

Building Communities of Opportunity: Supporting Integrated Place-Based Initiatives through Federal Policy

This framing memo was prepared by PolicyLink and the Mid-America Regional Council (MARC) to inform the September 1, 2009, White House Office of Urban Affairs Tour to the Green Impact Zone in Kansas City, Mo.

Introduction

Where you live shapes your access to opportunity. To create a fully inclusive nation, we must ensure that all people live in “communities of opportunity”—places with quality schools, access to good jobs with livable wages, quality housing choices, public transportation, safe and walkable streets, services, parks, access to healthy food, and strong social networks.

The Green Impact Zone in Kansas City, Mo., seeks to transform a long-neglected, 150-block urban neighborhood into a true community of opportunity.

The project will show how targeted community attention coupled with new resources can achieve a triple bottom line: a strengthened neighborhood; jobs and economic opportunity for lower income people and communities of color; and improved energy efficiency in the urban core of Kansas City.

Proposed by Congressman Emanuel Cleaver, II, and coordinated by the Mid-America Regional Council (MARC), the Green Impact Zone brings together neighborhood leaders and an impressive array of nonprofit, private, and civic leadership to support this community change effort.

While the Green Impact Zone will maximize the short-term opportunity presented by the American Recovery and Reinvestment Act (ARRA), it is also advancing a long-term vision for change. Local stakeholders are building upon a rich and growing body of community practice about how to best address persistent poverty and build communities of opportunity through integrated, place-based initiatives.

MARC—a nonprofit association of city and county governments and the metropolitan planning organization for the bi-state Kansas City region—serves as the coordinating entity for the Green Impact Zone.

PolicyLink—a national research and action institute advancing economic and social equity by lifting up what works—is a strategic partner to MARC in the design and implementation of the Green Impact Zone.

To date, most integrated, place-based initiatives have succeeded *in spite of* not *because of* a supportive federal policy agenda. For example, those looking to integrate and coordinate different programs and resources at the local level are often stymied by the rules, regulations, and restrictions of federal categorical funding.

This is beginning to change. The Obama administration is working to support and partner with local innovators. They are also working to integrate and coordinate programs across federal agencies.

Prepared for the September 1, 2009, White House Office of Urban Affairs Tour to Kansas City, this memo: situates the Green Impact Zone in the context of successful place-based initiatives; reviews the lessons learned from these efforts; and offers suggestions on how the President's national urban and metropolitan agenda could help integrated, place-based initiatives like the Green Impact Zone flourish and thrive.

The President's domestic policy team has signaled support for integrated, place-based initiatives.

In a recent memo to federal agencies, they stated that *"place-based policies leverage investments by focusing resources in targeted places and drawing on the compounding effect of well-coordinated action. Effective place-based policies can influence how rural and metropolitan areas develop, how well they function as places to live, work, operate a business, preserve heritage, and more. Such policies can also streamline otherwise redundant and disconnected programs."*

The Green Impact Zone is a place-based, equitable development initiative underway in the heart of the Kansas City urban core. The 150-block target area has experienced severe abandonment, economic decline, and joblessness.

The American Recovery and Reinvestment Act presents a unique opportunity to use a range of stimulus funding to catalyze economic recovery in the Green Impact Zone and lay the groundwork for long-term transformation of the community.

Stakeholders are developing and implementing coordinated, community-based approaches that include: weatherization and energy efficiency, community policing, housing improvement, employment and training, and development of a smart grid.

The underlying premise of the Green Impact Zone is to concentrate not only resources, but also integration, coordination, and public and private partnerships in one targeted community to demonstrate that such targeting can transform the neighborhood and the lives of its residents.

Equitable Development as a Driver of Successful Place-Based Initiatives that Build Communities of Opportunity

The goals and aspirations of Green Impact Zone stakeholders are not new. For decades, community leaders have recognized that “place matters” and have crafted multi-faceted strategies to transform distressed neighborhoods. In this section we review the elements of successful place-based initiatives and how Green Impact Zone stakeholders are working to apply them in Kansas City.

Equitable development undergirds the success of many place-based initiatives focused on building communities of opportunity. Equitable development fosters economic revitalization while simultaneously creating and expanding opportunity for everyone, particularly those left behind by traditional urban revitalization and suburban growth policies. Four core principles guide the practice of equitable development:

- **Integrate strategies that focus on the needs of people and on the places where they live and work** to support low-income residents and their families while stabilizing and improving their neighborhoods.
- **Promote triple-bottom line investments that are equitable, catalytic, and coordinated** to achieve inclusive and sustainable growth.
- **Reduce economic and social disparities throughout the region** by leveling the playing field for development and ensuring that all neighborhoods provide their residents with the necessary ingredients for social and economic success.
- **Include meaningful community participation and leadership in change efforts** in order to reflect the wisdom, voice, and experience of local leaders.¹

While every community is unique, several overarching lessons learned from the consistent application of an equitable development approach are summarized below. With each lesson, we offer a brief example from a mature equitable development initiative and also a description of how this lesson is being applied in the Green Impact Zone.

1. **Comprehensive vision and staged implementation.** Successful equitable development initiatives always begin with a comprehensive, integrated vision of how to turn a community around. Yet, they usually get their start with a few specific strategies such as housing rehabilitation or quality school-based programming, and then build to a comprehensive initiative over time. It can take upwards of 10 years to build an equitable development initiative.

National Example: Market Creek Plaza began as a partnership between residents and a family foundation to redevelop an old factory site in San Diego’s Diamond neighborhoods that has since evolved into a multi-pronged revitalization initiative.

¹ Over the past 10 years, PolicyLink has had the opportunity to work with a range of successful equitable development initiatives and has developed a robust portfolio of tools and publications to support the application of equitable development in a range of community and market contexts. For example, see: *Regional Equity and the Quest for Full Inclusion*; *Shared Prosperity*, *Stronger Regions: An Agenda for Rebuilding America's Older Core Cities*; *To Be Strong Again: Renewing the Promise in Smaller Industrial Cities*; and the web-based Equitable Development Toolkit.

Strategic staging and building of the initiative over time have been important to the success of Market Creek Plaza—residents helped at every stage, from conception, to culturally appropriate design, to owning shares of stock in the Plaza. Now, they are helping plan the 45-acre Village at Market Creek—a 350,000 sq. ft. commercial space focusing on "green" industries—that is expected to bring 800 new jobs, 800 new homes, and a connected network of community resources.

Local Example: The Green Impact Zone strategy is integrating federal and local programs across a broad range of issues that includes housing, transportation, energy, public safety, human services, and others. This is being developed over time with a sustained focus on paying equal attention to people, place, and the economy.

- 2. Connect the target community to the broader regional economy.** While most successful place-based initiatives target a neighborhood or set of neighborhoods, there is a strategic recognition of how the catchment area of the initiative fits in the broader regional economy.

National Example: In Los Angeles, several organizations including Strategic Concepts in Organizing and Policy Education (SCOPE) and the Figueroa Corridor Coalition for Economic Justice (FCCEJ), have tailored their equitable development advocacy efforts to connect marginalized communities to the broader regional economy. SCOPE led negotiations with the region's entertainment industry that resulted in the creation of a multimillion dollar workforce training program now run through the local community college system. FCCEJ is working to ensure that the billions of redevelopment dollars spent on the 40-block strip between the University of Southern California and the Staples Center (a large, regional, multi-purpose sports, entertainment, and shopping center) provide tangible benefits for people who live in the surrounding neighborhoods.

Local Example: The Green Impact Zone strategy is bringing into alignment regional and municipal plans and capacities and nonprofit agency programs with community needs to ensure the Zone is connected to the resources of the broader region.

- 3. Emphasize community building.** Equitable development initiatives emphasize a community-building approach—starting from existing assets, building social and human capital, deeply involving residents as partners, recognizing and relying on community leadership, and addressing issues of racial equity.

National Example: The Dudley Street Neighborhood Initiative (DSNI) is a resident-driven, comprehensive community change effort in the Dudley neighborhood of Boston. DSNI emphasizes a strong commitment to community building which is exemplified in the leadership of the racially diverse, 34-member Board of Directors which works to preserve affordable housing and provide residents with a way to control the development process, while also promoting positive youth engagement, transit-oriented development, and urban greening.

Local Example: The Green Impact Zone strategy is led by a consortium of neighborhood-based groups, including five well-organized neighborhood organizations. Cornerstones of the initiative are strong citizen engagement and outreach so that residents develop the priorities for program investments.

- 4. Harness market forces to improve community life.** Many successful equitable development initiatives recognize that rebuilding the neighborhood economy is

essential to sustainable change. Through concentrated investment in several interventions at once (e.g., housing, schools, business development, and job training), the economy in a distressed neighborhood can be reinvigorated while improving the life prospects of residents.

National Example: Murphy Park in St. Louis, Mo., developed by McCormack Baron Salazar, is a transformative neighborhood development project that has revitalized the housing stock while improving a local public school. Murphy Park has been a catalyst for market change. Over a 10-year period, the surrounding neighborhood has shown dramatic improvement—increased private investment, new housing, more businesses, lower unemployment, higher median household income, and increased home values.

Local Example: In the Green Impact Zone, housing investments are being concentrated to shift market conditions on a block-by-block basis. Linking transportation, job creation, and workforce training to energy and housing programs is central to the strategy. Attention is also being paid to commercial districts as well as to creating greater economic diversity in the zone.

- 5. Build community capacity.** An anchor organization (usually a nonprofit community group) often serves as the hub of successful equitable development initiatives. But the sustainability of these efforts is reliant upon a network of strong community organizations that are built over time within the neighborhood or catchment area.

National Example: The Codman Square Health Center, located in the heart of the Dorchester neighborhood in Boston, Mass., is a community-based, outpatient health care and multi-service center that serves as a resource for improving the physical, mental, and social well-being of the community. As an anchor to a multitude of health and community services, Codman Square also works tightly with community development corporations, schools, other health providers, and beyond to strengthen the community fabric in Dorchester.

Local Example: MARC, as the project coordinator for the Green Impact Zone, has a strong record in leading collaborative initiatives. It also has considerable expertise in key policy areas and a reputation for integrity and accountability in fiscal management. In addition, the Green Impact Zone's Coordinating Council meets regularly to ensure a high level of coordination.

- 6. Foster broad and deep partnerships.** Equitable development initiatives require extensive collaboration and coordination. There is an emphasis on both deep partnerships among a core set of implementing organizations, as well as a broader set of partnerships to cultivate champions and ongoing resources to sustain the effort. In some instances, a local anchor institution (e.g. a local university or hospital) can add important resources and leadership.

National Example: The University of Pennsylvania's West Philadelphia Initiative links the academic expertise and financial resources of the University with the energy and inspired commitment of neighborhood residents and businesses. The broad and deep partnerships between the University and a wide network of local organizations have made tremendous strides in creating safe and clean streets; increasing housing and home ownership; fortifying public education; fostering economic opportunity; and promoting commercial development.

Local Example: MARC is providing strong organizational support to the work of an extensive network of institutions including well-organized neighborhood councils. Together, they are working collaboratively with a broad array of community partners that includes municipal departments, nonprofits, community-based organizations, utilities and other businesses.

- 7. Encourage continuous learning and improvement.** From the outset, program outcomes are consistently tracked and evaluated, to create a feedback loop that cycles data and evaluation findings back to the management of the initiative, in order to improve and refine the strategies being employed. Many initiatives keep the evaluation in-house to build the capacity and intellectual capital of the organization leading the initiative.

National Example: Harlem Children's Zone (HCZ) covers approximately 100 blocks in New York City's Harlem neighborhood. Over the course of 10 years, HCZ has built a comprehensive pipeline of programs covering education and community services for children, from the womb through graduation from college. A key part of HCZ's success has been due to rigorous monitoring, evaluation, and a commitment to making needed adjustments to their programs to best serve the community.

Local Example: The Green Impact Zone is working in collaboration with the University of Missouri-Kansas City to benchmark data, select indicators of progress, and monitor progress in the zone over time. Other local universities are also organizing research work and involving students in assessment. The Green Impact Zone's Coordinating Council provides a forum to make adjustments to programs, processes, and guidelines.

- 8. Diverse and balanced funding portfolio.** Successful equitable development initiatives build a diverse and balanced funding base over time, finding the right mix of public/private funds, and employing innovative financing mechanisms to sustain community change.

National Example: Bethel New Life has been a leading faith-based community development organization in the West Garfield Park neighborhood in Chicago for over two decades. After fighting to keep an important transit stop open, Bethel New Life spearheaded a \$4.5 million transit-oriented commercial center that was built in partnership with the Chicago Transit Authority and financed with a complex combination of federal, state, city, nonprofit, and private funding sources.

Local Example: The Green Impact Zone strategy is to integrate a broad array of ARRA funds as well as to leverage those funds with other resources. Early funding commitments have been made by city government, local universities, Kansas City Power & Light, and others. Commitments for materials have been made by contractors and others.

The lessons learned from successful equitable development initiatives, and the thoughtfulness with which they are being applied in the Green Impact Zone, illustrate the wisdom and experience of local and regional actors. The challenge and opportunity for the Obama Administration is to determine how to utilize the resources and reach of the federal government to help these initiatives flourish.

Federal Considerations to Promote Communities of Opportunity in America

We applaud the Obama Administration for taking some early steps to create the federal infrastructure to seed and grow integrated, place-based initiatives such as: establishing the White House Offices of Urban Affairs and Social Innovation; reshaping the Office of Intergovernmental Affairs and Public Liaison into the Office of Public Engagement; launching the interagency Sustainable Communities partnership between HUD, DOT, and EPA; and including line items for programs like Promise and Choice Neighborhoods in the proposed 2010 budget.

As the Obama Administration continues to re-engineer federal programs and funding streams so that they are aligned with the programmatic and resource needs of local innovators, we offer the following issues for consideration. These directly reflect the “thorny” implementation issues that Green Impact Zone stakeholders and other local innovators advancing equitable development struggle with.

1. Set a national policy framework with clear goals and measures of success.

In many respects, local innovators advancing equitable development initiatives succeed against the odds. They forge creative solutions to urgent community problems without a national roadmap for how to overcome siloed and fragmented systems.

The federal government could better support local innovators by establishing a national policy framework for building communities of opportunity with clearly defined goals and measures of success. This would greatly help Green Impact Zone leaders marshal resources and partners, and push for the alignment across many levels of government that is needed for successful implementation.

A shared policy framework empowers administrators within service-providing agencies and institutions just as it does the residents who are recipients of those services. Empowering and incentivizing stakeholders at every level to be creative and giving them the space to re-envision the rules, regulations, and resources, within a shared, federal framework that defines communities of opportunity as the end outcome will allow for greater local and regional innovation.

Accompanying the policy framework must be a deep commitment to developing new programs, amending the regulations of existing ones, creating new resources, and removing the everyday obstacles that local place-based initiatives face.

2. Support the alignment of partners and agencies at the local, regional, state, and federal level.

Green Impact Zone leadership is working to concentrate and target funds to one of the most impoverished parts of the Kansas City region guided by the belief that this has the potential to transform the neighborhood but also to strengthen the overall regional economy.

Realizing the full potential of the Green Impact Zone requires a major reorientation and alignment of a wide array of stakeholders and institutions—from neighborhood organizations

in the zone, to city agencies administering ARRA funds and beyond, regional and state level stakeholders, and federal agencies.

The federal government can play a pivotal role, whether through incentives, requirements, and/or match-making, to help this kind of neighborhood-city-regional-state-federal alignment occur with greater frequency and consistency.

3. Remove regulatory barriers and create mechanisms to integrate and coordinate across program areas to promote effective implementation.

Integrating diverse funding streams to do comprehensive neighborhood development is a complex process that is made even more difficult by narrowly defined (and often) divergent rules and regulations that guide public sector funding programs at the local, state, and federal level. For example, programs intended for housing and neighborhood revitalization often outline “eligible places” by zip code, census tract, poverty levels, or some other measure that bears little relation to actual neighborhood boundaries. In other instances, programs often outline catchment areas that are larger than the neighborhood that a particular initiative is looking to serve.²

Similarly, federal, state, and local programs to help people move out of poverty target similar, but different enough, populations that make coordinated service delivery a challenge (e.g., there are slightly different age ranges, slightly different income levels), and case managers rarely touch diverse sources. In other instances, the “eligible uses” for funds are too narrow, prescriptive, or don’t make sense given a community’s most pressing needs.³

The federal government can play a critically important role in supporting programmatic innovation in a number of ways.

For example, the interagency partnership between HUD, DOT, and EPA, as well as the Sustainable Communities Program, in the proposed 2010 budget are important steps.

As implementation of the Green Impact Zone gets underway, stakeholders are experiencing firsthand the constraints of existing federal rules and regulations.

For example, the zone has a goal of achieving “neighborhood scale” by weatherizing as many of the 2,500 homes in the catchment area as are eligible. An existing rule that prohibits working on homes that have been weatherized since 1994 is a barrier to achieving this goal and maximizing the energy efficiency gains to families and the neighborhood.

Waiving this rule could deliver important efficiency gains since there have been significant strides in the materials and technological processes used in weatherization in recent years.

² For example, when trying to revitalize degraded housing and commercial buildings, a tremendous array of resources—bonds, Low Income Housing Tax Credits, CDBG and HOME programs, New Market Tax Credits, Hope VI funds, 202, FHA, SBA, Public Housing Capital Grants, NSP funds, Weatherization, and Energy Retrofits—combined with other state and local resources, must all be brought together for a successful effort.

³ For example, the American Recovery and Reinvestment Act (ARRA) provided resources for transit capital projects while the most pressing need in urban areas is for dollars to support transit operating costs to mitigate deficits that are forcing dramatic cuts in service. (These resources are particularly important for lower-income workers who rely on transit to get to work and do not own their own cars.) While more recent federal action has increased the possibility for additional resources, funds were not targeted and incentives for using funds for transit costs were also not provided, leaving transit in direct competition with other potential transportation infrastructure expenditures.

Continuing to build out cross-department funding opportunities is needed. Assigning a “liaison”—perhaps housed in the White House Office of Urban Affairs—to help local initiatives like the Green Impact Zone navigate federal agencies, develop common grant applications, and garner regulatory flexibility, would all be incredibly useful.

In addition to improving programmatic coordination across federal agencies, the federal government can build incentives and supports to encourage local, regional, and state actors to successfully tie different programs—such as housing rehabilitation, energy retrofitting, job training—together at the local level. For example, should the Kansas City region receive one of the competitive Neighborhood Stabilization Program grants made available through ARRA, MARC will convene local HUD, FDIC, Federal Reserve, and other appropriate agencies to see how to work together to make the program a success. This kind of effort at programmatic coordination should be the normal mode of operation supported by federal policy.

4. Increase the availability of flexible funds with clearly defined outcomes to help integrated, equitable development approaches flourish.

Another challenge facing local innovators seeking to undertake integrated, equitable development approaches is the lack of available funding for new approaches and new ideas. The Social Innovations Fund in the proposed 2010 budget is an important, but small, step to help address this challenge. A related issue is that community-based organizations are often excluded as eligible applicants for federal funds when new program requirements are developed, making it difficult for organizations closely aligned with a program’s vision to participate. In addition, sometimes state and local governments that receive federal funds don’t share the mission and vision of the program and few incentives or other options exist to align program goals with implementation.

Increasing competitive grant dollars that can be flexibly applied at the local level are essential to the success of equitable development approaches. However, flexibility must be tied to clearly defined equity outcomes. This approach can be started in the award of competitive grants under ARRA. These stimulus funds can be used as a proving ground for equitable development approaches and then embedded in future, ongoing federal grant making.

5. Improve the timing, pace, flow of funds to the local level.

There is a disconnect with the timing, pace, and flow of funds from federal agencies to local grant recipients that make equitable development strategies difficult to get off the ground and sustain over time.

Current systems for delivering resources through federal programs move more slowly than the needs of equitable development initiatives at the local level. This can be challenging for local innovators as they work to manage multiple expectations towards successful implementation. For example, in the Green Impact Zone, weatherization work has yet to begin as city and state officials have only recently received their first batch of stimulus dollars for this program. This has made it challenging to build momentum for the Green Impact Zone, especially with residents.

Distributing resources in a more timely manner can significantly improve the success of equitable development initiatives like the Green Impact Zone.

6. Invest in building strong organizations to carry out this work.

Strong organizations, grounded in and accountable to community, are paramount to effective and integrated place-based initiatives. However, federal funding rarely covers the expenses for the range of things needed to build strong, high-capacity organizations. For example, the costs for systems, infrastructure, and the sophisticated back-office staff required to implement these initiatives are rarely covered for community-based organizations, while they are covered for research and academic institutions. Community-based organizations are constantly boot-strapping it to find the funds to cover these costs from other sources.

In addition, while many federal agencies offer packaged technical assistance to grant recipients, tailored technical assistance that is culturally appropriate is extremely rare. Solving problems with appropriate experts requires amassing additional resources, not using available assistance services.

A significant federal commitment to building strong organizations at the local level is critical to scaling and sustaining equitable development initiatives like the Green Impact Zone.

Conclusion

With a new administration that is committed to investing in what works, we have a unique moment as a nation to establish a more robust and supportive policy framework for advancing the vision and promise of the Green Impact Zone and other integrated, place-based initiatives focused on building communities of opportunity. The time is now to turn the promise into reality in communities across America.

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