect the integrity of this strategy and the decisions we made as we went about doing it.

Much of the challenge of establishing accountability mechanisms came from balancing the risk that comes with trying new things with the high visibility and responsibility that came with a major government initiative:

What our mayor had to do to be clear about accountability was to remind the community that the EZ check would be cut to the state on behalf of the city and that the city had ultimate fiscal responsibility. That gave the city the leverage it needed to create an accountability structure for the process.

In our city, the mayor made it very clear that he was not going to direct the strategic planning process, but for accountability, given his ultimate responsibility for the process, he would reserve veto power on any project that really didn't make sense. But every project came up through the community boards. The mayor rarely exercised his veto. Instead of simply vetoing a proposal, he would go to the community to discuss his concerns and viewpoint about what had been proposed and to encourage the community to develop a proposal that he could support.

Essential to responding to demands for accountability is communicating results. People want to know not only that dollars were distributed in a fair and responsible way, but also what outcomes were achieved by those expenditures:

I wish we had dedicated more resources to public relations and the marketing. I wish in hindsight that we had done more to communicate our outcomes to the general public. Along the way we should have shared more incremental success stories. More use of things like a story of the month: 'I got my house thanks to the EZ.'

Finally, implementers caution that reducing the "paranoia" about risks means being honest about difficulties as well as accomplishments:

If you're asking me to be innovative, then we must acknowledge that I won't have 100 percent success. But if you don't allow me to acknowledge the failures along the way to my success, then I'm not going to take much risk.

Attempts to "Reinvent" Local Government

A key operational distinction among Zones was where responsibility for administration of the endeavor was lodged. Some created an independent organization, others kept management within city government, and a few developed a hybrid approach that placed some activities outside government and others inside.

Irrespective of the approach, mayors almost always retained significant influence over what was happening in their EZ. Even when an independent organization was established, senior staff were often individuals with strong ties to the mayor, and the mayor influenced key appointments such as governance board chairs.

To what extent did the placement of the Initiative affect its ability to promote change in the way local government addresses community revitalization? The quick assumption might be that an external entity would have greater freedom in this regard, and that seemed to be the case in a number of EZs:

> *I was hired to establish the Zone as an independent organization outside city government. Previous efforts had been run by the city. They were seen as just another project, and were unable to establish new philosophies or principles. This way, I think I have a stronger relationship with the mayor. While he appoints most of the board and has substantial input about my employment, he doesn't drive the bottom-line decisions alone, so he feels he has to negotiate and explain his rationale. At the same time, although I'm outside government, I still can access inside resources when necessary.*
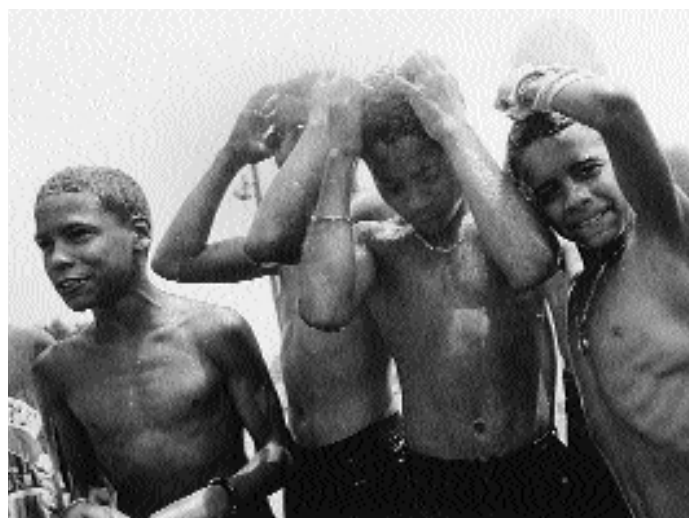
I know which departments to access for what purpose and can get the stuff done inside government that we need done.

In some cases, it was the mayor himself who wanted to assure this greater freedom and reduce the impact of local politics:

I was appointed to lead an independent organization outside of city hall. I work for the organization's board, and I answer to the mayor. But the mayor made a conscious decision that it was absolutely imperative that the EZ be established outside of city government. He did not want it caught up inside of government and governmental politics.

Yet, in other contexts, operating from within city government seemed to provide the most effective point of leverage:

In [our city], given our position inside city government, we have been able to corral more city support than we would have been able to from outside. Part of that is that there is a plethora of community-based organizations in our town and if we were outside, we would have just become another organization. I also think that, if we had been established outside of city government, we would have been more threatening to those local community-based organizations with whom we're now working. We would have been seen as competing for resources ranging from board members to money.

Where the opinions of implementers pursuing these seemingly opposite approaches strongly converge is that change in "business as usual" generally requires complementary efforts both within and outside of government that are directed to common objectives. EZ/EC experience shows that, as administrator of a major revitalization effort, both government and independent entities can be effective change agents, depending on the local context, so long as their efforts are reinforced by like-minded efforts in the other arena.

Key Insights

• Even though a comprehensive perspective is key to community revitalization, planners must be careful not to spread the effort too thinly. Choosing a few key areas on which to focus initially and finding partners to address complementary issues are ways to strike a balance.

- Investing in early projects that will produce relatively quick, visible victories can help sustain support and buy time in which to achieve more complex and challenging changes.

- Defining up-front a set of common values, establishing clear "rules of engagement," and constantly attending to the dynamics of group interaction are essential to help a diverse group of stakeholders work together effectively.

- A plan of action must be reviewed and revised over time to respond to changing circumstances and knowledge gained during implementation. Especially when the development of the original plan required building trust and balancing multiple interests, it is essential for all stakeholders to agree up-front on a clear procedure for this review and revision. Revision will go more smoothly and be of better quality if the process, like development of the original plan, is broadly inclusive.

- To deal with pressures from multiple constituencies for access to the new resources, governing bodies should develop explicit criteria that will guide the selection of projects and providers. Among the criteria might be alignment with strategic priorities, feasibility, capacity of the proposed provider, and potential for significant impact and sustainability.

- An initiative with a high public profile and multiple layers of decision-making requires effective accountability mechanisms that can provide transparency, flexibility to take some measure of risk and innovation, and timely information about outcomes.

- Changing "business as usual" in local government seems to be done most effectively when there are complementary efforts both within and outside of government directed toward a common objective. EZ/EC experience shows that, as administrator of a major revitalization effort, both government and independent entities can be effective change agents, depending on the local context, so long as their efforts are reinforced by like-minded efforts in the other arena.

EZs are assuring the presence and vitality of institutions and services that contribute to a healthy, vibrant community…

- The Chicago EZ has invested in over 30 construction projects including four retail redevelopment sites, nine day care centers, three health care facilities that offer flexible hours to accommodate working residents, two recreation centers, five job training/placement centers, and 11 cultural entities.

- The Upper Manhattan EZ, capitalizing on Harlem's rich cultural heritage, is working with a consortium of institutions to increase tourism and expand audiences. The consortium includes the Apollo Theater, Boys' Choir of Harlem, Aaron Davis Hall, the Dance Theater of Harlem, Harlem School of the Arts, Jazz Mobile, the National Black Theater, Schomburg Center for Research in Black Culture, and the Studio Museum. Adding to the community's attraction as a tourism and entertainment venue, the EZ has a Restaurant Initiative to help new and existing restaurants that offer a diverse array of cuisine and has committed capital to The Langston, scheduled to open in 2003, which will be Upper Manhattan's first new hotel in 30 years.

- Mainstream banks and financial services have long been absent or scarce in poor communities. Detroit's major financial institutions formed a Consortium during the application stage of the EZ/EC Initiative, and already have fulfilled their ten-year goal of providing more than $7 billion in loans and investments in the EZ. In the Upper Manhattan EZ, major institutions such as Fleet, JPMorganChase, Citibank, Amalgamated, Washington Mutual, and HSBC have recently or will soon open branches.

- Kentucky Highlands EZ funds and leadership helped create: the Jackson County Area Technology Center, a state-of-the-art vocational school that includes a community center and theater; the Clinton County 21st Century Learning Center, a post-secondary education facility that includes a public library; and self-supporting training centers for disabled and disadvantaged residents of Wayne and Jackson Counties.

■ The Baltimore EZ has supported extended day programs in 32 elementary and middle schools to provide healthy, positive opportunities for children and youth. In Detroit, EZ investments have helped 23 public schools located in the Zone become not only centers of learning, but also community centers open beyond traditional school hours to welcome families for a variety of services and activities. Camden's EZ has provided supplemental funding for summer programs each year since 1998, and has supported early education services for families with young children, pre-apprenticeship programs for youth age 16-21, and a multifaceted program that provides an alternative to incarceration for juveniles charged with minor crimes.

■ Loans from one of the Philadelphia EZ's Community Lending Institutions enabled the Congreso de Latinos Unidos, the city's largest provider of services to the Latino community, to build a state-of-the art workforce development and social services facility. The new facility, with a substantial employee and client base, is attracting businesses to and anchoring economic growth along a key commercial corridor in the Zone.

■ Over 2,000 excess computers were donated to the Mid Delta EZ by nearby military bases. Local companies donated trucking services to transport the equipment and the wire needed to connect all EZ schools to the Internet.

ACHIEVING IMPACT AND SUSTAINABILITY

Most agree that the EZ resources, while significant enough to get the attention of local players, were extremely limited in relation to the Initiative's ambitious goals and the level of need in the target communities. Nonetheless, careful choices made by EZs about where to focus energy and resources hold the promise of substantial and sustainable impact. This is especially true in those EZs that emphasize their role as a catalyst for innovation, systems change, economic development, and renewable investment. Real changes are taking place across the EZs— there are new jobs, new or renovated housing, improved public safety, and expanded health and education services. Moreover, in many cases, community residents have developed new skills that will enable them to be effective participants in a wide range of decision-making, and the relationships formed among residents, government officials, and other city and private sector leaders make it likely that the residents will have a seat at the table when key decisions are made.

Creating Space for Innovation and Seeding Long-Term Change

Despite the EZ/EC Initiative's ambitious vision for deep, far-reaching change in distressed communities—an agenda that needs time to unfold—implementers faced great pressure to show quick results:

> There was a great need to get projects off the ground immediately, not necessarily to do all the planning that we wanted to do. The greatest thing that we lost by giving in to that pressure was the ability to create real systemic changes in government. It is much more difficult to change existing systems than just to create programs for community residents.

Other EZs resisted such pressure and focused on promoting sustainable change:

> Our view of the EZ was not so much on implementing programs as on being a catalyst, creating the space for innovation. If we could change the way we did things, then it offered up space for innovation, space for risk-taking. We had to hold ourselves to a higher standard, to demand that we really be about systems change.

If we approached the EZ as nothing more than a project or program, then it would not become a way of life. It would only be the flavor of the month. Therefore, we knew we had to set in place processes, a way of doing business that would protect the integrity of the basic concepts and strategies.

The real question is whether or not the things that are being done are strategic. What I mean by that is, will they have a long-term, lasting impact? Years from now, will there be any evidence of this Initiative having taken place?

While focusing on long-term effects means changing perspective and the way business is done, it does not always mean rejecting what exists in favor of something new. Often, it is a matter of figuring out how to enhance the effectiveness of what already exists:

We look at the EZ as a short-term effort and operate with the realization that we're not going to be around forever. There are a lot of good organizations doing good programming, but how do you link the programs in innovative ways? Who are your potential partners and what are their strengths and their constraints? How can you use the money to support their development? Ultimately, it is their capacity that will sustain our efforts for a longer period of time.

We'll seed the change. We won't make it, we'll seed it.

Making Economic Development a Priority

In launching the EZ/EC Initiative, federal officials presumed that economic development would be at its heart, and this perspective was shared by the majority of local officials and interested parties in the business community. But many community residents began with a very different set of expectations:

When it was announced that the EZ was coming to our community, there were meetings held with local community residents and businesses, and quickly a dichotomy was created. The residents wanted human services. They wanted a ball field for their children. The business community wanted no-interest loans and infra-structure development so that they could create the jobs to employ community members.

There was a disconnect in the early vision for the Initiative in that the government and business representatives were saying this is about jobs, jobs, jobs. The community was saying our first priorities are youth activities, education, safety, and health care.

A strong motivation for the community's emphasis on human services lay in the immediacy and severity of need that many saw around them on a daily basis. But part of the explanation also could be found in the fact that residents had little if any experience with investment and economic development strategies:

Today [our city] is light-years away from where it was in 1994. To have community members able to conceptualize mechanisms for investing these funds and getting greater returns and seeing the money revolve was not possible during the planning process. In fact, in our original application, out of 880 pages, over 100 projects, fewer than eight of them were for economic development. The mayor said, 'Well, we asked the people for their ideas, but they clearly didn't see the value of economic development. Why should they be expected to understand economic development when they've never really been involved?' So we pulled together a mini investment training program. All weekend long the community leaders learned about the power of a dollar. What happens when you grant a dollar versus loan a dollar. After the training, the mayor presented a challenge to the group: 'If we get these EZ resources, then I challenge you to give more than 50 percent of it to economic development.' And the community members agreed.

Some Zone planners realized that using a portion of the Zone resources as investment capital to create a revolving loan pool would be a way to sustain the impact of those resources well after Zone designation ends. In those places that promoted explicit strategies to sustain extended investments in community revitalization, the community perspective tended to become increasingly sophisticated and a "culture of entrepreneurship" emerged:

How do we take the capital that we are being entrusted with and spend it wisely in a way that demonstrates that we have a long-term view and we understand what capital is about? How do we build people's capacity to understand the principles behind investing in economic development and how to use those investments to strengthen the long-term vitality of their community? Rather than thinking, 'We've got a program to run, how much money do we need? I'll worry later about raising money

for next year,' instead we were asking, 'How do we build a performing asset to constantly generate money so we can sustain a long-term effort?'

The issue of sustainability has to do with how do you organize your capital to create entrepreneurs, because entrepreneurs create jobs, and jobs rebuild communities and promote stable families.

We have created a neighborhood development funding stream and we will put nearly $15 million into a permanent fund. We project that over the next ten years we will be able to spend some $20 million while the principal will grow to around $23 million. So where we had $15 million that we could have given out in grants and been done with, now we have a way of continuing to invest in the revitalization process.

Did the move to emphasize economic development strategies mean an abandonment of support for human services? Where it worked best, a new perspective emerged that refused to make an either/or choice, but rather saw human services and economic development as inextricably linked in the effort to improve conditions for community residents:

How do you make the tough choices between economic development and services? The point is there is no choice. You have to put people to work, because that's what we're all about, and you've got to create those jobs wherever you can. But as you're making those investments, you're also doing the human capital development. As we're creating jobs, we need to assure that residents will be in a position to take advantage of those jobs.

You have to set priorities. For example, we focused on youth aged 15 and up, with the goal of making them employable. But to increase their employment we had to tackle other issues. We addressed substance abuse, because you can't get to work if you're an abuser. We also addressed transportation by arranging for shuttles to transport residents to jobs in the adjacent county.

Asking ourselves why are we doing economic development—for the benefit of whom—should always be the screen that we put on the economic development projects. That can be the linkage to the development of complementary human service projects that strengthen the impact of the economic development investment.

Building a Community Role in Economic Development

Getting agreement among all stakeholders that economic development would be a priority was a first step. But to remain true to the underlying principle of inclusiveness, EZs also needed to consider how community representatives would be involved in shaping economic development deals, while accommodating the demands and expectations of private developers:

A challenge for us was facilitating genuine inclusion of community members at the deal-making table. There are those tables at which community members may not traditionally sit and just creating a seat for them doesn't create true power and access. We need to find ways to do training and increase skills, particularly in the areas of finance and business development. Most deals are done behind closed doors and if we want deals in the Empowerment Zone, some of them are going to be done behind closed doors. But when we put our money on the table, we always found a way to create an advisory role or public participation role. So we had to find a way to balance the goal of genuine community inclusion with the goals of meeting specific economic development outcomes.

In approaching this issue, there was concern even among those committed to inclusion that participation by community representatives might scare away some investors or weaken deals with already fragile businesses:

The reason that there is a need for Enterprise Communities and Empowerment Zones that provide special incentives is because of the imperfect market conditions in certain areas. It's thought that these incentives might be able to encourage and spur development. But when the community begins to add conditions to the deal, the market becomes even more imperfect, because the business is then not able to compete on a level playing field with other businesses that are outside that Zone. There has to be a way to provide greater incentives, not disincentives.

The companies that choose to go through this EZ process to receive financing are often the more marginal companies that can't find financing elsewhere. The companies that we ultimately would want feel that they can get business done more easily outside the Zone. Although I believe in an inclusive process, and will fight until the end of my Empowerment Zone tenure to protect it, we have to understand that there are two sides to this. If the community tries to micromanage the transaction, this could

scare away developers who have to borrow a great deal of money to move these projects forward.

To address these concerns, in some EZs, community representatives participate in establishing a broad framework for development projects, but the details of particular deals are left to those with more technical expertise and experience:

The community's role is to say, 'These are the criteria we set ahead of time, and those are the criteria we expect out of all the deals.' The community doesn't sit at the table and say, 'We want to change the criteria on this deal, versus on that deal.' The larger criteria are established up front and that's the agreement we follow. It's not inclusion in the actual transaction. The inclusion of the community is in setting the framework and discussing what they want to get out of deals as a community.

But despite the potential risks, other EZs have opted for a more direct role for community representatives:

In our Zone, community members are on the review committees and the board that approves financing deals. They've had to come to terms with the role of the lender: they're making decisions on which loans are made and they are determining term sheets. Now, that doesn't mean they're looking at the financials, it doesn't mean that they're doing the negotiating, because there's staff to do that, but they determine criteria and loan products, they review the deal structure, interest rate, and job requirements. Then they work with the people on their boards who have more financial expertise to determine if it is a sound project. They're not negotiating the deal, but they're on the board that approves it.

Providing such a direct role for community representatives demonstrates commitment to the fullest possible inclusion. That can be a powerful response to those who would challenge the legitimacy of the process:

We're looking at making a large loan to a major public project. There's a lot of community discussion around this, and there's a very vocal community group that's concerned with the design of the project. They were trying to use the EZ loan as the leverage to dictate the design of the project. I started to get random phone calls from folks from this neighborhood saying, 'You're making a loan, you're using public

The drain of population and resources from inner cities and poor rural communities has taken a toll on the community institutions that bring people together and make a place safe and welcoming. EZs and ECs are helping to reestablish the vitality of communities by restoring or creating new gathering places like art galleries, community centers, and playgrounds. In the Rio Grande Valley EZ, a challenge grant led to the building of a new Boys and Girls Club to replace a facility that lacked even running water, and improvements to local libraries have once again made these places inviting for both adults and children.
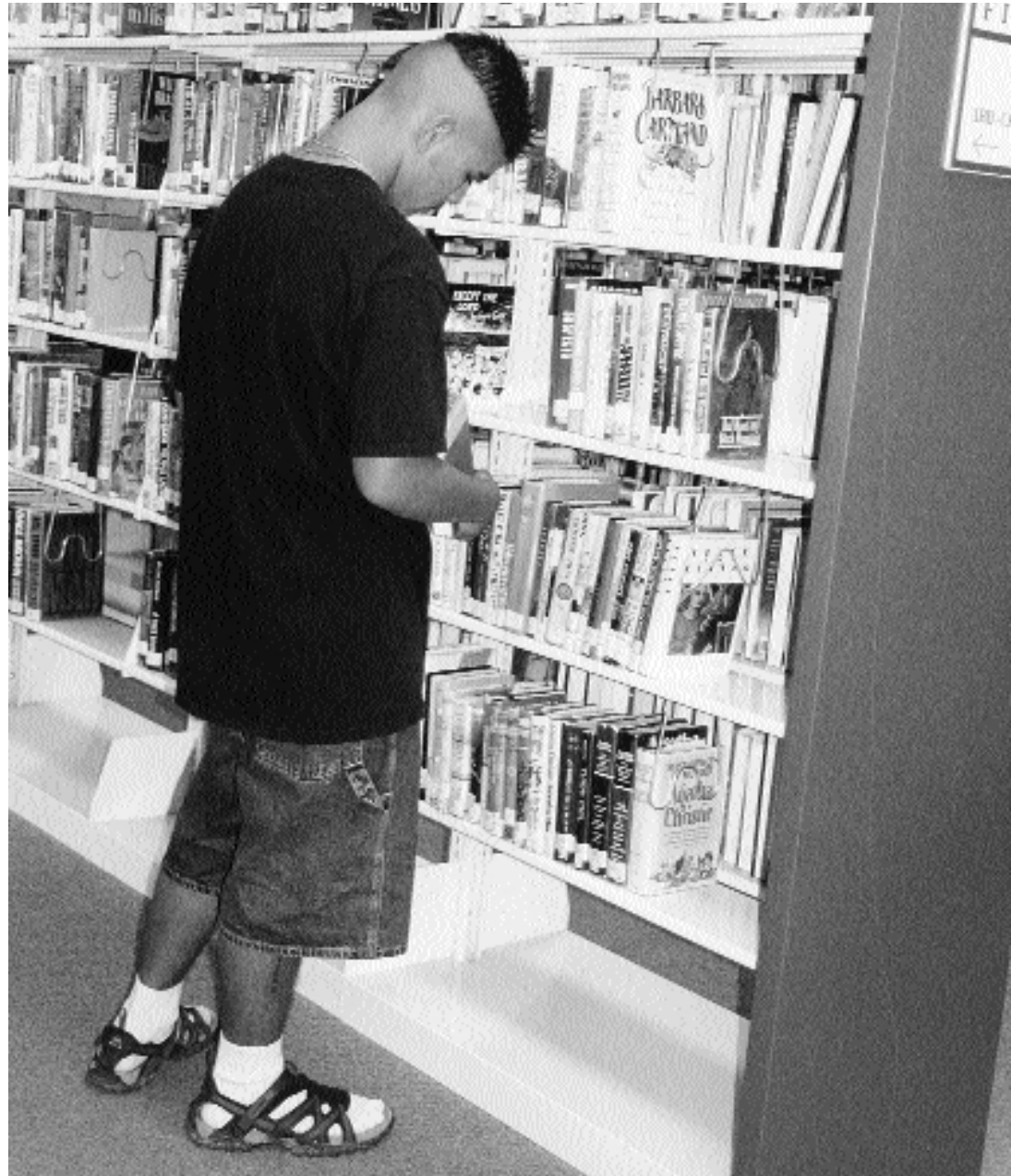
COMMUNITY

money, I want to provide input, I don't like the design of the project.' And we were able to say to them, 'Yes, these are public funds and let us describe our decision-making process. There is a board that's making decisions. On that board are community residents and representatives of nonprofits in the neighborhood.'

Our board members knew the deal had to be feasible and that the tenants were going to dictate the design. But by assuring that the developer wasn't hearing from 13 different design committees, they were able to get the developer to listen to their ideas. That's an example of how we had real inclusion, voices at the table who normally wouldn't be there. And that developer is going to benefit from having their engagement, because he's going to have more buy-in.

In a few cases, the inclusion of the community in economic development has reached even beyond traditional criteria and board-level decision-making on loans:

In our Zone, we have an interesting program called the character micro-loan program through which the local neighborhood assembly makes decisions on what local businesses get micro-loans. We have no bankers on these committees, but these neighborhood committees have turned out to be more conservative than banks. When you give community members control over the decisions, it's pretty amazing. Some of the selection criteria that these neighborhood groups consider are entirely different than conventional criteria. For example, they consider whether the applicant has employed people from the community, whether the applicant has been a good businessperson in the neighborhood. The criteria are based on the needs of their neighborhood.

There even is the occasional example of truly expansive community involvement in a major economic development deal:

In one instance, the community group is actually the partner in the development of a shopping center. The development process is very community-oriented, and it is therefore sometimes slow and painful. But it is going to happen with the broadest set of community ownership of anything that's been done in [our city], because it's not being done by some developer that has no relationship to the community. Community folks are making decisions about what types of tenants they want or

don't want in there. They're not responsible for negotiating the deals with the tenants but they have an equity stake in this deal. The land is their equity in the deal, and they're getting a part of the proceeds. When the developer tried to throw them a bone of a community center or a day care center they said, 'Thank you, that's not what this is about.' They hired a consultant to help coach them along the way, and they're partnering with an experienced developer. This is going to take a year and a half to two years longer than any other deal like it, but, in the end, it is a very positive outcome.

Pathways to Family Financial Security

Job creation and workforce development strategies that are part of economic development hold promise for improving the economic condition of the community as a whole and the immediate prospects for community residents. But EZ implementers look beyond that, as well, knowing that long-term financial security depends on building a family's assets:

Job placements and salary upgrades were meant over time to be a ladder for people to improve their financial well-being. You have to take a long-term look at the benefits of increasing a person's wages or increasing the availability of career options, and you have to put in place the support systems that can help make the connection to building personal assets.
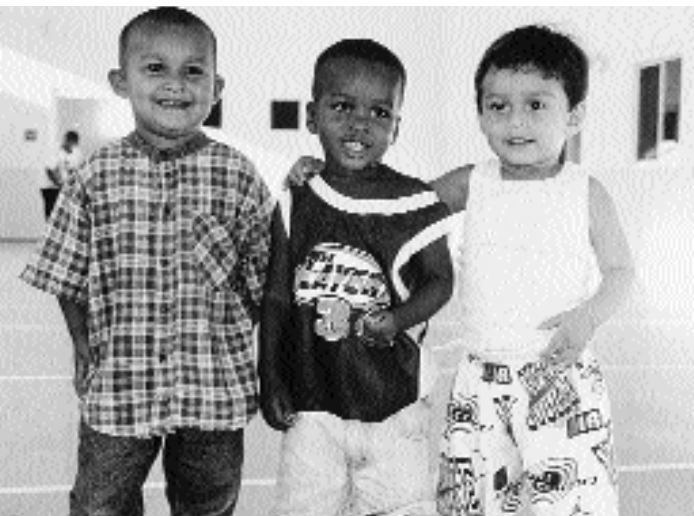
At the beginning, we were very clear about this linkage. We held employment readiness events where participants were offered a series of doors through which they could progress. They started with an employment assessment door, then moved to a 'dressing for work' door, and a mock interview door. There were training vendors on site. There also was a banking door with staff from area banks, an entrepreneurs door where participants could receive guidance about starting a home-based business and moving to a full-scale business, and a homeownership door. We wanted to help people visualize that a job was the beginning of a pathway to increasing their financial well-being.

EZs also sought to undertake various substantive strategies to help families build assets, although there often were challenges to be overcome, such as hesitation about what uses of EZ funds might be allowable:

Were there constraints on how much economic empowerment you could do? It seems to me that there is a welfare mentality that does not consider ownership as an option for community members. Would the response be, 'We're not going to give you money to build wealth, but it's okay for us to give you money to do the soft, social service kinds of things.'? And so we probably had blinders on in terms of what we could do with government money.

Concern about permissible uses of government funds was not the only barrier to fostering improved economic well-being at the individual and family level, in addition to economic development at the community level:

When I first started talking about wealth-building at our planning table, our more conservative board members were very opposed to the idea. But now those same board members understand that wealth creation includes things like being a home-owner, and they are supportive.

Overcoming these challenges, at least some EZs have adopted strategies to promote asset-building. For example:

One of our Village Centers partnered with United Way to create the Providing Opportunities to Work, Expand, and Rise (POWER) Individual Development Account program. The Village Center helped people become employed or improve their job

situation through the EZ Career Center. Then, once people were stable in their employment, they began to talk with them about saving money, perhaps to start a business or become a homeowner, and what that would do to change their lives. The POWER IDA program reached beyond helping people get and keep a job to create avenues for escaping poverty and moving toward self-sufficiency.

Despite the successful implementation in some places of strategies like Individual Development Accounts and homeownership subsidies, at the larger scale it remains difficult to keep a focus on the goal of asset-building in the face of pressure to produce near-term outcomes like job creation, placements, and training linked to a definite job. But without attention to both areas, families and communities will remain in peril:

We have to define sustainability and impact not as program development but in wealth-building terms. Too often when we start talking about sustainability, we try to figure out how a particular program can be sustained. Instead we need to figure out how to provide people with access to more resources.

Encouraging homeownership, giving small but viable minority-owned businesses access to capital that they otherwise wouldn't have because of banking practices, increasing access to jobs with opportunities for career mobility, this starts to lay a foundation for the creation of financial security and wealth that doesn't now exist. It probably will take two generations before the foundation is secure, but this will be a start.

New Relationships as the Foundation of Sustainability

The building of new relationships among stakeholders — and particularly among residents, local government officials, and the corporate community — is another critical accomplishment of the EZ/EC Initiative. These relationships increase the social capital available within the target communities and can help sustain the principles and aims of the Initiative long after designation ends:

I think one of the lasting successes is the community engagement and the kinds of partnerships that were formed. I think we have gotten people access to local government and to the private sector and forced them to work together in a way that is pretty novel. It's been a different model for the city.

Relationships were built—among community institutions, between community institutions and city government, between community institutions and universities and other major employers—that have been sustained over time, so that the next time a government program comes around, you can just keep going. The relationships never end. In fact they may or may not require public intervention with subsidy to make a real difference. In some respects, that's the most important outcome you want. Because government programs come and go. So, the thing that really matters over time is relationships, particularly between institutions that normally would not be in the same room with each other.

Promoting Tangible Impact

While EZ implementers speak with pride of the intangible results of the EZ/EC Initiative in many cities—new relationships, capacity-building, leadership development—they also are cognizant that success ultimately will be measured by the extent to which the EZ investments have yielded tangible outcomes:

The larger picture for me and for us is always on outcomes. Community inclusion and even capacity-building are ultimately in service of outcomes. I'm not willing to forgo the outcomes for the process.

If we step outside the Zone and ask the larger community about their verdict on the Zone, will they understand the process, the change, the leadership that we've nurtured and fostered? I don't think our mayor ever contemplated that this was just about changing people's lives through a process that provided a sense of empowerment. In his mind, we would have failed had we not been able to create jobs, new businesses, and tangible revitalization.

Implementers communicate the concrete results achieved across the Zones in different ways. Some list the thousands of jobs created, thousands of units of housing built and renovated, thousands of new homeowners, millions of dollars of private sector investment leveraged, community financial institutions established and capitalized, public safety improvements, and Zone residents served by new or expanded substance abuse treatment, after-school, and adult education programs.

Others take a more individualized view of the impact:

I think of our accomplishments in terms of helping that person who is sleeping on a sofa at a friend's home without a place of her own. That's a person who probably looked for work for six months, didn't find anything, and gave up hope. That's the person that the Empowerment Zone was really designed to help. She probably wasn't going to go to any traditional institution because she had been there already. The EZ has provided an opportunity to use creative methods and resources to make a difference in her life.

It has been about the family served by a new health clinic, a mom and pop store that goes from three to 12 employees, the kid who graduates from high school who has the opportunity to go to college. That's what this has been about.

Key Insights

- To have a sustainable impact, the majority of funds provided by a source like the EZ/EC Initiative should be viewed not as a new grant program, but as investment capital to seed change and provide a renewable resource for the community.

- Economic development and improvement in the financial well-being of community residents must be at the heart of revitalization. This means expanding the pool of capital available for investment in local business, creating jobs, and adopting complementary human service strategies to assure that residents are able to take advantage of the expanding opportunities. Efforts that help a community's families accumulate assets, such as support to encourage homeownership, also are essential.

- Community members can play an effective, direct role in economic development, and in fact add important value and legitimacy to the deal-making process, if roles and responsibilities are made clear and training helps develop expertise in technical subjects.

- Identifying and building the strength of key partner organizations that will continue in existence beyond the specific revitalization effort create a foundation for supporting the long-term vitality of the community.

- Demonstrating the value and effectiveness of empowerment through deliberate capacity-building efforts and the creation of new relationships among community residents and other stakeholders creates a model that can be applied to other decision-making processes and the design and delivery of programs and services throughout the city.

EZs are building the community's capacity to lead and to partner with other stakeholders…

■ Five Village Centers created by the Baltimore EZ help implement the community's vision and connect residents to resources and opportunities. The East Harbor, Washington Village, Poppleton, and Historic East Baltimore Community Action Coalition Village Centers have spun off or added a Community Development Corporation (CDC) to focus on neighborhood economic development and revenue streams for future investment. Partnerships these CDCs have formed with developers and other community organizations already have leveraged over $1 million for commercial renovation projects. The City is encouraging continued growth through its commitment to give extra consideration to developers who partner with these Village Centers/CDCs through equity relationships and capacity-building assistance.

■ Community Lending Institutions (CLI), created in 1996-97 by the Philadelphia EZ to promote business expansion through technical assistance and low-interest loans in each Zone community, have loaned $20 million and leveraged $90 million in private and other public funds. CLI activity has contributed to a doubling of the number of employers in the Zone, from 750 in 1995 to 1,400 in 2002, and to the creation of over 1,000 jobs for residents.

■ In two Philadelphia neighborhoods, over $10 million in loan repayments are being used to capitalize neighborhood "endowments." Community Trust Boards, originally created to govern EZ activity, will set priorities for use of these Neighborhood Funding Streams, which will continue beyond the EZ designation and provide resources for new projects well into the future.

■ The Kentucky Highlands Empowerment Zone keeps the community engaged in the implementation process through six public forums, two in each Zone county, held annually to update community residents and obtain their input. Changes to the Strategic Plan, including new projects and reallocation of resources, can only originate from ideas proposed at these forums, assuring a notable level of ongoing accountability to residents. Thus far, the process that begins with these forums has doubled the number of Empowerment Zone projects.

The quality of leadership throughout each local initiative was critical to its level of success. The complex task of managing a Zone required skilled, experienced leaders able to work effectively with multiple constituencies. Capable leadership among other stakeholders was also crucial, as community and business leaders were important conveyors of information to their respective constituencies and served to set the tone and parameters within which multi-stakeholder collaboration was to be attempted. Development of new civic leaders in each city, especially at the community level, will be one of the lasting legacies of the Initiative.

The Challenges of Zone Management

The complexity and intensity of Zone management made the political and operational skill of Zone managers a critical factor that shaped how implementation proceeded.

From the beginning, managers confronted high expectations for producing results, with little guidance about how to proceed:

The application process dictated: 'Go engage a massive amount of people, involve them in the work, and produce visible results.' We had to figure out how to manage the process, even as we changed what the expectations for that process were. People assess our efforts as though there was some preexisting definition of how we were to accomplish the goals of the Initiative. But there wasn't.

Central to the management challenge was dealing with the "multiheaded dragon" of multiple constituencies with differing priorities, each demanding attention and responsiveness.

To whom do we report? Federal government, state government, the mayor, community residents, the corporate community. All those are my bosses. And if any of those constituencies call me, I jump equally.

I have to develop secure, trusting relationships with the community, which comes through responsiveness and relationship-building. They have to feel like I work for them. If not, then I can't help build their capacity, because they won't trust that I'm there for them and that I am listening to them. But I also have to remember that I work for the mayor.

The management process has been very painful. There was a lot of tension. I don't want to lose that in hindsight. Constantly having to pay attention to the politics, to the relationships, who's talking to whom and what's happening in the meetings and after the meetings. The first six months of the job, I spent every single Saturday out in the community. It was very demanding.

Some of the managers came to realize that the best way to handle a situation with so many competing agendas and expectations was to demonstrate through actions the core principles that were to drive the process:

The key is to establish through one's experience and demonstrate through one's actions what the standards and principles and values are, and as people buy in to those principles and values, then they can change their own expectations and behavior. I don't see it as something we can directly manage. The only thing you can do is establish what you're about, and how you're going to conduct business and hope that people will change their expectations based on what they observe.

As leaders, we have to be strong professionals with the ability to make tough decisions based on the information that we have available to us at the time. We have to document carefully the decisions that we make and be prepared to stand behind them when challenged, as we inevitably will be.

In as complex an endeavor as the EZ/EC Initiative, the care with which key management decisions must be made is evident in the set of questions the director and staff of one Zone routinely used as a template to guide their consideration:

> Who are the key partners that we need to engage and in what ways will we need to encourage them to change their current approach?

> What are the politics of this decision? Who needs to be included and what will be their agenda?

> How can this action lead to a change in policy? What existing policies do we need to understand better or consider in our decision?

> What can we learn from past practice that can inform this decision? How do we want to change current practice?

Given the high profile, pressure to produce results, and multiple constituencies to be served by the Initiative, the role of Zone manager could be especially stressful and isolating:

> When I started with the Empowerment Zone, I felt all alone. Then I was invited to meet with representatives of other Empowerment Zones to talk about what we do, how we do what we do, and for the first time in a year, I found out that there were other people just like me—other people who had to create, revise, and implement simultaneously.

> To be successful, the Zone needed strong leadership. And it's very tough and very lonely to be the one who had to make those tough decisions, to balance the interests of community residents, businesses, and so many others.

Leadership as Legacy

Leadership in the EZ/EC Initiative has come not just from those formally charged with managing the effort, but also from many others whose contributions range from participating as board and committee members to organizing programs in neighborhoods to simply offering input about the improvements they would like to see happen. As EZ implementers reflect on the impact of the Zones in their cities, there is consensus that the development of new and more effective civic leaders is an important, lasting outcome:

Leadership will be a big piece of our legacy. We've helped existing leaders and the powers-that-be think differently, and we've nurtured new leaders.

The EZ process helped people begin to learn about decision-making, to become better civic leaders. If nothing else had happened, if nothing else had been developed, there are more leaders in our community than there ever were. There are more people that really understand the process of community revitalization.

Now we need to figure out how to include the community voices in other boards and different arenas. We won't succeed just because we create leaders within our safety net. We will succeed because we have launched leaders into the broader world where there are greater resources, where broader change will occur.

Key Insights

- While experience and connections are important assets for the leader of a complex effort like EZ/EC, perhaps the most important characteristics are an understanding of the "multiheaded dragon" and the patience, skill, directness, and versatility to deal with it. The leader must at once command attention and respect *and* invite and respect the contributions of others.

- Given the sense of isolation and intense pressure often felt by these leaders, it is critical to build avenues for exchange and support both within the city itself and with other colleagues in the field of community-building.

- A test of long-term impact will be if emerging community leaders move into new arenas of civic leadership, using the skills they have developed to make sure that the community perspective is considered in broader decision-making.

The Empowerment Zone/Enterprise Community Initiative presented a unique opportunity to those concerned with the conditions of distressed communities throughout the country. Those who stepped up to the challenge of helping to create a Zone were compelled by the potential to make meaningful, lasting changes in the quality of life for local residents:

> *When we began, this was a walk of faith. We made the commitment because of our passion for our communities.*

For many, the results that have been achieved, both tangible ones like new jobs and intangible ones like more inclusive ways of doing business, far outweigh the ways in which the Initiative may have fallen short of its potential. While participation in the Initiative has been an exhausting, demanding, and often frustrating experience, the changes beginning to take place and the insights that have been gained are making the decision worthwhile:

> *Despite the quirks of the EZ/EC Initiative, it created an opportunity to take a different approach to rebuilding our communities. We have successfully implemented economic development and workforce development strategies and improved the quality of life in our communities in a way that has made a difference in the lives of the people who live there. And for that I am grateful.*

In those cities where the Zone has successfully demonstrated a fresh approach to community revitalization, community builders have been left with clearer insights about the future direction of their efforts:

> *Our vision becomes clearer and more cohesive as we go forward, and that's how we know we have matured from ten years ago.*

Many refer to the changes at the community level when considering the lasting impact of the Initiative in their city:

> *The key thing that our community has gained through this process is what I would call community intelligence—things that we did not know before as a community. A new universe has been opened up to us. For example, we knew very little at the*

The loss of manufacturing jobs over the last three decades, an exodus of businesses from inner cities, and rural areas that long have lacked significant employment opportunities translate to economically depressed communities, where unemployment typically is well above the national average. EZs and ECs are using specialized loan and counseling programs, tax credits, and other incentives to attract new businesses, allow existing businesses to expand, and encourage employers to hire community residents. At the same time, they are helping residents overcome barriers like low educational and skill levels so that they are well positioned to obtain employment and begin building financial security for their families.

EMPLOYMENT

neighborhood level about economic development. What it takes to make it happen and how we can be involved without being experts. This Initiative has challenged all of us. At the end of this process, whatever the tangible outcomes, I think as a community we are in a much better place.

Others emphasize new working relationships and broadened commitment to community revitalization:

For anyone to understand the success of the EZ, they must hear that not only were new voices included, but old ears were opened. Existing thoughts, prejudices, and belief systems have been successfully challenged. It has been a combination of the inclusion of new voices and the contributions made by organizations—community institutions, universities, hospitals—that traditionally have been seen as uninterested or uninvolved that has made the successes of the EZ possible.

Most feel strongly that it is vital that the full story of the EZ/EC Initiative is told—the challenges, the successes, and the lessons learned:

We who have the experience of actually being part of an EZ have a responsibility to make sure that the right story is told. Our story challenges the preconceived notions of what the Zones were about. The academic community and the media, in general, were very quick to judge this as not working. And that's because they were being driven by the political hype of it all. They didn't stick around for the long haul to see the successes.

The story of the EZ/EC Initiative is complicated and varied but what comes through clearly in the voices of those who made it happen across the country is pride at having contributed to the effort, new insight about what it takes to promote sustainable community change, and an unwavering commitment to improve the quality of life for all individuals regardless of where they happen to live:

We shouldn't forget that the EZ effort is not the end, but the beginning. The idea was always to start place-based, so that we could develop new strategies in a target area, and then move to the challenge of changing whole cities. That's the next phase of the work!

Brief Descriptions of the Round 1 Urban EZs

ATLANTA

Atlanta's Empowerment Zone is managed by a quasi-public nonprofit corporation, the Atlanta Empowerment Zone Corporation (AEZC). The AEZC operates as both the policy-making body and the fiscal agent for Atlanta's Zone. The AEZC has a 17-member Board of Directors, 11 of whom are appointed by the Mayor. The Mayor serves as Chairman of the Board. The remaining six appointments are made by the Community Empowerment Advisory Board (CEAB), a 36-member board of neighborhood representatives that serves in an advisory capacity to the AEZC. Atlanta's Zone covers 9.3 square miles, which includes 28 neighborhoods and almost 50,000 residents.

BALTIMORE

The Baltimore Empowerment Zone is managed by a quasi-public nonprofit corporation, the Empower Baltimore Management Corporation (EBMC). In each EZ neighborhood, EBMC established a Village Center, an independent non-profit organization to support neighborhood-level implementation and provide community representation on EBMC's board. Nineteen of EBMC's 30 board members are mayoral appointees from specified sectors of the larger Baltimore community, two are gubernatorial appointees, six are appointed by the Village Centers, one represents the Fairfield part of the Zone (industrial area, so there is no Village Center), and two are from the Advisory Council. In addition, EBMC's board is advised by a 50-member Advisory Council, 25 of whom are selected by Village Centers. Village Centers seek community input to shape the community's vision for change, pursue funding beyond EZ dollars and develop relation-ships to help realize the vision, and link residents to work opportunities, including remediating barriers through means such as referral to social services. Baltimore's Zone is made up of three noncontiguous areas covering six neighbor-hoods and 6.8 square miles with a population of 72,000.

CAMDEN

Camden was designated as part of a bi-state Empowerment Zone with Philadelphia. Camden's share of EZ funds totaled $21 million. Camden's Empowerment Zone formerly was managed by the City Office of Development and Redevelopment and now is managed by the Camden Empowerment Zone Corporation (CEZC), a quasi-public nonprofit corporation. The CEZC is governed by a board of directors that includes the Mayor and the President of the City Council, 12 neighborhood representatives elected by Zone residents, nine business/institutional representatives select-ed by the Mayor, and four religious/cultural representatives also selected by the Mayor. Camden's Zone covers six neigh-borhoods and 2.5 square miles with a combined population of approximately 13,000 residents.

CHICAGO

The Chicago Empowerment Zone formerly was managed by the Department of Planning and Development and now is managed by the Mayor's Office. The City Council retains final approval on all decisions concerning EZ funds. The EZ/EC Coordinating Council (the Coordinating Council) is the primary advisory body to the Chicago Empowerment Zone. Originally a 32-member council, it currently has 17 members, including some representatives of neighborhoods considered for but not included in the final EZ boundaries. The Mayor appoints nine community representatives, four business representatives, three government representatives, one representative of people with disabilities, and one city government representative. The Coordinating Council also includes one representative appointed by county government and one appointed by state government. Five cluster organizations, representing the various areas of Chicago's EZ and EC, have been formed but, until recently, they were not formally recognized by the City Council or the Coordinating Council. Chicago's Zone consists of three noncontiguous clusters covering 14.3 square miles with a population of almost 200,000.

DETROIT

Detroit's EZ Initiative is managed by the Empowerment Zone Development Corporation (EZDC), a quasi-public nonprofit corporation with a 50-member board. The EZDC's full board acts in an advisory capacity, with final decision-making power resting with the board's 25-member Executive Committee. The City Council retains final approval on all decisions concerning EZ funds. In addition, a Neighborhood Review Panel was established to provide a communication link among neighborhoods and the EZDC. The Neighborhood Review Panel consists of 45 resident, business, and organizational representatives, 15 from each of the three Zone areas. The Zone spans three contiguous areas covering 18.4 square miles with a population of over 100,000.

NEW YORK

The New York Empowerment Zone targets areas within Upper Manhattan and the South Bronx. The Zone is managed by the New York Empowerment Zone Corporation (NYEZC), a subsidiary of the New York State Urban Development Corporation (NYSUDC). NYEZC has a board of seven members consisting of mayoral appointees, two congressional representatives, a representative of the NYSUDC, and one representative from each of the Zone areas. The Zone areas are managed by two local development corporations, the Upper Manhattan Empowerment Zone Development Corporation (UMEZ), a newly created agency, and the Bronx Overall Economic Development Corporation, the federally designated agency for economic development in the Bronx. UMEZ's President and CEO is the representative for the Upper Manhattan Zone area on the NYEZC board, while the Bronx Borough President is the representative of the South Bronx Zone area. New York's Zone consists of two noncontiguous areas, covers 7.6 square miles, and has a combined population of almost 200,000.

PHILADELPHIA

Philadelphia was designated as part of a bi-state Empowerment Zone with Camden. Philadelphia's share of EZ funds totaled $79 million. Philadelphia's Zone is managed by the Mayor's Office of Community Services. Community Trust Boards (CTBs) were established in each of the three Zone areas. Each CTB is comprised of 15 members. Two-thirds of the members either live or work in the Zone. CTBs are responsible for establishing funding priorities, designing and allocating funds to specific projects, and evaluating the performance of programs and projects; their decisions are subject to final approval by the Mayor. Philadelphia's Zone covers 2.5 square miles and has a population of approximately 38,000 residents.

List of Roundtable Participants

EZ MANAGERS ROUNDTABLE

Diane Bell
President/CEO, Empower Baltimore Management Corporation

Santiago Burgos
Director of Program Operations, Philadelphia Empowerment Zone

Cathy Burns
Executive Director, Huntington, WV/Ironton, OH Empowerment Zone (Round II)

Rick Cummings
Managing Director, Camden Empowerment Zone Corporation

Bryan Finnie
*President/CEO, Miami-Dade Empowerment Trust, Inc.
Former Director of Camden Empowerment Zone Corporation*

Eva Gladstein
Executive Director, Philadelphia Empowerment Zone

Yvonne "Bonnie" Gonzalez
Executive Director, Rio Grande Valley Empowerment Zone Corporation

Dan Gundersen
Formerly with Philadelphia Empowerment Zone

Sherri Killins
*President/CEO, Empower New Haven, Inc.
Former COO, Empower Baltimore Management Corporation*

Lucille McEwen
Formerly General Counsel and Chief of Staff, Upper Manhattan Empowerment Zone Development Corporation

COMMUNITY STAKEHOLDERS ROUNDTABLE

Ana Arroyo
Community Foundation for Greater New Haven

Joseph Brown
*Chair, Washington Village Center
Member, Empower Baltimore Management Corporation Board of Directors
Zone Resident*

Constance Maddox
*Member, Historic East Baltimore Community Action Coalition Village Center
Member, Empower Baltimore Management Corporation Board of Directors
Chair, Empower Baltimore Management Corporation Advisory Council
Zone Resident*

Neil Pariser
*Vice President, South Bronx Overall Economic Development Corporation
Empowerment Zone Grantee*

Linda Vick
*Former member, Chicago EZ/EC Coordinating Council
Zone Resident*

Jeremiah J. White Jr.
Member, North Central Community Trust Board, Philadelphia

Wanda White
Former member, Chicago EZ/EC Coordinating Council

BALTIMORE

Diane Bell
President/CEO, Empower Baltimore Management
*   Corporation (EBMC)*

Joseph Brown
Branch Manager, Bank of America
Chair, Washington Village Center
Member, EBMC Board of Directors
Zone resident

Jay Carrington Chunn
Associate Vice President for Academic Affairs, Morgan
*   State University*
Member, EBMC Advisory Council
Advisory Council Representative, EBMC Board of
*   Directors*

Robert C. Embry, Jr.
President, The Abell Foundation, Inc.
Member, EBMC Board of Directors, Executive
*   Committee*

Sr. Bobbie English
Director, Julie Community Center
Member, EBMC Board of Directors

Sherri Killins
President/CEO, Empower New Haven, Inc.
Former COO, EBMC

Constance Maddox
Member, Historic East Baltimore Community Action
*   Coalition Village Center*
Chair, EBMC Advisory Council
Member, EBMC Board of Directors
Zone resident

Kurt Schmoke
Partner, Wilmer, Cutler and Pickering
Former Mayor of Baltimore

James Shea
Managing Partner, Venable, Baetjer and Howard
Chair, EBMC Board of Directors

Keith Snipes
Assistant to the Deputy Secretary for Programs,
*   Maryland Department of Human Resources*
Member, EBMC Advisory Council

Lori Southworth
Program Manager for University Relations, IBM
Member, EBMC Advisory Council

CAMDEN

Rick Cummings
Managing Director, Camden Empowerment Zone
*   Corporation*

Bryan Finnie
President/CEO, Miami-Dade Empowerment Trust, Inc.
Former Director of Camden Empowerment Zone
*   Corporation*

Deborah Polk
Supervisor of Grants Management Development,
*   Camden Board of Education*
Former Empowerment Zone Director in Mayor's Office

Nancy Stulz
Program Manager, Camden Empowerment Zone
*   Corporation*

Elsa Suarez
Principal, Lanning Square Family School
Member of Empowerment Zone Community
*   Governance Board*

Ed Tetelman
Assistant Commissioner, New Jersey Department of
*   Human Services*

CHICAGO

Karen Bozeman-Gross
Director, Empowerment Zone South Cluster

Fran Grossman
Executive Vice President, South Shore Bank
Former member, EZ/EC Coordinating Council

Chris Hall
Associate, Skidmore, Owens and Merrill
Former member, EZ/EC Coordinating Council

Mary Nelson
Executive Director, Bethel New Life Community
  Development Corporation
Former member, EZ/EC Coordinating Council

Leroy Squares
Community Area Policing Strategy
Member, EZ/EC Coordinating Council

Robert Steele
Executive Director, Lawndale Business and Local
  Development Corporation
Former member, EZ/EC Coordinating Council

Bill Velasquez
Deputy Director, Intergovernmental Affairs,
  Chicago Housing Authority
Former member, EZ/EC Coordinating Council

Linda Vick
Credit Union Examiner, National Credit Union
  Administration
Zone resident
Former member, EZ/EC Coordinating Council

Beth White
Executive Assistant to the Chairman, Chicago
  Transportation Authority
Formerly with the Department of Planning and
  Development

Spruiell White
Program Officer, John D. and Catherine T. MacArthur
  Foundation
Participant, Empowerment Zone strategic planning
  process

Wanda White
Executive Director, Women Self-Employment Project
Former Director, Community Workshop on Economic
  Development
Former member, EZ/EC Coordinating Council

DETROIT

Larry Alcantar
Community Builder, Michigan State Office, U.S.
  Department of Housing and Urban Development
Former Empowerment Zone liaison

Evelyn Brown
Senior Vice President, Detroit LISC
Former Project Manager for Empowerment Zone, Office
  of the Mayor

Lillis Cunningham
Secretary, Empowerment Zone Development
  Corporation Board of Directors

Maggie DeSantis
Warren Conner Development Coalition
Empowerment Zone grantee
Member of Empowerment Zone Coordinating Council

Denise Gray
Former Director, Empowerment Zone Development
  Corporation

Bryan Merriweather
Contract Manager, Focus Hope
Empowerment Zone grantee

Angela Reyes
*Executive Director, Detroit Hispanic Development
    Corporation*
Empowerment Zone grantee

Gloria Robinson
Office of the Mayor, City of Detroit
Former Director of City Planning Department
*Former Special Assistant to the Secretary, U.S.
    Department of Housing and Urban Development*

Gerald Smith
*President and Chief Executive Officer, Detroit Youth
    Foundation*
Affiliated with EZ grantee
Formerly with the W.K. Kellogg Foundation

Barbara Washington
*Executive Director, Community Development Advocates
    of Detroit*
Former EZ Project Director for Housing Initiatives

Denise Willingham
*Member, Empowerment Zone Development Corporation
    Board of Directors*
*Chair of the Safety, Recreation, Arts and Environment
    Committee*

NEW YORK

Derrick Broomes
*Chief Financial Officer, Bronx Overall Economic
    Development Corporation*

Maria Canales
*Former Director, Bronx Overall Economic Development
    Corporation*

Lucille McEwen
*Former General Counsel and Chief of Staff, Upper
    Manhattan Empowerment Zone Development
    Corporation (UMEZ)*

Neil Pariser
*Vice President, South Bronx Overall Economic
    Development Corporation*
Empowerment Zone grantee

Karen Phillips
*President and CEO, Abyssinian Development
    Corporation*
*Former Director of the Empowerment Zone's One Stop
    Capital Shop*

Mary Redd
*President and CEO, Steinway Child and Family
    Services, Inc.*
Board Member, UMEZ

Richard Schaffer
*Adjunct Professor, School of Architecture, Planning and
    Preservation, Columbia University*
*Director, Empowerment Zone Monitoring and
    Assistance Project*

Deborah Wright
President and CEO, Carver Bank
Former UMEZ Director

PHILADELPHIA

Santiago Burgos
*Director of Program Operations, Philadelphia
    Empowerment Zone*

Donna Cooper
*Former Director of the Mayor's Office of Community
    Services and Former Deputy Mayor for Policy and
    Planning*

Rosemary Cubas
Director, Third World Coalition
Member, American Street Community Trust Board
Zone resident

Eva Gladstein
Executive Director, Philadelphia Empowerment Zone

Dan Gundersen
Assistant Secretary, Maryland Department of Business and Economic Development
Formerly with Philadelphia Empowerment Zone

Frances Minnes
Attorney at Law, Oxman, Levitan, Goodstadt and Kravitz
Member, West Philadelphia Community Trust Board

Rev. William Moore
Executive Director, Philadelphia Parking Authority
Former Chair, North Central Community Trust Board

Tom O'Rourke
Current Board Chair, American Street Financial Services Center
Former Chair, American Street Community Trust Board

Bill Smith
Vice President Community Investments, Mellon Bank
Member, West Philadelphia Community Trust Board
Member, West Philadelphia Financial Services Institution

Jeremiah White, Jr.
Director, Philadelphia Development Partnership
Member, North Central Community Trust Board

Beverly Woods
Director of Neighborhood Operations, Philadelphia Empowerment Zone

SUPPLEMENTAL INTERVIEWS

Michael Bennett
Director, Egan Urban Center, DePaul University
Director, EZ Action Research Project

Cathy Burns
Executive Director, Huntington, WV/Ironton, OH Empowerment Zone (Round II)

Peter Edelman
Professor, Georgetown Law School
Formerly with Office of the Secretary, U.S. Department of Health and Human Services

Carolyn Gatz
Gatz and Associates
Formerly Director of Louisville Empowerment Zone

James Gatz
Office of Community Services, U.S. Department of Health and Human Services

Kumiki Gibson
Attorney-at-Law, Williams and Connolly
Formerly with the Office of the Vice President

Yvonne "Bonnie" Gonzalez
Executive Director, Rio Grande Valley Empowerment Zone Corporation

Anne Kubisch
Director, Roundtable on Comprehensive Community Initiatives, Aspen Institute

Julian Potter
Formerly with the Community Empowerment Board, Office of the Vice President
Also formerly with the Office of Community Planning and Development, U.S. Department of Housing and Urban Development

Roy Priest
Executive Director, National Congress for Community Economic Development
Formerly with the Office of Community Planning and Development, U.S. Department of Housing and Urban Development

Margaret Washnitzer
Director, Division of State Assistance, Office of Community Services, U.S. Department of Health and Human Services

The Path of Most Resistance: Reflections on Lessons Learned from New Futures. Annie E. Casey Foundation, 1995.

New Futures, the first major community-building initiative undertaken by the Annie E. Casey Foundation, encouraged comprehensive reform to improve outcomes for youth in five mid-size cities. This paper, written by Casey staff who were most closely associated with New Futures, shares eight key lessons that the Foundation learned about designing and implementing broad-based initiatives of this type.

The Eye of the Storm: Ten Years on the Front Lines of New Futures. Joan Walsh for the Annie E. Casey Foundation, 1999.

This paper offers a practitioner's view of community-building, as the directors of the two longest-lasting New Futures sites—Little Rock and Savannah—reflect on the challenges they faced, the changes that were achieved, and the insights they gained on the front lines.

The Sandtown-Winchester Neighborhood Transformation Initiative: Lessons Learned about Community Building and Implementation. Prudence Brown, Benjamin Butler, and Ralph Hamilton for the Enterprise Foundation, with support from the Annie E. Casey Foundation, 2001.

The Sandtown-Winchester Initiative brought together the public sector, residents of this Baltimore neighborhood and the Enterprise Foundation to address the social, economic, and physical conditions that contributed to widespread poverty in the community. This report discusses the major lessons the partners learned about initiating, implementing, and sustaining change through a multi-faceted community-building effort. Also discussed are "abiding challenges" arising from "the complicated nature of interactions between powerful mainstream institutions and poor people in poor communities."

Stories of Renewal: Community Building and the Future of Urban America. Joan Walsh for the Rockefeller Foundation, 1996.

This report includes short case studies of community-building in five cities, including a New Futures site and Sandtown-Winchester, and highlights emerging lessons.

Voices from the Field: Learning from the Early Work of Comprehensive Community Initiatives. Roundtable on Comprehensive Community Initiatives for Children and Families of the Aspen Institute, 1997.

Comprehensive community initiatives (CCIs) are defined by the Roundtable as neighborhood-based efforts that seek to improve the lives of individuals and families, as well as the conditions of the neighborhoods in which they reside. This report presents an "analytical portrait" of CCIs that emerged from eleven focus groups held with foundation representatives, initiative directors and staff, evaluators, members of governance structures, community residents, and others in the field.

A follow-up volume will be released shortly.

Building Communities from the Inside Out: A Path Toward Finding and Mobilizing a Community's Assets. John P. Kretzmann and John L. McKnight, 1993.

This book defines and guides the reader in the use of an asset-based approach to community development that builds on the skills and capacities of residents, citizens associations, and local institutions. Suggested strategies are drawn substantially from the actual experience of community-building practitioners.

Core Issues in Comprehensive Community-Building Initiatives. Edited by Rebecca Stone for the Chapin Hall Center for Children, 1996.

This publication presents eight short essays on key issues in comprehensive community-building such as the role of community organizing, governance and evaluation. Each essay, written by a staff member at Chapin Hall, is followed by brief response essays written by practitioners, funders, and others who have been involved directly in initiatives around the country.

Core Issues in Comprehensive Community-Building Initiatives: Exploring Power and Race. Rebecca Stone and Benjamin Butler for the Chapin Hall Center for Children, 2000.

This volume focuses on the issues of power and race which, as other documents in this list observe, are rarely addressed openly and which remain an "abiding challenge." Drawing on interviews and focus groups, chapters present the insights of residents, funders, initiative managers, and others. As in the first volume, each chapter is followed by brief response essays by a range of individuals with experience in the field.

Community Building Coming of Age. G. Thomas Kingsley, Joseph B. McNeely, and James O. Gibson for the Development Training Institute and the Urban Institute (no date).

This volume explores the context for today's work that is provided by the earliest community-building efforts, identifies major community-building themes, and suggests ways in which government and nonpublic entities can support broader application of community-building principles. Seminars that brought together practitioners, funders, researchers, and federal and local officials formed the basis for the material discussed in the publication.

Decent, affordable housing is scarce in the nation's distressed communities. EZs and ECs are tackling that problem with programs to renovate existing housing, build new homes, and help community residents become homeowners. In rural Texas, the Rio Grande Valley EZ's partnership with Habitat for Humanity is building moderately priced homes for first-time homeowners, including the family of one of the youth photographers. "We've been living in our house for two years. Before that we lived in this place that was terrible. It's much better, way bigger, and it's cool because my dad's best friend lives across the street, and Alex lives down the street."

HOUSING

ENDNOTES

[1] Consortium members include: Annie E. Casey Foundation, Cleveland Foundation, East Bay Community Foundation, Ford Foundation, Greater Kansas City Community Foundation, William and Flora Hewlett Foundation, Robert Wood Johnson Foundation, W.K. Kellogg Foundation, John D. and Catherine T. MacArthur Foundation, and Rockefeller Foundation.

[2] Now that there have been subsequent competitions and designations, this original group has come to be known as Round I.

[3] Of the six original urban EZs, one was a bi-state Zone, including both Philadelphia and Camden. Since the two cities have pursued separate implementation courses, a full scope of interviews was conducted in each city.

[4] See Appendix B for a list of roundtable participants and Appendix C for a list of interviewees.

[5] The Round I urban Empowerment Zones were the centerpiece of the "Voices" project on which this manuscript is based, reflecting the Casey Foundation's primary interest in urban areas and the fact that these sites are the ones that received the largest infusion of federal grant dollars. For these reasons, throughout this document, reference is made to "cities," even though the EZ/EC Initiative includes rural areas as well. (See Appendix A for brief descriptions of each of the Round I urban EZs.)

[6] Throughout this document, indented italic material presents quotes from EZ/EC implementers.

PHOTOGRAPHY:

Cover: Joseph Ryan

Cover Inset: Left: Luz Galvan, Right: Gabriel Gonzalez

Inside Cover: Stephen Shames

Table of Contents: Beatriz Garcia

Page 2: Lauren Faust

Page 4: Lenna Vorn

Page 7: Stephen Shames

Page 8: Left: Lim Mom, Center: Anna Zotigh, Right: Lauren Faust

Page 10: Shytise Taylor

Page 11: Left: Luz Galvan, Right: Dale White

Page 13: Left: Kahlil Campbell, Center: Tom Tang,
    Right: Donamen Elliott

Page 14: Left: Lim Mom, Right: Sarah Cate

Page 17: Left: Andrew Renault, Right: Jeanette Gonzalez

Page 18: Gabriel Villarreal

Page 21: Left: Atlantis Alston, Right: Dale White

Page 23: Terrell Stewart

Page 26: Left: Lim Mom, Right: Terrell Stewart

Page 28: Keli Pope

Page 30: Left: Dakota Richardson, Center: Glen Pierson,
    Right: Aby Moriel

Page 33: Left: Anna Zotigh, Right: Lenna Vorn

Page 34: Gabriel Gonzalez

Page 37: Left: Aby Moriel, Right: Stephen Shames

Page 41: Left: Tram Dang, Right: Dakota Richardson

Page 42: Luis Ramirez

Page 45: Tia Smith

Page 47: Left: Keli Pope, Center: Savon Moun, Right: Hong Hak

Page 48: Gabriel Villarreal

Page 50: Aby Moriel

Page 54: Left: Anna Zotigh, Right: Savon Moun

Page 57: Brittany Green

Page 58: Left: Lynnia Powell, Right: Juan Munoz

Page 61: Lenna Vorn

Page 62: Anna Zotigh

Page 73: Jose Galvan

DESIGN + PRODUCTION:

Kathryn Shagas Design

The Annie E. Casey Foundation