Economic Development

Through a Racial Lens

By James Head & Tanya Clark Marston

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September 2007

Acknowledgements

This report would not be possible without the commitment on the part of so many people to racial and economic justice. Thank you to the following individuals and organizations:

The Ford Foundation and the Marguerite Casey Foundation for contributing the funding that enabled the research and development of this report.

The San Francisco Foundation's CEO, Sandra R. Hernández, MD, the Board of Trustees, and the staff for their support on this project.

The community foundations in each of the five cities in the project for disseminating the survey, organizing focus groups, and lending their expertise:
- Greater Cincinnati Foundation—Ellen Gilligan, Vice President for Community Investments, and Kathryn Merchant, President
- California Community Foundation—Alvertha Penny, Vice President for Programs
- The Community Foundation for Greater Atlanta—Lesley Grady, Vice President of Community Investments
- Greater St. Louis Community Foundation—David Luckes, President and CEO
- East Bay Community Foundation—Carla Dartis, Vice President of Community Investment

The nonprofit organizations and other key individuals who helped distribute the survey, convene the focus groups, and shared their personal and professional experiences:
- Sandra Moore, President—Urban Strategies, Inc., St. Louis
- Vince Schoemehl, Former Mayor, St. Louis
- Roger Clay, President; Tarecq Amer, Program Specialist II; and Anouk Shambrook, Program Specialist II—National Economic Development and Law Center, Oakland
- Jim King, President—Community Redevelopment Group, Cincinnati
- Marsha Visher, Executive Vice President—Urban League of Greater Cincinnati
- Shirelen Anderson, Executive Director—Atlanta Fulton Family Connection

Ingrid Benedict and Pella Schaffer for their research assistance.

All of the survey respondents and focus group attendees for sharing their time and perspective with us.

The readers who reviewed drafts of this report and provided their expertise and suggestions.

The practitioners and program managers that provided input on the promising initiatives taking place across the country.

ACKNOWLEDGEMENTS (continued)

THE REPORT AUTHORS:

Dear Colleagues,

Economic Development Through A Racial Lens is a report that concludes a project started in 2001 when the National Economic Development and Law Center (NEDLC) was asked to serve as a technical advisor to a City of Cincinnati Race Commission. The Commission was created in the aftermath of the shooting death of an African American man by police. The incident sparked an immediate and hostile reaction from many African American Cincinnati residents that resulted in property damage, injury, and civil unrest over a number of days and brought national and worldwide media attention on the city.

Many community leaders in Cincinnati saw the reactions of residents as a mixture of deep frustrations over building racial tensions fueled by economic and social inequities in the city. With the creation of the Commission, the Greater Cincinnati Foundation, a regional community foundation, stepped forward to provide leadership and support for the Commission's task of examining ways the city could address the racial, economic, and social concerns identified by community, business, and city leaders.

One task was to identify economic and social strategies in other cities that could inform the work in Cincinnati. What emerged was that a number of other urban cities seemed to have the same racial tensions as Cincinnati, especially in communities and neighborhoods of color with high concentrations of poverty. These tensions were heightened by changing demographics and economic conditions, especially in those cities experiencing significant downtown housing and commercial development.

We concluded that further exploration of racial tensions and the influence of economic development in urban cities was warranted. Supported by the Ford and Marguerite Casey Foundations, and with The San Francisco Foundation as lead partner, *Economic Development Through a Racial Lens* strives to capture the opinions of city residents about race and economic development and to provide recommendations and strategies on how investments made by philanthropic, governmental, business, and community stakeholders can strategically connect the important issues of race and economic development.

If this report raises your interest in the intersection between racial attitudes and who benefits from economic development strategies in our cities, our goal for the project will have been accomplished. If it moves you to seek further explanation as to how to intentionally link race relations and economic development activities as we facilitate financial and human investments in urban cities, you will join many city residents who believe addressing these issues is tantamount to the long-term prosperity of urban America. Enjoy the report.

Sincerely,

James W. Head
Director of Programs

Tanya Clark Marston
Program Coordinator

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Introduction

Issues of race and poverty continue to be of vital importance in our most populated and culturally diverse urban cities. There have been numerous incidents in recent years that have drawn our attention to the complexity of these issues, often in painful and disturbing ways. The good news is that practical solutions exist to these complex problems. Across America, programs and initiatives are tackling some of the most devastating effects of poverty and racial tensions in strategic and effective ways. One area of focus has been strategies targeted at improving the economic conditions of individuals, families, and communities in urban cities in an effort to achieve greater economic and social equity for those most at risk. An important result of these strategies has been the sense that with these economic improvements have come improvements in race relations and a lessening of racial tensions among those receiving specific economic benefits.

Economic Development Through a Racial Lens is a joint project of The San Francisco Foundation (TSFF) and the National Economic Development and Law Center, funded by the Ford Foundation and the Marguerite Casey Foundation. This project evolved out of work conducted in Cincinnati following the civil disturbance that occurred there in 2001[1]. This work revealed that Cincinnati was not unique in experiencing racial tensions that were exacerbated by the inequitable economic development activity occurring in the city. The report that follows is meant as a starting point for foundations to begin to understand the interconnectedness of economic development activities and race relations in urban cities. In addition, we hope this report will be useful to the nonprofit, governmental, and business sectors — all key collaborators in the arena of economic development.

> Comprehensive economic development helps individuals and families lead productive lives and sustain themselves and their communities at viable levels. Without good jobs and supporting economic development, individuals are less likely to feel they have a stake in the accepted values of this society, including racial tolerance. — *Atlanta Resident*

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[1] For more information about the civil disturbance in Cincinnati, please visit the Cincinnati City Profiles section on page 14.

INTRODUCTION (continued)

Methodology

For this project we examined the intersection between economic development strategies and race relations in five U.S. cities of varying size and demographic make-up. In order to get an on-the-ground perspective from the people living in cities facing these issues in their daily lives, *Economic Development Through a Racial Lens* surveyed over 900 residents and interviewed more than 60 key leaders. Our survey and focus-group results revealed both common and divergent views, mostly along racial lines, on what residents think about race and economic development in their cities, and how philanthropic, governmental, corporate, and community investments can more strategically connect these two important issues.

Findings

After studying and surveying these five cities, several issues emerged that reflect national trends occurring throughout the country. Many urban cities have focused on revitalizing their downtown areas, leading to potential gentrification and demographic changes in the surrounding neighborhoods. Demographic changes in turn are creating tensions as cities become more culturally diverse and residents struggle for limited resources. Discussions about these demographic changes and about race can be challenging for people to engage in. Additionally, regional approaches to growth and economic prosperity continue to gain momentum as land use and environmental concerns influence city-suburb relationships. And finally, we found that racial tensions are greatest where there is a high concentration of poverty.

Promising strategies and lessons-learned applicable to improving race relations and ensuring equitable economic development activities include:

1. Economic development activities must be connected to a *regional* economic growth strategy.
2. The *public, private, and nonprofit* sectors must *collaborate* on economic development projects to ensure they are meeting the needs of all citizens.
3. Residents must be *civically involved* and able to advocate for their needs.
4. Implementing economic development strategies that include resident ownership and *community benefits* can address racial tensions while spurring economic growth.
5. Increased venues are needed for *dialogue* and *relationship building* amongst different cultures.
6. *Other factors* outside of economic concerns contribute to racial tensions.

> Programs that encourage economic investment and access to affordable housing and education are critical in creating a level playing for all people and fostering a more constructive conversation on race relations. — *Los Angeles Resident*

For each of the lessons and recommendations listed above, the report highlights some of the most promising initiatives that are being undertaken across the country.

There are several voices in the philanthropic and nonprofit sectors that are actively engaged in issues on race and diversity. On a parallel track are organizations and foundations working on economic development. This report is intended to create a bridge between these two areas of research and discourse. We hope that the information contained in these pages is seen as a call to action, the beginning of a longer conversation that will become more enriched as additional voices come to the table to engage in supporting economic development projects through a racial lens.

Methodology

This report is an effort to further the discussion on the intersection of racial attitudes and economic development activity through the eyes of residents in five urban cities: Atlanta, Georgia; Cincinnati, Ohio; Los Angeles, California; Oakland, California; and St. Louis, Missouri.

Our sampling of cities is not meant to be inclusive of every type of city in America[2]. Rather, we strove for diverse perspectives from cities dealing with a variety of different issues related to racial tensions and economic development. Los Angeles and Cincinnati were chosen because they had a serious incident of racial violence in the past 15 years. The city of Atlanta was chosen based on its reputation of having implemented economic development strategies benefiting the African American community. St. Louis was chosen because of the current potential for racial strife involving issues related to reform of its public education system. Oakland, a city within the service area of The San Francisco Foundation (TSFF), was selected because of its rich population diversity and experiences with a number of initiatives and place-based funding strategies by TSFF and other foundations designed to improve economic and social conditions for residents in many of its multicultural neighborhoods.

After we selected the cities, we developed an online survey instrument that included a combination of multiple choice and short answer questions[3]. Once the survey was developed, we tested it with TSFF staff and Bay Area colleagues. Following the testing phase, we reached out to community foundations in each of the cities in the project to partner with them on distributing the online survey. In every city, the community foundation distributed the survey to their grantees. We also worked with United Ways, community economic development corporations, local chambers of commerce, and civic leaders to distribute the survey.

Fifty-seven percent of survey respondents worked in the nonprofit sector. The local knowledge represented by those working in the nonprofit sector offers a highly valuable perspective on issues happening in local communities. Other respondents worked in foundations, government, business, academia, as volunteers, or "other." The results of the survey do not represent a statistically significant sample because the survey was not scientifically administered. However, because the respondents represented a group of people with local, on-the-ground knowledge, it is possible to draw important conclusions based on the valuable input of the 934 respondents. Survey results were collected from February 2006 through November 2006.

Following the survey collection, we hosted focus groups in each city that averaged 10-20 people from a cross-section of the community. These individuals were invited based on recommendations from other partners in this project. We kept the focus groups open to anyone who was interested in attending. In the focus groups we presented the survey results and sought feedback on how accurate a picture the survey responses created about the city. We collected additional valuable feedback on the state of economic development activities and race relations, as well as suggestions on how we could have improved the survey questions. The information from the focus groups is incorporated into this report.

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[2] For example, there is no city in the Northeast represented in this study.
[3] The San Francisco Foundation, www.sff.org/about/publication/other-publications-1

Definitions

Economic Development

We used the following definition of economic development from the American Economic Development Council. This definition was included in both the survey and in the PowerPoint presentations for the focus groups.

"Economic development is the process of creating wealth through the mobilization of human, financial, capital, physical, and natural resources to generate marketable goods and services."

For the following terms we did not provide specific definitions in the survey, PowerPoint, or focus groups. However, we define them below so the reader understands how we are using each term throughout the report.

Race Relations

We understand race relations to mean how people of various races interact with one another in either a positive or negative way.

Racial Tension

We understand racial tension to be a state where people are at odds with one another based on race. Racial tension can be a state of mind and/or can manifest through actions. One of the purposes of the survey was to explore what factors lead to or exacerbate racial tensions.

Racial Violence

We understand racial violence to be an incident in which an act of violence is committed against another person based on race. An act of racial violence can also occur after a person or group of a particular race acts out against their mistreatment. Acts of violence can include police brutality against specific races, school gang violence, riots, and inter-ethnic homicides.

Racial Incident

We recognize that there are incidents of racially based violence that occur frequently in many communities of color. For the purposes of this report, we use the term "racial incident" to refer to a major incident that generated significant media attention and public discussion.

Setting the Context:
Issues Facing our Cities

We found that there are similar elements in the cities we studied that contribute to ongoing tensions around community and police relations, racial dynamics, and economic and social inequities. We believe that the issues facing the cities we studied are representative of phenomena that cities across the nation are dealing with. Awareness of these cross-cutting issues can help to influence future planning and policy decisions.

Urban Revitalization and Gentrification

There is a high potential for urban revitalization and possible gentrification within the urban core of the city, especially downtown. Each city in the project is experiencing significant downtown development stimulated by market, business, and governmental forces.

Considerable economic and social changes have occurred in the neighborhoods surrounding this development, which has led to shifts in demographics and income levels of residents now living in those neighborhoods.

In each city examined, there are a number of key neighborhoods that are prime candidates for revitalization efforts that at best will bring economic and social stability, and at worst will create substantial displacement of current residents.

> Gentrification is causing displacement, which is in turn exacerbating racial tensions, as low-income people-of-color are being pushed out of vibrant neighborhoods in San Francisco and Oakland. We've seen some affordable housing, but not nearly enough to really benefit low-income people. — *Oakland Resident*

Demographics are Changing

The cities examined are experiencing various stages of cultural change within their populations. Los Angeles and Oakland lead the way with significant growth in the Latino/Hispanic and Asian/Pacific Islander populations. While Atlanta, Cincinnati, and St. Louis have maintained their historic Black/White majority resident composition, these cities are also becoming more multicultural and diverse. These

SETTING THE CONTEXT (continued)

changing racial demographics have led to discussions about shifting cultural majorities and the potential political and city government changes that might happen as a result.

> In Atlanta, race relations when I arrived in the late 70s were strictly a matter of Black and White. Since that time a significant number of other minorities — primarily Hispanic and Asian — have moved into the city, resulting not only in tensions between Black and Whites, but between minorities. — *Atlanta Resident*

Acknowledging Race is an Issue

Race can be a difficult subject to address. Respondents from the cities in the project often commented that public officials, business leaders, and other community stakeholders have a hard time acknowledging that racial tensions exist. Race can be a difficult topic to discuss and therefore is often left out of the conversation entirely. Ideas about race can originate from personal experiences, culture, and geography. These differences can lead to challenging discussions and differences of opinion that many tend to avoid. Strong facilitation and building a foundation of trust are necessary for conversations about race to take place in a healthy and productive way.

> The barrier prohibiting the city from addressing the racial tensions is the complete denial that any exist. If you don't think there is a problem then you won't act on a problem. — *Cincinnati Resident*

Poverty and Racial Tensions

High concentrations of poverty exist in those neighborhoods where racial tensions are greatest. The cities examined showed increasing levels of racial tensions in communities where minorities lived in higher levels of poverty, suggesting that it continues to be extremely difficult to disconnect the issues of race and poverty. The ability to achieve improved race relations will be directly influenced by whether we can improve the economic and social conditions of those living in communities where racial tensions are highest.

> The increased economic stratification of the population here tends to bring increased racial segregation, and that leads to a lack of familiarity between different ethnic/racial groups. This, in turn, leads to prejudice and/or avoidance of other groups. — *Oakland Resident*

City Profiles

Each of the cities included in the report has its own profile that contains summaries of the responses by the survey and focus group participants. The profiles reveal the similarities and differences among the five cities in terms of demographics, race relations, and economic development activities. Highlights of the findings in all of the cities include:

1. Perceptions of racial tensions vary by ethnicity.
2. The majority of respondents felt that upper- and middle-income residents benefited the most from publicly and privately sponsored economic development activities.
3. The majority of residents felt that economic development is highly important in impacting race relations.

ATLANTA

Demographics

In 2005, Atlanta had a city population of approximately 394,929, with 58.2% of that population identifying as African American/Black, 33.8% White/Non-Hispanic, 4.6% Hispanic/Latino, 2.0% Asian/Pacific Islander, and 1.4% Other[4]. The median household income in the city was $34,770, with the gap between White and Black median household incomes almost $40,000 (White median household income at $61,619 and Black median household income at $23,128). Atlanta is a city in the middle of one of the fastest growing regions in the country, with expanding suburbs as well as continued downtown revitalization. Capitalizing on hosting the 1996 Olympics and having been among the first to develop a regional state of the art airport, Atlanta is seen by many as a model city of inclusive economic development with significant domestic and international business headquarters, education and cultural institutions, and diverse leadership in city and county government.
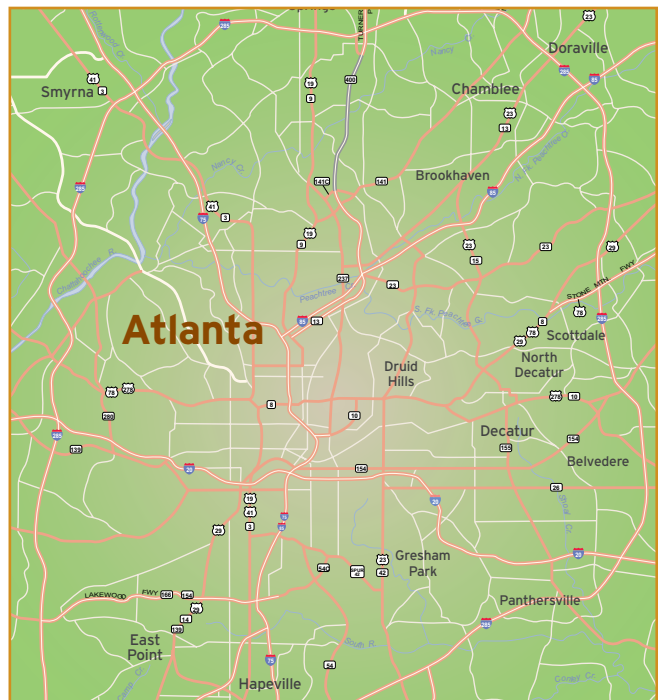
For the city of Atlanta we received 147 responses to the survey. The majority of respondents work in the nonprofit sector (61.9%) and fall into the following racial categories: White/Non-Hispanic (61.2%), African American/Black (34%), Hispanic/Latino (4.7%), Asian/Pacific Islander (2.7%), and Other (1.4%). The majority of respondents have lived in Atlanta for the past 15 years (62.6%).

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[4] The source for all demographic information for the five cities was obtained from: 2000 US Census, 2005 American Community Survey, available online at www.census.gov/acs/www/. Many of the statistics were pulled from American Fact Finder table B03002 of the 2005 American Community Survey.

ATLANTA (continued)

2%
Asian/Pacific Islander

1.4%
Other

4.6%
Hispanic/Latino

33.80%
White/Not Hispanic

58.2%
African American/Black
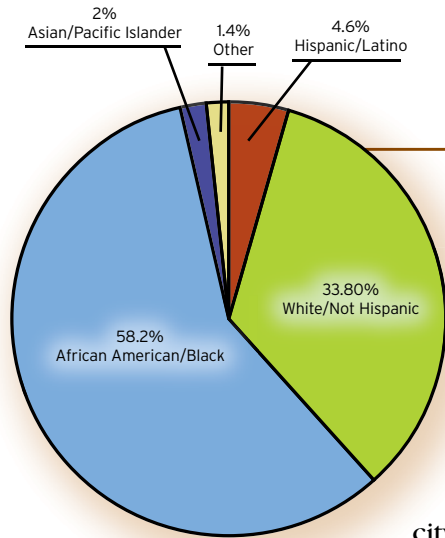
Atlanta Demographics

Race Relations

Atlanta has not experienced a visible and nationally recognized racial incident or violence since the early 1960s. Often called the training ground of the civil rights leadership, Atlanta residents including Dr. Martin Luther King, Jr., Hosea Williams, and Andrew Young helped move our country through the early stages of the civil rights movement. When asked if their city had experienced a major incident creating serious racial tensions and violence in the last 15 years, 62% of survey respondents said no. What was interesting was the breakdown of those responses between African American and Whites. Of African Americans responding to the question, 53.1% answered no and 46.9% answered yes, a fairly close difference. Of Whites answering the same question, 67.8% answered no and 32.2% answered yes, a much wider difference. This implies that Whites have a more positive perception of race relations in Atlanta than do African Americans. When asked to cite an incident, those who believed one had occurred most frequently mentioned "Freaknik" of the mid-1990s, the Rodney King verdict of 1992, racial hate crimes in Little Five Points in 2003, and the Wayne Williams case of the 1980s.

During the Atlanta focus group it was noted that the issues surrounding "Freaknik," while mentioned by many as a racial incident, were seen in a negative light by African Americans as much as by Whites. "Freaknik" started as a small event in Atlanta, primarily by the local Historic Black Colleges (Morehouse, Spelman, Morris Brown, and Clark), that decided to hold events for students during the school spring break period. As word spread to other colleges around the country, African American students from throughout the U.S. began to descend on Atlanta in March and April for weeks of parties, concerts, and other student activities. The event began to attract more students than the city's hotels and infrastructure could handle, and many residents of the city began to complain. Over the years there have been a number of incidents of student rowdiness and confrontations with Atlanta law enforcement officials. The focus group suggested that this was an example of a perceived Black/White incident of race that in fact had significant Black/Black dynamics.

When asked about race relations before and after the incident they cited, respondents indicated that racial tensions have lessened, but suggested that significant tensions still exist. African American and White Atlantans agree that the primary causes of racial tensions are 1) lack of opportunity to find employment, receive education, and healthcare, and 2) inter-ethnic conflict due to attitudes/biases. When asked to list other barriers prohibiting the city from addressing racial tensions, survey respondents listed *"blind boosterism"* ("Atlanta is a city too busy to hate") that mask the underlying racial tensions; self-segregation in terms of residential choices, schools, and places of worship; failure to get past historical racial biases and pre-civil rights attitudes; poor, under-funded education system and lack of job opportunities; and business ownership remaining largely White. The focus group noted that much of the current racial tension in Atlanta is around the perception or reality that while African

Americans in Atlanta have achieved a significant level of political power and leadership (including a succession of African American mayors over the last 20 years), African Americans have still not achieved true senior leadership in the corporate and business community. Because many believe the business community wields influential power in the city, this leads some residents to question how much "true power" African American Atlantans have. Their conclusion is that while the city continues to put forth *"booster"* slogans, there is very little dialogue and discussion about race, power, and inequity.

Economic Development and Race

Over 85% of both African American and Whites believe Atlanta has experienced significant economic advancement and development activity over the last 15 years that has affected race relations. The most significant economic advancement and development activity was identified as increased business activity and new businesses in the area (91%). However, when asked who benefits from these activities, an interesting set of responses emerged. Among African Americans, the response was that upper-class Atlantans benefited the most, followed by middle-class Atlantans, and lastly low-income Atlantans. White respondents felt middle-class Atlantans benefited most, followed by upper-class Atlantans, and agreed with African Americans who ranked low-income Atlantans as benefiting least. All the respondents strongly agree that there is a direct correlation between economic advancement and improved race relations, and that economic advancement/improvement is the most important factor in positively impacting racial tensions in Atlanta.

When asked how they saw economic development affecting race relations, a number of consistent responses came through. First, survey respondents agreed that economic development does improve race relations. They pointed to an increasing minority middle-class in Atlanta. However, they also noted increased racial tensions developing among African Americans as more Whites move into the downtown city area as a result of revitalization efforts. Additionally, they noted some resentment among Whites because of programs, contracts, and grants being directed to minorities. During the focus group, many participants attributed this White resentment to successful efforts by former Mayor Maynard Jackson to include African American businessmen and contractors in the building and concessions operation of the new Atlanta airport. Using federal affirmative action regulations and local goals and targets, Mayor Jackson was able to solidify the economic stability of the Atlanta African American middle class through independent and joint-venture partnerships in the private sector using the airport construction and operations as leverage.

Atlanta is often mentioned by African American residents of other cities as the model they are working towards. Its history of African American leadership in city and county government is difficult to match in other U. S. cities to date, and its city and regional economic growth is impressive. It also has many of the challenges of most urban cities: affordable housing shortages; struggling urban school system; jobs/housing mismatch; traffic congestion and sprawl; and urban/suburban tensions. The survey and focus group revealed a keen awareness of how race factors into these challenges, and a strong desire by those who responded to go deeper on issues of race.

CINCINNATI

Demographics

Cincinnati is the third largest city in Ohio, with a population of 331,000. According to corrected census information, the city's population remained the same between 2000 and 2005. The race and ethnicity makeup of Cincinnati in 2005 was 48.8% White/Non-Hispanic, 46% African American/Black, 2.4% Asian/Pacific Islander, 1.3% Hispanic/Latino, and 1.5% Other. The median household income for Cincinnati in 2005 was $38,763, and the homeownership rate was 39% (as compared to the national rate of 66%). Cincinnati sits in a region of over two million people (including 15 counties in three states) and in which the African American population is less that 6%.

For the City of Cincinnati, we received 186 responses to the survey. The largest number of respondents work in the nonprofit sector (38.7%), followed closely by the private/business sector (30.7%). In terms of response by race, African Americans/Blacks represented 62.4% of the responses, Whites/Non-Hispanics represented 35.5%, Hispanic/Latinos .5%, and Others 1.6%. Additionally, 80.1% of respondents lived in Cincinnati for 15 or more years.

Race Relations

The neighborhoods in Cincinnati are highly segregated. Typically most African Americans reside closer to downtown (such as Over-the-Rhine and Avondale in Cincinnati and Covington across the river in Kentucky), with White clusters (such as Mount Adams, University Heights, and Clifton) being further from the center. There are also some integrated neighborhoods, but these are often surrounded by more polarized neighborhoods.

In April 2001, police in Cincinnati shot and killed Timothy Thomas, an unarmed African American adult from the Over-the-Rhine neighborhood near downtown. The killing was the 15th death of an African American male by police in the previous six years and the fourth killing since November 2000. This incident sparked an immediate and hostile reaction from residents in Over-the-Rhine, a predominantly African American neighborhood beseeched by poverty and encroachment by the growing Cincinnati downtown business district. Within hours of the shooting, Cincinnati residents were destroying property and looting downtown and the surrounding neighborhoods. These actions continued for over four days and resulted in national and worldwide attention for the city.

2.4%
Asian/Pacific Islander

1.5%
Other

1.3%
Hispanic/Latino

48.8%
White/Not Hispanic

46%
African American/Black
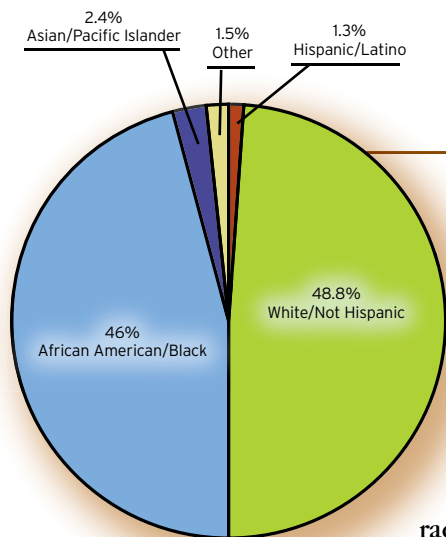
Cincinnati Demographics

In response to the riots and in an effort to find solutions to the tensions, Mayor Charles Luken created Cincinnati Community Action Now (CAN), a race commission, and charged it with the task of examining ways the city could address the racial, economic, and social concerns identified by community, business, and city leaders[5].

Cincinnati was the only city in our survey that had a recent serious racial incident. Asked to list such, 98.9% of respondents cited the 2001 riots connected to the fatal shooting of Timothy Thomas by a police officer. More than 50% of both African American and White respondents classified race relations before and after the incident as "high tension." In identifying causes of racial tensions, both African American and White respondents agreed that the lack of opportunity to find employment, receive education, and healthcare was their number one cause. Number two for African Americans was racial profiling/insensitivity by police, while for Whites it was inter-ethnic conflict due to attitudes/biases. Number three for African Americans was inter-ethnic conflict due to attitudes/biases, while for Whites it was competition for scarce resources and racial profiling/racial insensitivity by police.

When asked what barriers have prohibited Cincinnati from addressing racial tensions, the most frequent responses included: lack of honest conversations and actions regarding race and class; lack of city leadership and real action; media; divided communities; and Cincinnati's struggle with its history. There was a strong sense that there was denial amongst the leadership in the city that there were issues with racial tensions at all.

The Cincinnati focus group confirmed a number of the barriers stated by survey respondents, and brought forth a number of additional ones. They emphasized the role of the media, such as newspaper, radio, and TV, in portraying the circumstances leading up to the police shooting and subsequent riot as one of not being balanced and objective in their reporting. Attendees added economic development, especially the lack of minority contracting and business opportunities, as a major reason for the African American community's frustrations. They explained that Cincinnati has only one-third of the total regional population and any strategies for addressing race and other problems have to be considered in the regional context. Lastly, they noted the importance of examining the ongoing exodus of young African American students and professionals to other cities (like Atlanta), leaving a professional void in the city.

Economic Development and Race

The responses of Cincinnati residents to the economic development questions were also illuminating. Both African American and White respondents strongly felt Cincinnati has not experienced significant economic development activity over the last 15 years that has affected race relations. When asked who had benefited most from economic development activities, African American residents strongly responded upper-class residents while White residents were evenly split between middle-class and low-income residents. When asked how they saw economic development affecting race relations, answers included: tensions between people of color in low-income and in middle-income communities; lack

[5] See the Cincinnati Community Action Now "CAN" Promising City Initiative on page 40 of this report.

CINCINNATI (continued)

of inclusion of "minority" businesses in planning and implementation; not creating real economic opportunities; and "displacement" and "gentrification" causing movement out of the city.

Of the five cities in our project, Cincinnati offers the best opportunity for a "case study" view because of its recent racial events and efforts to respond (2001–2006). Five years is a short period of time to address issues that have been building for decades, and a recent report on their progress suggests the city is making incremental progress.[6] The report states that perhaps Cincinnati CAN's most important accomplishment during its work (2001–2003) was to keep the spotlight on the need for action, generating public discussion about Cincinnati's racial disparities and keeping the issues on the public's mind. One of the recommendations from the report is the development of a "report card" on race relations and disparities in the region that will be widely disseminated annually.

[6] Sharon L Edwards. *Cincinnati in Black and White 2001-2006: A Report to the Community from Better Together Cincinnati*. The Greater Cincinnati Foundation, 2006.

LOS ANGELES

Demographics

Los Angeles is the largest city in California and the second largest in the nation. The City of Los Angeles had a population of over 3.7 million in 2005, which represents a growing population since 2000. The demographic breakdown of race and ethnicity in Los Angeles in 2005 was as follows: 48% Hispanic/Latino, 28.5% White/Non-Hispanic, 11.5% Asian/Pacific Islander, 9.6% African American/Black, 2.4% Other. The median household income in Los Angeles in 2005 was $42,667. The City of Los Angeles is in Los Angeles County, which has a population of over 9.7 million people.

The City of Los Angeles is one of the most ethnically diverse cities in the country. A destination for immigrant communities, primarily from Mexico, the City has seen its demographics change significantly over the last decade and a half. In 2000, immigrants accounted for over 40 percent of the City's population while the percentage of Whites living in the City decreased as approximately 200,000 moved elsewhere.[7] The City and County of Los Angeles is largely segregated geographically by race and class, creating challenges in overcoming racial tensions and in building bridges across ethnic communities. As neighborhoods and communities change in Los Angeles, it is even more important to have strategies that directly address racial attitudes and that provide solutions to the problems faced by low-income people of color.

For the City of Los Angeles, we received 154 responses to the survey. The majority of respondents work in the nonprofit sector (76.6%) and fall into the following racial categories: White/Non-Hispanic (42.9%), Hispanic/Latino (23.4%), African American/Black (16.2%), Asian/Pacific Islander (14.9%) and Other (2.6%). The majority of respondents lived in or near the City for the past 15 years (68.2%).

Race Relations

Out of all of the cities included in this project, Los Angeles experienced the most visible and nationally recognized incident of racial tensions and violence in the last 15 years. When asked if Los Angeles had experienced an incident of racial violence or tensions, the majority of respondents (92%) cited the aftermath of the 1992 Rodney King verdict and the race riots that ensued. In addition to these riots, a handful of people listed the more recent shooting of African Americans by the police and the current tensions between Black and Hispanic students in the schools.

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[7] Living Cities: The National Community Development Initiative. *Los Angeles in Focus: A Profile from Census 2000*. The Brookings Institution Center on Urban and Metropolitan Policy, 2003.

LOS ANGELES (continued)

11.5%
Asian/Pacific Islander

2.4%
Other

9.6%
African American/Black

48%
Hispanic/Latino

28.5%
White/Non-Hispanic
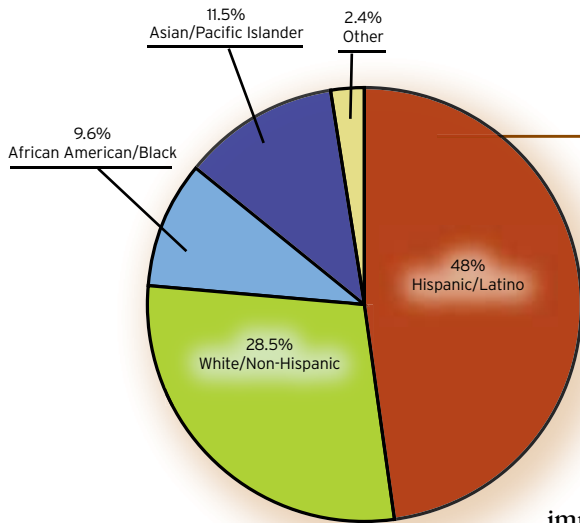
Los Angeles Demographics

When asked about race relations before and after the Rodney King riots, the general sentiment was that racial tensions were actually slightly worse today than they were before the riots. Additionally, 7.9% of respondents felt that there was open conflict among different ethnic groups before the incident and 11.8% feel there is open conflict today. However, perceptions around racial tensions vary by ethnic group. Whites and Asian/Pacific Islanders on the whole felt that race relations had improved, while African Americans and Hispanics felt that they had gotten worse.

When examining what various ethnic groups believe to be the causes of racial tensions, all groups cited a lack of opportunity to find employment and receive adequate education and healthcare as the root causes of the tensions. Additionally, all groups cited racial profiling/racial insensitivity by police as a main driver of racial tensions. Finally, competition for scare resources and inter-ethnic conflict due to attitudes/biases and new immigrants moving into communities were also cited as causes of tensions. In part, these responses imply that class and economic opportunities greatly impact how ethnic groups interact with one another. However, the racial profiling by police reveals that institutional racism is also a problem.

When asked what barriers have prohibited Los Angeles from addressing racial tensions, many said there is a fear and unwillingness to talk about racism and racial issues; there is a lack of political will and leadership to address racial tensions; there is a growing divide between the rich and poor, and many communities don't have access to good schools, jobs, and affordable housing; and there is a lack of dialogue and space for open discussion to educate people about various cultures and how to address racial tensions.

Economic Development and Race

The economic health of the cities we studied as well as the national economy both influence how different ethnic and racial groups interact with one another. Los Angeles has seen an increase in low wage jobs, a decrease in middle-class families, and a higher prevalence of poverty than other areas of the state over the last few decades.[8] These economic realities disproportionately impact low-income people of color and can lead to increased racial tensions. When asked if Los Angeles had experienced significant economic advancement and/or development activity over the last 15 years that had affected race relations, every ethnic group with the exception of White respondents had a high rate of answering "yes" to this question. The White response rate could be interpreted to mean that while they may have witnessed significant economic activity in the city, they do not believe that it impacted race relations.

[8] Alissa Anderson Garcia. *Left Behind: Workers and Their Families in a Changing Los Angeles*. California Budget Project, September 2006.

The majority of respondents listed increased business activity and new businesses in the area as the most significant economic development activity the city has experienced in the last 15 years. This response was consistent in all of the cities we studied. Improvements in access to public transportation, increased job training and employment, and upscale redevelopment were also noted as taking place.

For those respondents that did believe the city was experiencing significant economic development, we provided an open-ended question of "How do you see this development affecting race relations?" The responses were similar across all ethnic lines: the effects of economic development on race relations depends on the type of development and the ability of groups to navigate through the system and take advantage of opportunities as they arise. Many respondents listed gentrification as a major problem and a contributing factor to racial tensions. As new real estate and business development occurs, many low-income communities of color are displaced and do not benefit from the development taking place. Inter-ethnic tensions increase, and there is a battle over who has access to new jobs that are created in the community that exacerbates the gap between the haves and the have-nots. Other respondents cited that when economic development is done in a more inclusive manner, it can increase the educational and economic opportunities for a greater portion of the population and bring the community together.

When people of diverse racial backgrounds stop feeling like they have to compete with one another for scarce resources, and when equal economic opportunities are available to all, racial tensions will decrease.

In addition to the open-ended responses, we asked "Who do you feel benefited most from the economic development activities?" Whites, African Americans, and Latinos believed that upper-class people benefit most from the development activities, while Asian/Pacific Islanders believed that the low-income and middle-class populations benefited more than the upper-class. The majority of respondents strongly agreed that there is a direct correlation between economic advancement and improved race relations. However, not everyone believed economic advancement/improvement is the most important factor in positively impacting racial tensions in Los Angeles, although many strongly agreed that it was an important factor. The respondents also conveyed that it is very important for the city and county governments to play an active role in providing economic development strategies that benefit those who are disadvantaged in the community. Yet, respondents had mixed feelings about the role the nonprofit sector is playing in engaging in economic development activities that improve race relations.

Commonly occurring ideas on how to improve racial tensions included: providing equal access to education; working with youth to help them develop better communication skills and an understanding of different cultures; including more people of color in the community planning process and in creating a vision for the city; working on more coalition building across and within communities of color; and providing opportunities for people to access jobs, healthcare, and affordable housing.

The picture that emerges in the City of Los Angeles indicates that inter-ethnic community building is crucial to the health of Los Angeles. One of the most important factors that can help contribute to this

LOS ANGELES (continued)

is economic development strategies that include a racial equity lens. When people of diverse racial backgrounds stop feeling like they have to compete with one another for scarce resources, and when equal economic opportunities are available to all, racial tensions will decrease. Through approaching economic development strategies with a racial equity lens, issues of institutional racism will also start to surface and be addressed. As the City of Los Angeles continues to undergo dramatic demographic and economic shifts, it is imperative to implement economic development plans that can both absorb the growing and diverse population of the city and provide opportunities for low-income people of color to work toward entering the middle-class.

OAKLAND

Demographics

As the eighth largest city in the state of California, Oakland is home to a diverse population with African Americans, Latinos, Whites, and Asians all contributing to a significant share of the population. While some of this diversity resulted from the influx of workers that came to the city to work in the shipyards and ports during World War II, the more recent population gains have also contributed to the rich demographic composition of the city. Throughout the 1990s, the city of Oakland experienced a 7% population increase primarily driven by the addition of 33,000 foreign-born residents.[9] Like other U.S. cities, Oakland is experiencing shifting demographics that impact how residents interact with one another and that require local governments and nonprofits to adjust their services and planning to accommodate the future growth and population composition of the city.

In 2005, the population of Oakland was slightly under 374,000. The demographic breakdown of race and ethnicity in Oakland in 2005 was as follows: 30.4% African American/Black, 25% Hispanic/Latino, 23% White/Non-Hispanic, 17.1% Asian/Pacific Islander, 4.5% Other. Median household income for Oakland was $44,124.

For the city of Oakland, we received 277 responses to the survey. The majority of respondents work in the nonprofit sector (58%) with the philanthropic sector as the second most represented field (22.4%). The respondents fall into the following racial categories: White/Non-Hispanic (46.2%), African American/Black (24.9%), Asian/Pacific Islander (13.4%), Hispanic/Latino (10.1%), and Other (5.1%).

Race Relations

While Oakland has not experienced an incident of racial violence that has garnered national attention, 55.1% of survey respondents believe that Oakland has experienced an incident that has led to racial tensions and violence over the last 15 years. Out of all of the racial groups surveyed, every group had a greater number of people who believed that Oakland had experienced an incident of violence with the exception of Asian/Pacific Islanders. 65.5% of Asian/Pacific Islanders believed that an incident had not occurred in Oakland.[10]

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[9] Living Cities: The National Community Development Initiative. *Oakland in Focus: A Profile From Census 2000.* The Brookings Institution Center on Urban and Metropolitan Policy, 2003.
[10] It is important to state that the number of survey responses does not constitute a proportionally accurate representation of the viewpoints of Asians living in Oakland.

OAKLAND (continued)

4.5% Other

17.1% Asian/Pacific Islander

25% Hispanic/Latino

30.4% African American/Black

23% White/Not Hispanic

Oakland Demographics

The most frequently cited incident that led to racial tensions was the Oakland "Riders" trial, spanning the early 2000s, in which Oakland police officers were accused of using brutal tactics and mistreating African American drug dealers during arrests. In addition to the "Riders" case, many respondents mentioned police brutality and the tensions between the police and Oakland residents, particularly those who are African American. However, these tensions have never erupted into a community protest or riot against such actions.

When asked if race relations had improved or declined since the incident took place, the general opinion expressed by the respondents who believed an incident occurred was that things have gotten worse. 31.2% of respondents felt that there was a high degree of tension before the incident and 41.1% of respondents felt that there was a high degree of tension afterwards. A greater number of both African Americans and Latinos felt that race relations had worsened while Whites and Asian/Pacific Islander believed they remained roughly the same.

When asked in an open-ended question if Oakland has the potential to experience an incident of violence or serious racial tensions, the responses came back mixed in terms of the likelihood of something happening. Some respondents cited the increasing violence that Oakland is experiencing, with a homicide rate in 2006 considerably higher than the previous year. However, it was noted that this violence is not racially motivated but actually is occurring within particular ethnic groups (i.e. Black on Black and Brown on Brown). Others cited the fact that Oakland has city leadership that is representative of the diverse constituencies in the city and that this mitigates the chances of violence or racial tensions erupting. Still others felt that Oakland is fairly well racially integrated in the different neighborhoods.

Those who feel that an incident of violence is likely cited the changing demographics of the city as a cause for tensions. While African Americans have been the racial majority for over the last two decades, they are now a decreasing percentage of the overall population. Oakland is experiencing an influx of affluent Whites as well as Latinos, which is causing tensions among residents, primarily African American. The ongoing struggles between the police force and certain ethnic groups within the community were also listed several times. Finally, the broken education system and the lack of affordable housing and jobs were also frequently cited by respondents. This lack of opportunity to find employment and receive education and healthcare were listed as the most important cause for racial tensions by all groups except Asian/Pacific Islanders. Inter-ethnic conflict as new immigrants move into communities and racial profiling by the police were also cited as important causes of racial tensions.

When asked what barriers exist that prevent Oakland from addressing racial tensions, many respondents expressed that there is a lack of acknowledgement that any tensions or problems exist. Respondents felt that people have neither the tools and vocabulary nor the space to have dialogues about racism or racial

tensions. Additionally, respondents listed a lack of leadership along with disparities in education and economic opportunities — with a real dearth of jobs providing livable wages — as other barriers to addressing racial tensions.

Economic Development and Race

In 1999, Oakland Mayor Jerry Brown launched an ambitious initiative to draw 10,000 new residents to downtown Oakland. By developing 6,000 units of market-rate housing, Brown hoped to attract new residents to the city and revitalize the downtown area by appealing to new businesses. Since that time, the 10K Downtown Housing Initiative has added 10,849 units of residential housing.[11] Therefore, it is not surprising that the majority of survey respondents (67.9%) said that Oakland has experienced significant economic advancement and/or development activity over the last 15 years that has affected race relations. Increased business activity and new businesses in the area were the most frequently cited activities happening in Oakland. Affordable housing developments were also cited as economic development occurring in the city.

When respondents were asked how they saw the economic development affecting race relations, many perceived the economic development to be displacing low-income and people of color from the neighborhoods where the higher-end housing was going up.[12] As one respondent said, "Tensions arise because opportunities are not equally open for all groups." Several respondents stated that African Americans have been left out from profits made by the new development and that African American businesses have not benefited from growth downtown. Another respondent mentioned that the development "further alienates and separates people by skin color and economic ability."

These findings also reflect who residents felt benefited from the development. All ethnic groups believed that the middle and upper classes benefited the most from the economic development that took place in the city. The majority of respondents also believed that there exists a direct correlation between economic advancement and improved race relations, although they do not feel that economic development is the most important factor in positively impacting racial tensions. Respondents also had mixed feelings about the role that the nonprofit sector is playing in economic development activities and the impact the nonprofits have on race relations.

When asked what strategies have worked in the city to improve race relations, several respondents noted the work being done with youth to get them civically involved and work on projects that bring people of different cultures and ethnicities together. Some also highlighted the pressing need for youth to learn ways to communicate with and appreciate various cultures, citing educational practices that needs to begin within the public schools.

It is clear that Oakland is experiencing economic development that has an impact on race relations in the city. The people surveyed for this study do not feel that the development taking place in Oakland has benefited a wide cross-section of the population, but instead has focused the benefits in the hands of primarily affluent Whites. In order to create a thriving city that meets the needs of its residents, a greater emphasis should be placed on who benefits from the development the city undertakes. A study conducted by David Binder Research in May 2006 reveals that Oakland voters are pro-growth when they believe that the growth is also tied to community benefits. Additionally, the study explains that "voters view development as a means to improve conditions in the city, with creating good jobs, improving neighborhoods, and increasing affordable housing options as the most desired outcomes of development."[13] Therefore, future development that takes into account the needs of low-income communities and people of color reflects the values of the voters and will help work toward easing economic disparities and racial tensions.

[11] Community and Economic Development Agency, www.business2oakland.com/main/10kdowntownhousinginitiative.htm
[12] However, as one focus group participant pointed out, the movement of people of color out of the city is not always due to displacement. Some people of color have voluntarily moved to the suburbs in order to find better housing opportunities and higher quality schools.
[13] *Oakland Development Analysis.* David Binder Research, May 2006.
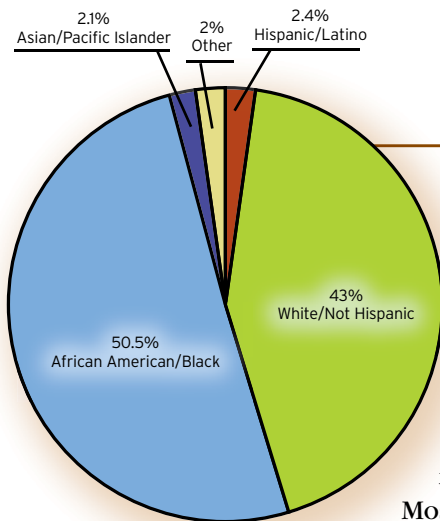
ST. LOUIS

Demographics

According to 2000 census data, St. Louis has a city population of 348,189. However, from 1990 to 2000, St. Louis population experienced a decrease of 12.2%. The 2005 population is estimated at 344,362, indicating a decrease from the 2000 census but less of a decrease than what had been experienced in the previous decade. The 2005 census population for St. Louis breaks down by race as follows: 50.5% African American/Black, 43% White/Non-Hispanic, 2.4% Hispanic/Latino, 2.1% Asian/Pacific Islander, and 2% Other. The median household income in St. Louis is $36,282, as compared to $69,340 in St. Louis County and $55,832 in the U.S. The homeownership rate in the city of St. Louis is 46.9%, as compared to 74.1% for St. Louis County and 66% for the U. S. Between 1990–2000 St. Louis lost 48,496 residents and 21,200 jobs.

For the city of St. Louis, we received 114 responses to the survey. The majority of respondents work in the nonprofit sector (36%), closely followed by residents who work in the academic/research sector (34.2%) and fall into the following categories: White/Non-Hispanic (57.9%), African American/Black (25.4%), Hispanic/Latino (4.4%), Asian (4.4%), and Other (7%). However, only 36% of the respondents have lived in St. Louis for 15 or more years, the lowest percentage of the cities in the report.

Race Relations

St. Louis is a city that has not experienced visible and nationally recognized incidents of racial tensions and violence since the early 1960s. This was confirmed by the percentage of respondents (59.8%) who answered "no" to the question of whether the city had experienced a major incident creating serious racial tensions and violence in the last 15 years. Of interest is how the responses differ between African Americans and Whites. Of the respondents that answered yes (40.2%), African Americans represented 65.5%. Of those that answered no, Whites represented 68.3%. This pattern was repeated in almost every city in the study and confirms the different viewpoints African Americans and Whites expressed on certain questions. When asked to cite an incident, the ones most recounted included low minority participation in highway projects and incidents of police beatings in 2004 and 2005. The issue around minority participation in highway projects was further discussed in the St. Louis focus group. St. Louis has invested significant money into upgrading and modernizing its highway and light rail system in response to rapid growth in the suburbs. Focus group participants expressed frustration

2.1%
Asian/Pacific Islander

2%
Other

2.4%
Hispanic/Latino

43%
White/Not Hispanic

50.5%
African American/Black

St. Louis Demographics

and concern over the lack of participation in contracting and jobs by African Americans and indicated that this issue has created significant racial tensions.

When asked whether St. Louis has the potential to experience an incident of violence or serious racial tensions, most respondents said yes and included a number of reasons. Most mentioned was economic disparity and segregation due to racial and geographic polarization. When asked to rank the causes of racial tensions, both African Americans and Whites agreed that lack of opportunity and racial profiling were major causes. While African Americans also listed city leadership as not being representative of the community, Whites felt that inter-ethnic conflicts were also important to note. When asked what barriers have prohibited St. Louis from addressing racial tensions, the four most often mentioned reasons were: dialogue around race without action; unacknowledged institutional racism; insensitivity of city leaders; and division in city neighborhoods based on race/economics.

Economic Development and Race

Over 60% of both African Americans and Whites agreed that St. Louis has experienced significant economic advancement and/or development activity over the last 15 years that has affected race relations. When asked to describe this activity, 69% listed improvements in access to public transportation, the only city to have public transportation as the top economic development activity. When asked how they saw economic development affecting race relations, St. Louis respondents focused on gentrification of downtown, and how poor people were being forced out. They also again emphasized the importance of transportation in economic development and its role in providing access to jobs and education.

When asked who had benefited most from economic development activities, African Americans felt middle-class and upper-class residents had equally benefited, and low-income residents had benefited least. Whites responded that middle-income residents had benefited most, but surprisingly listed low-income residents as having benefited more than upper-class residents.

The St. Louis focus group identified a number of other key issues impacting race in the city. Our examination of the city came during a time of controversy over the public school system, where issues of governance and representation on the School Board had polarized residents. Additionally, focus group participants expressed impatience with what they feel has been significant dialogue around race. Many feel that racial tensions are a never ending topic in St. Louis. While proud of the fact that past and current racial tensions have not erupted into violence, many feel taking the discussion to the next level is critical to lessening the existing racial tensions in the city.

St. Louis is a city strongly influenced by the growing surrounding suburbs. Its priority focus on modernizing and expanding its transportation systems (both highway and light rail) reflect this influence. However, like Cincinnati, Atlanta, and other cities, it has a high concentration of people of

ST. LOUIS (continued)

color in the city (African Americans) with a significant number of those residents living in poverty. Efforts by the city to revitalize the downtown area through housing and commercial developments, while achieving success, are also forcing many African Americans out of the city. Additionally, industry has moved out of the city to the surrounding suburban communities, taking higher paying blue-collar positions with it and leaving high unemployment behind.

Strategies, Recommendations, and Promising City Initiatives

The question that initiated this research project was: "Are other cities using model programs or strategies to address economic and social issues that also impact racial tensions?" The short answer is "Yes." The longer answer is that even though many cities struggle to address these same issues (concentrated poverty; racial tensions; limited city/county revenue; etc.), their make-up and circumstances are very different and call for very different approaches to addressing economic, social, and racial issues. Given this, a number of strategies stand out as successful models for addressing economic and social conditions in communities with histories of racial tensions. Each of the models outlined below addresses a number of issues. We placed them in the section related to the issue we felt was most relevant, but most promising city initiatives are poised for success because they combine a number of important factors in their design and execution.

Strategy: Take a Regional Approach

City Findings

In all of the cities in the study there appears to be a continuing, growing urban-suburban divide in the region. This is highlighted by continuing population and tax base loss in urban cities and increasing economic and political power in surrounding suburban cities and communities. This condition was present in all five of the cities in our project. The region outside of the cities has a much smaller minority population, tends to be more affluent, and is where most of the current economic growth is occurring.

> Issues of class and class segregation and the ways in which they are overlooked also add to racial tensions in Los Angeles and America in general. These issues are particularly acute in a city like LA where the lack of a viable mass transit system only allows people to continue their "cocooned" existence. — *Los Angeles Resident*

Reflections on Regionalism[14] makes the following statement that advocates using a regional approach:

"Instead of calling on each locality to take responsibility only for itself, regionalism recognizes the entire area as a system of interdependent parts. The whole will prosper only if all parts are able to function. Allowing richer parts of the region to externalize their social responsibility creates resource-starved, poorly functioning communities at the core. When one part becomes dysfunctional, the entire system is compromised. This is what is happening with the inner cities and their older suburbs — difficulties are negatively affecting entire regions."

> Greater Cincinnati has a strong tendency toward denial. There is a compulsion to believe that everything is okay as is. In addition, there is little cooperation between suburbs and the City of Cincinnati. Finally, the regional economy appears to be in decline. — *Cincinnati Resident*

As discussed in *Regionalism: Growing Together to Expand Opportunity to All*,[15] the Presidents' Council of Cleveland states that when there are racial and economic inequalities within a region, the entire region is affected. The wasted creative capacity caused by a failing educational system marginalizes much of the region's labor force into unskilled labor, which in turn makes the region less attractive to businesses and employers. Regions also decrease their competitive edge in the global marketplace when precious energy is expended on "inter-regional economic competition" as a result of neighborhoods fighting for scarce resources within a region. Additionally, exclusionary zoning policies result in increasing burdens for middle-class families in the suburbs, which results in less expendable income that could be spent in other areas of the economy. The segregation of African American neighborhoods, and other neighborhoods of color, results in lost home equity and wealth for low- and moderate-income families. Finally, fragmented regions and sprawling growth render key infrastructures (e.g. water and sewer) and key government services (e.g. police and fire) less effective through unnecessary redundancies and result in higher costs to all taxpayers in the region.

Lessons Learned/Recommendations

Any strategy for addressing racial, economic, and social issues for these cities will need to be linked to the formation of a regional economic and growth strategy. Myron Orfield, a noted researcher and author of a study in Cincinnati that analyzed this issue, argues that the urban-suburban changes suggest that local approaches to growth and economic development create competition that ultimately hurts not only the city but all parts of the region. Instead, localities should work together to advocate for new regional, state, and federal policies that strengthen the region.[16]

[14] John A. Powell, *Addressing Regional Dilemmas for Minority Communities* in Bruce Katz (ed.), *Reflections on Regionalism*. The Brookings Institution, Washington D.C. 2001 (pp. 226-227).

[15] Angela Glover Blackwell, Robert D. Bullard, Deeohn Ferris & John A. Powell. *Regionalism: Growing Together to Expand Opportunity to All*. The Presidents' Council of Cleveland, May 2007.

[16] Myron Orfield. American Metro-Politics: Cincinnati Region. The Brookings Institution, 2001.

Promising City Initiative:

The BeltLine Initiative – Atlanta, GA

Atlanta, like other major urban cities, continues to experience significant growth in its suburbs. The impact of this sprawl has led to inequitable economic, social, and environmental consequences, with many areas within the city impacted by financial and human capital disinvestment through loss of city residents. Additionally, there are negative environmental impacts such as residents relying primarily on cars for transportation and having long commutes, which contribute to poor air quality.[17] The goal of the BeltLine Initiative is to create a 22-mile loop of interconnected parks, trails, light-rail routes, and environmentally friendly development surrounding downtown Atlanta. The land is currently part of a now defunct route of railroad tracks. The BeltLine hopes to change the current pattern of regional sprawl into livable neighborhoods where people can live, work, and play. Growth thus far has been concentrated in areas north of downtown, and this plan redirects a significant portion of the growth to the south and west sections of the city.

The BeltLine is a 25-year project and will require over $3 billion to fully implement. With the Beltline touching so many areas of the city, neighbors' concerns and priorities vary greatly. In the Southwest section of the Beltline, for example, much attention is being paid to ensure the project doesn't displace residents or eliminate affordable housing options. Initial concern by the African American community that the BeltLine project would not benefit them has been replaced with an optimistic, yet cautious attitude. Community members generally feel included in the planning process and are pleased with the structures for local community input. Of significance for the African American community is the fact that two prominent African American women are now leading two key organizations: Atlanta BeltLine Incorporated and BeltLine Partnership.

Features of the plan include:
- Parks: Over 1,200 acres of new or expanded parks
- Trails: 33 miles of continuous trails connecting 40 parks
- Transit: 22-mile transit system connecting to the larger, existing regional network
- Jobs: Over 30,000 permanent jobs and 48,000 year-long construction jobs
- Workforce housing: 5,600 new workforce housing units
- Streets: 31 miles of new streetscapes and street renovations
- Environmental remediation: clean-up of sites with environmental issues
- Neighborhood preservation: preservation of existing single-family neighborhoods by providing appropriate transitions to higher-density uses
- Tax base: estimated $20 billion increase
- Industrial base: preservation of viable light industry

The next step for the BeltLine Project is the implementation of a $427 million five-year workplan that identifies priorities for buying land and rights-of-way, funding initial studies, and making the first investments into workforce affordable housing. A legal challenge to the plan for bond financing of the project is expected to be adjudicated in fall 2007.[18]

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[17] *The BeltLine Redevelopment Plan: Atlantans' Vision for the Future.* BeltLine Partnership, November 2005
[18] Beltline Community, *www.beltlinecommunity.com*

Strategy: Public/Private/ Nonprofit Collaboration

City Findings

Respondents in each city identified the need for effective and uniform leadership exerted from among the three key city sectors (public, community, and private) responsible for economic development activities. Residents felt that no one sector should have the power to make decisions regarding economic development activities without meaningful participation from others. In addition, residents felt that leadership within these sectors was often not representative of the diversity in their cities and that addressing this issue was key to moving forward. This is especially true in cities that are experiencing significant demographic changes.

> There are leaders at all levels that can and should be involved with racial issues before problems occur. Detailed strategies and action plans supported by economic development initiatives should be fostered by these leaders. Racial tolerance work, as encouraged by community leaders, should be ongoing in religious institutions, businesses, and government agencies. — *Atlanta Resident*
>
> Involvement from the business community, education, and various public and private constituents coming together to discuss the issues has helped address racial tensions. — *Cincinnati Resident*

Lessons Learned/Recommendations

An examination and renewed emphasis on collaboration among private, public, and community sectors is a wise investment. All three are needed for successful economic development strategies in their cities; and the collaboration works best when there is equal capacity, power, and respect among them. The analogy often used is that of the "three-leg stool". With only one or even two legs, the stool is not balanced and will fall. It is only with three legs of equal length that the stool is evenly balanced and can support weight. In local economic development efforts the community is often perceived as the weak or missing leg of the stool, while local government and the private sectors are perceived as the drivers of economic activities. This can lead to mistrust and inequitable results for city residents.

A re-examination of sector collaboration with an emphasis on strengthening the role and involvement of the community is warranted. Strong community participation, primarily through active nonprofit organizations, can increase the chances that the economic development activities will benefit those most in need. Allowing the different sectors to better understand the unique demands and issues facing each other creates a greater appreciation for one another's roles. Specific attention should be paid to insuring that the leadership within these sectors fully reflects the racial and cultural makeup of the community. Special emphasis should be placed on short- and long-term training on race and diversity, with the goal of having sector leaders feel comfortable examining race and its influence in the city.

Promising City Initiative:

East Baltimore Development Initiative – Baltimore, MD

Started in 2002, the East Baltimore Development Initiative (EBDI) represents a long-term, comprehensive and collaborative commitment to transform an 80-acre area near Johns Hopkins Hospital.[19] Six major partners (The Annie E. Casey Foundation; Johns Hopkins Institutions; the Greater Baltimore Committee; Baltimore Housing; the Coalition to End Childhood Lead Poisoning; and the City of Baltimore) have come together in a multi-billion dollar development that will be anchored by a two-million-square-foot life sciences and technology park that will eventually house 30 to 50 companies. In addition, the project is envisioned to attract 630 primary researchers and 2,000 post doctoral students and other scientists; build 1,200 mixed-income, new, and rehabilitated residential units; provide up to 6,000 new jobs between construction and new or expanded businesses; and include dedicated greenspaces.

A joint venture between private developer Forest City and Presidential Partners, a local consortium of minority-owned firms, the EBDI efforts thus far have created a broad-based public-private partnership that has leveraged over $115 million in governmental and private funds for the initial 30-acre phase of redevelopment activities. To date, more that half of the over 350 relocating families from the first phase of the project have moved to new homes, and many others have benefited from educational, job training, financial, and legal services that the project provides. An economic inclusion plan is ensuring significant and meaningful economic participation of women, minorities, local residents, and business enterprises in all facets of the new neighborhood's development.

In June 2004, Johns Hopkins announced a free tuition program designed to provide Baltimore's best public school students with an opportunity to stay near home and study at one of America's premier universities. Known as the Baltimore Scholars Program, this scholarship began with the class entering in the fall of 2005 and is open to students who attend Baltimore City public schools for at least the three previous years and gain admission as first-year, full-time undergraduates in either the Krieger School of Arts and Sciences, Whiting School of Engineering, or Peabody Conservatory of Music at Johns Hopkins University.

[19] *Signs of Promise: Stories of Philanthropic Leadership in Advancing Regional and Neighborhood Equity.* Funders' Network for Smart Growth and Livable Communities, 2005 (p. 69).

Strategy: Civic Engagement/ Resident Involvement

City Findings

In every city, survey respondents emphasized the need for the community to be involved in the planning and decision-making process around economic development. Project participants stressed that a more bottom-up approach is needed when conceptualizing and implementing economic development projects as opposed to city government and businesses making the key decisions without resident input. Several respondents mentioned the importance of grassroots leadership in helping residents get engaged in the process and in teaching community members how to advocate for equitable development strategies.

Lessons Learned/Recommendations

Community engagement strategies, especially community organizing, build a more engaged and informed population. This, in turn, enables residents to be able to take advantage of economic development opportunities when they arise. Communities that are recognized as stakeholders are more likely to have their needs taken into account in the planning and community engagement process when economic development plans are being developed. Civic participation strategies that engage communities at the margins of political and social systems can bring these communities more into the center of these conversations.

> Embrace the residents and ask for their input and advice in the process. Too often our city leaders make decisions impacting our communities of greatest need without getting their input. — *Cincinnati Resident*
>
> Work to hear the voices of the people who are being oppressed and see what their needs are versus what you believe their needs are. By learning from the citizens themselves, we can work as a community together and address racial tensions. — *St. Louis Resident*

Community building and education are the keys to effectively increasing political representation of marginalized communities. Bringing people together is the first step towards developing cohesion and unity around specific topics of self-interest. In order to then advocate for these issues, concrete skills and education for participating in the political process are also necessary. Knowing how to engage with decision-makers and impact policy is a vital part of this education. Efforts to increase civic participation and community cohesion include: community organizing; increasing voter registration, education, and turn-out; promoting volunteerism; and other forms of working with existing institutions and structures (and creating new ones), such as congregation-based community organizing. Individual leadership training is also a key piece to developing this field.

Promising City Initiative:

Market Creek Plaza – San Diego, CA

Market Creek Plaza is among the nation's first real estate development projects to be designed, planned, and ultimately owned by community residents.[20] Market Creek Plaza is a 20-acre mixed-used project in the heart of San Diego's Diamond Neighborhoods. Home to many ethnic groups, including African Americans, Latinos, Laotians, Samoans, Filipinos, and Somalis, the Diamond has 88,000 residents and has experienced a long period of under-investment with little new commercial development in over 25 years. Nearly a quarter of the population survives on less than $15,000 annually.[21]

A 1998 economic study showed that residents spend more than $60 million annually outside of their neighborhoods because of the lack of products and services within the Diamond.[22] After conducting hundreds of neighborhood surveys and scores of community meetings, residents identified the need for a supermarket, a movie theater, activities for youth, jobs, and various products and services. The first phase in the development was completed in 2001 and extends over ten acres on a property that once housed an aerospace factory. Both a commercial and cultural center, this phase includes a large grocery store, ethnic restaurants, a fitness center, and an open-air amphitheater.

One of the unique aspects of the Market Creek Plaza project is the goal of building individual and community assets through the project. The Jacobs Center for NonProfit Innovation undertook the challenge of working with the community to develop an ownership strategy for residents and stakeholders. Creating ways to build profits that can be re-invested in the neighborhoods is the backbone of this unique wealth-creation strategy. The effort is modeled on the Native American tribal "theory of thirds" — one-third for individual benefit, one-third for community benefit, and one-third for ongoing development. The result is a self-generating system of wealth creation in the neighborhood. Profits from the Plaza will go back into the neighborhood to individual stakeholders (who will be members of a public LLC), as well as to a neighborhood-controlled community foundation. This will provide ongoing access to resources generated from within the community

[20] "A Diamond in the Rough". Fannie Mae Foundation Building Blocks, Spring 2002, vol. 3 no. 1
[21] *Signs of Promise: Stories of Philanthropic Leadership in Advancing Regional and Neighborhood Equity.* Funders' Network for Smart Growth and Livable Communities, 2005 (p.84).
[22] Market Creek Plaza: Working Together to Build Skills, Assets, and Ownership … While Rebuilding a Neighborhood. Jacobs Center for NonProfit Innovation, 2002.

for future projects or services. In addition, a portion of Market Creek Plaza's profits will provide resources for ongoing commercial development within the neighborhood.

The accomplishments of the Market Creek Plaza Project thus far have been impressive. Sixty-two percent of the construction contracts for the Plaza were awarded to local minority-owned enterprises. Additionally, 91 percent of the initial employees at the Food 4 Less (the anchor grocery store) were hired from the community. All these jobs are unionized and include living wages, health benefits, and pension plans. Over 3,000 adults and 1,000 youths from the community have participated in land planning, leasing, marketing, research, advocacy, and ownership design. Lastly, a plan to enable up to 450 community residents to invest in the project is currently before the California Department of Corporations for approval.

Strategy: Community Benefits Agreements

City Findings

In many of the cities surveyed, higher-income Whites are moving in, and the economic market forces are pushing lower-income African Americans, Latinos, and Asians out. Focus group and survey respondents identified this as a real source of growing racial tensions that is not currently being addressed. The majority of respondents from all racial backgrounds indicated that they felt people from the upper and middle classes were benefiting disproportionately from economic development activities. Most notably, a much higher number of African American respondents felt that upper-class people benefited the most from economic development activities — particularly in contrast to Whites, who felt the middle class benefited more than the upper class. These differences in perception, regardless of their accuracy, play a role in racial tensions among residents of the cities. Respondents in the focus groups and survey strongly recommended that philanthropy continue to support strategies that leverage the benefits of market and private development and at the same time limit and mitigate the negative impact on low-income and residents of color.

> Cincinnati has had significant development and growth. Unfortunately, it has not benefited the people that need it the most. Job training has not translated into employment opportunity, jobs have moved to the suburbs with little or no public transportation, an ordinance was passed that essentially eliminated affordable housing development, and the schools continue to need help. Overlay this with a city that is 65% African American, and race relations are not getting better.
> — *Cincinnati Resident*
>
> Some of the recent economic developments in Oakland have been the product of community organizations and grassroots efforts — collaborative efforts that bring people together and break down traditional racial barriers. — *Oakland Resident*

Lessons Learned/Recommendations

Community benefit agreements should be instituted to ensure affordable housing and living wage jobs for residents in areas that are being developed. Residents and community-based organizations need to have a strong voice in development decisions to ensure that government-backed projects will benefit all community members, not just developers and the affluent.[23] The nonprofit sector has played a crucial role in advocating, designing, and delivering community benefits to local residents.

Promising City Initiative:

Oak to 9th Project – Oakland, CA

Oakland, like other inner-urban cities across the country, has witnessed a sharp increase in economic development activity supported by public funding. Unfortunately, much of this development has actually increased economic inequality by creating low-wage jobs that leave people stuck in a cycle of working poverty and driving up housing costs that ultimately displace long-term residents. This development can be used as a tool to create more economic equality if resources are distributed fairly, just policies are implemented, and the interests of existing residents are considered. "While new capital investment is welcomed and encouraged in areas like Oakland's waterfront, who benefits from that investment is a critical question that developers, communities, and city officials must address."[24]

The Oak to 9th site includes 13 parcels straddling Lake Merritt Channel along the eastern shore of the Oakland Estuary and is part of former Mayor Jerry Brown's 10K plan to attract 10,000 residents into Oakland's downtown core. Signature Properties, a for-profit developer, proposed development on the Oak to 9th site of 3,100 units of market-rate housing, 200,000 square foot of retail, and 27 acres of open space on public land along the Oakland Estuary. In response, organizations with different issue areas and agendas worked together to ensure that local residents were able to benefit from the significant development that was being planned in some of Oakland's poorest neighborhoods. The primarily low-income Asian and Latino immigrant residents formed a new coalition of untested political power.

The Oak to 9th Community Benefits Coalition was composed of organizations and racial and ethnic communities that had not worked together in the past, but came together as the people who would be most affected by the development. There was also support from the African American community in terms of churches (both pastors and laypeople) and other residents who were involved as allies in the coalition. This was vital in a city that traditionally has a Black political power center. With portions of the city racially segregated, community issues surrounding new development can pit racial groups against each other in the fight over scarce resources.

The final deal includes an agreement between the City and the Coalition that commits to the construction of at least 465 units of housing affordable to families and seniors with annual incomes between $20,000 and $50,000. The project also includes an extremely innovative job training and

[23] East Bay Alliance for a Sustainable Economy, www.workingeastbay.org.
[24] Oak to 9th Community Benefits Report, Urban Strategies Council, July 2005 (p. 1)

local hiring provision, agreed to by the Coalition and the developer, that establishes a pipeline for training and long-term placement in the unionized construction sector, tailored especially to immigrant workers and formerly incarcerated persons.[25]

The Community Benefits Coalition accomplished several goals:
• More housing for extremely low- and very low-income families, both as a percentage and numerically.
• A pipeline into good-paying construction careers for 300 Oakland residents, with an emphasis on hiring local neighborhood residents and a $1.65 million training program.
• Legally binding written commitments with legal and financial penalties to ensure the affordable housing and quality jobs commitments are fulfilled.
• An unprecedented coalition of three resident organizations in nearby neighborhoods, and labor and faith leaders and allies city-wide who worked together for three years to win this agreement.[26]

[25] Urban Strategies Council, www.urbanstrategies.org
[26] Ibid

Strategy: Dialogue and Relationships Building

City Findings

Neighborhood and educational segregation, language issues, religious differences, and economic disparity were frequently named as barriers to addressing racial tensions. The need for improved understanding, relationship building, and increased dialogue among different groups came up as key issues. Integration is a main piece of this puzzle, but not the only one. In fact, respondents were acutely aware of the lack of information about and relationships with neighbors, classmates, and colleagues. Survey respondents and focus group participants in each city feel strongly that racial tensions exist below the surface and have the potential to explode with a triggering incident. While excited and grateful for the opportunity to offer opinions and have further dialogue on race through the survey and focus groups, city respondents expressed a need to go deeper and wider in these discussions. Community members emphasized the importance of developing strategies for addressing racial tensions, and strongly recommended that more formal structures, resources, and technical assistance are needed to sustain dialogue, strengthen action strategies, and achieve concrete results. Many see this as a critical role for philanthropy to facilitate and support.

> Give people venues to voice concerns; bring diverse groups together on concrete issues; and set goals, priorities, and deadlines. People need to see, feel, and hear change in order to have hope. — *St. Louis Resident*
>
> Encourage more dialogue and interaction among people of diverse ethnicities. Teach appreciation of other cultures and their history in the school, incorporating such lessons in the regular curriculum as opposed to one month during the year. — *Atlanta Resident*

Lessons Learned/Recommendations

Formal and informal venues for building dialogue and relationships have proven to be a key ingredient in increasing positive interracial relationships, including: neighborhood art projects, cultural celebrations, school-based programs, joint civic enterprises, dialogue groups, conflict resolution, interethnic councils, and human relations commissions. Educating young people about different cultures was frequently mentioned by survey respondents as an important factor for addressing racial tensions successfully. Faith-based models have also been highly effective in offering cross-class and cross-race venues for relationship building.

Promising Strategies:

Dialogue, Anti-racism, and Leadership Trainings

There are several ways that communities can build relationships across lines of race and class, develop diverse leadership, and work on racism. Dialogue methods bring together groups of residents from diverse backgrounds to engage in ongoing discussions and to develop relationships. Study Circles provides resources for communities to engage in small-group, democratic, peer-led discussions that lead to action in the community. Several hundred to several thousand residents participate in Study Circles and address issues such as: Racism, Education, Immigration, Youth Issues, Police-Community Relations, and Immigration. Residents have instituted a number of different citywide programs out of Study Circles, including: creating multicultural gala celebrations, changing hiring policies at city police and fire departments, and training pubic school administrators and teachers about the impact of race on teaching methods and student achievement.

Anti-racism trainings are specifically focused on education about racism. There are many groups that provide anti-racism trainings, each of which have their own ideology and methodology. Some groups focus on institutional racism, some focus on the personal effects of racism, and some trainings offer both. Styles range from more direct, assertive approaches (The People's Institute for Survival and Beyond)[27] to approaches that are based more in interpersonal sharing and exploration (Stir Fry Seminars & Consulting)[28]. For a list of organizations offering training and tools around racism see The Aspen Institute's "Tools for Dismantling Structural Racism."[29] The Aspen Institute also offers an Annotated Bibliography on Structural Racism (books and articles) as part of its Project on Structural Racism and Community Revitalization.

Leadership trainings offer support, training, and networking to leaders of color. After the Los Angeles riots, 12 minority-led organizations created the Multicultural Collaborative. From 1993–2006, the group met to address rebuilding race relations after the riots. The Asian Pacific American Legal Center, one of the key member organizations, also created the Leadership Development in Interethnic Relations (LDIR) program. Since 1991, the LDIR "has challenged its participants to understand and negotiate the boundaries that separate them from each other, including race, ethnicity, gender, sexual orientation, and class."[30] The LDIR is currently focused on sector-based leadership development with a focus in the last year on the health sector. LDIR also provides an in-school leadership development class for high school students.

[27] www.pisab.org
[28] www.stirfryseminars.com
[29] www.aspeninstitute.org
[30] www.apalc.org

Strategy: Address Other Factors that Impact Race Relations

City Findings

While our project focused on race and economic development, survey respondents and focus group participants identified a number of additional issues contributing to racial tensions. These issues included police/community relations, media coverage of crime and safety issues, inadequate educational opportunities, and leadership of the cities being reflective of the populations they serve.

The issue mentioned and discussed most in all the cities was education and the failing school system. Respondents commented that a solid education in fair and equitable schools is the path toward good jobs and improved economic status. This was correlated with race relations in terms of the state of the public schools in most of the cities, which are predominately comprised of students of color and are experiencing financial and achievement difficulties. Access to quality education has a direct connection to future individual and family economic security and job success, which can in turn lead to improved race relations.

A second issue mentioned often was crime and safety, although this issue also highlighted the fact that most of the crime problems within the cities we examined is occurring within communities of color, either within races (African American on African American) or across races (African American vs. Latino/Hispanic). Also noted was the influence that the media has in portraying certain neighborhoods/areas as dangerous and cultivating fear in some communities that leads to segregation and tensions.

> To improve the primary tension that exists between the races: education. By focusing on the education (school quality), we can help low-income and at-risk youth to reach higher levels of education beyond high school, giving them the opportunity to succeed in the workplace. — *St. Louis Resident*
>
> I feel that the media has focused on the violence and made our situation much worse than it is in reality. They fail to cover economic development initiatives or areas of great improvement. — *Cincinnati Resident*

Lessons Learned/Recommendations

These additional factors suggest a comprehensive analysis and strategy approach to address issues of race and racial tension that includes all substantive programmatic areas of philanthropy. While most, if not all, of the other factors contributing to racial tensions identified in the survey and focus groups responses are either directly or indirectly connected to lack of economic opportunities, respondents saw them as very distinct barriers that need to be addressed.

> Invest in nonprofits that focus on multiracial leadership of young people, forcing schools to address issues of race and culture within the classroom. — *Oakland Resident*
>
> Although racial tensions still exist, the presence of more African Americans in more prominent positions, new city government, new processes to investigate racial issues, more professional organizations and corporations becoming involved, and the admittance that there have been and are indeed racial issues and struggles by the city police have contributed to fewer racial issues overall. However, we still have far to go. — *Cincinnati Resident*

In many instances what is needed is a comprehensive multi-year commitment designed to have major impacts on the range of issues causing racial tensions. The first step should be a strategic understanding of how these issues are connected, and how they collectively contribute to the racial tensions that exist.

As described on the next page, Cincinnati is currently implementing such an effort and showing steady progress at addressing many of the concerns raised by residents.

Promising City Initiative:

Cincinnati Community Action Now (CAN)

Community Action Now (CAN) came into being when the mayor appointed a commission charged with identifying and recommending solutions to the issues underlying the racial disturbances in Cincinnati in April 2001. Led by community and business leaders and supported by the Greater Cincinnati Foundation, business executives from local companies supported action teams made up of volunteers from the community, private, and public sectors. These stakeholders were charged with identifying short-term actions that could make an immediate and visible difference, as well as identifying long-term solutions to the underlying problems of the racial tensions existing in Cincinnati.

Over the next eight months CAN set out to identify strategies for addressing the disparities that impact Cincinnati residents in need, particularly in the African American community. CAN also defined three principles to guide its operations: "to create substantial and sustaining change that reduces disparities; to build upon successful programs here and elsewhere; and to be inclusive, seeking viewpoints from all segments of Greater Cincinnati."[31]

CAN identified four areas for its priority initiatives:[32]

Improving Policing and the Justice System — including establishing a Community Police Partnership Center; implementing a community/police partnership plan involving problem-oriented policing, youth street workers, a youth mentoring program, and community-based juvenile courts; and increased diversity through police recruitment as well as an assessment and development of a plan to create cultural and behavioral change in the Police Department.

Improving Educational Achievement — including upgrading and expanding the area's existing early childhood development programs ("Success by Six"); working with the Cincinnati Public School system to partner corporations with at-risk schools; and a Youth Employment Initiative to partner public, private, and community resources to provide job training and year-round employment opportunities for teenagers.

Spurring Economic Inclusion — including the upgrade of the city/county "one-stop" employment center for improved accessibility to employment opportunities in Greater Cincinnati; creation of a "Minority Business Accelerator" program to increase the number of sizable African American owned businesses through contracting opportunities with Cincinnati companies; development of an arts education and training facility modeled after the successful Pittsburg-based Manchester-Bidwell Training Center; and capacity building support to identified organizations in Cincinnati that have a successful track record for training and placing the hard-core unemployed.

Improving Housing and Neighborhood Development — including support for programs that increase housing ownership and increase availability of affordable, quality housing for Cincinnati residents through federal housing rehab programs (Hope VI) and support of nonprofit housing development organizations.

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[31] Sharon L Edwards. *Cincinnati in Black and White 2001-2006: A Report to the Community from Better Together Cincinnati.* The Greater Cincinnati Foundation, 2006.
[32] Cincinnati Community Action Now Priority Initiatives, 2003

In 2003, CAN along with the leadership of The Greater Cincinnati Foundation helped to organize Better Together Cincinnati (BTC), a group of 15 foundations[33] and corporations formed to provide funding for a number of CAN's priority initiatives. BTC members committed a five-year pledge and to date have pooled nearly $7 million in financial and other support targeted at the ongoing work to improve police-community relations and creating greater opportunities for African Americans in Cincinnati.

[33] Better Together Cincinnati funding participants include: Cincinnati Bell, Convergys Corporation, The Thomas J. Emery Memorial, Federated Department Stores, GE Aircraft Engines, The Greater Cincinnati Foundation, KnowlegeWorks Foundation, Love Family Foundation, Ohio National Financial Services, The Procter & Gamble Company, SC Ministry Foundation, Scripps Howard Foundation, Toyota Manufacturing North America, United Way of Greater Cincinnati, and US Bank.

Starting the Discussion on Race

Foundations are uniquely positioned to play a role in addressing racial tensions in the cities they serve. To adequately evaluate philanthropy's role might necessitate the ability to develop internal approaches to race and racial impacts by foundations. It would also require the development of indicators and benchmarks for measuring our progress, both internally as well as in the communities we serve.

Important work around incorporating racial analysis into the work of philanthropy is being done by a number of organizations and foundations. The Annie E. Casey Foundation has produced a toolkit called Race Matters[34] that is designed to help decision-makers, advocates, and elected officials achieve better results in their work by providing equitable opportunities for all. Included in this publication are an Organizational Self-Assessment, Racial Equity Impact Analysis, and System Reform Strategies tools. These resources can be incredibly valuable for helping philanthropy to strategically incorporate a racial analysis into policies, programs, and practices.[35]

The Philanthropic Initiative for Racial Equity (PRE) is a multi-year project intended to increase the amount and effectiveness of resources aimed at combating institutional and structural racism in communities through capacity building, education, and convening of grantmakers and grantseekers. PRE is engaged in a number of projects and initiatives that promise to bring valuable resources to the philanthropic community.[36]

The controversial yet important study by the Greenlining Institute sparked foundations to take a closer look at the racial composition of the staff and boards of the organizations that they fund. The report[37] has encouraged foundations to collect and report on the amount and number of grants they fund going to organizations led by and focused on serving minority populations.

Grantcraft recently released a guide called Grantmaking with a Racial Equity Lens, produced in conjunction with PRE, which provides useful insights and practical tips in regards to this topic.[38] It clearly goes through the steps on how to apply a racial equity lens to grantmaking and to internal foundation policies and practices.

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[34] *Race Matters*. Annie E. Casey Foundation, February 2006.
[35] www.aecf.org
[36] Philanthropic Initiative for Racial Equity, www.racialequity.org
[37] *Investing in a Diverse Democracy: Foundation Giving to Minority-Led Nonprofits*. The Greenlining Institute, Fall 2006.
[38] Julie Quiroz-Martinez. *Grant Making with a Racial Equity Lens*. GrantCraft, 2007.

Additionally, a number of foundations are leading efforts to develop practical approaches to integrating race in all aspects of their operations. The Race and Equity in Philanthropy Group is a learning cluster that provides an opportunity for member foundations to improve their own approaches to race and inclusion in the areas of internal operations, policies, and procedures through peer learning.[39] Current participants include the Annie E. Casey Foundation, W.K. Kellogg Foundation, The California Endowment, and The San Francisco Foundation. Intentionally practical, the group intends to directly enhance the various ways in which foundations can make greater contributions to communities of color. These include vendor, workforce, and grantee diversity. The group also seeks to catalyze greater dialogue and enhanced practices around race and equity in the broader field of philanthropy, and offer best practices and other resources to assist foundations in becoming exemplary in this field.

The Diversity in Philanthropy Project[40] is a collaborative effort of leading foundation executives. The project is committed to increasing philanthropic responsiveness to equity, diversity, and inclusiveness concerns through promising new partnerships and strategic investments. Working in collaboration with a broad range of institutional partners, the Diversity in Philanthropy Project seeks to develop and advance specific strategies intended to improve U.S. foundation diversity performance in areas including board and staff appointments, grantmaking, and contracting.

Lastly, a number of foundation and philanthropic affinity groups are working to help the field in identifying issues and crafting strategies around the principles of diversity, inclusiveness, accountability, and principles of social justice. Those focused on race and culture include Hispanics in Philanthropy (www.hiponline.org), Native Americans in Philanthropy (www.nativehpilanthropy.org), Asian Americans/Pacific Islanders in Philanthropy (www.aapip.org), and Association of Black Foundation Executives (www.abfe.org). These organizations can be valuable resources to foundations seeking to broaden their knowledge and exposure to issues on race.

[39] *Profiles in Foundation Giving to Communities of Color*, A briefing paper by the Race and Equity in Philanthropy Group and Marga Incorporated, 2007.
[40] The Diversity in Philanthropy Project is coordinated by lead consultant Henry A. J. Ramos, principal of Mauer Kunst Consulting.

Conclusion

Five major findings emerged from this project:

- First, while acknowledging the significant gains we have made regarding race and racial attitudes, there continue to exist strong opinions about the economic inequities based on race that continue to impact the lives of Americans. We heard this clearly in the survey and focus group responses. What is encouraging is that at the same time, those responding are eager to move from dialogue to concrete strategies for addressing their concerns.

- Second, while the dialogue around race in some cities still focuses on the relationship between Blacks and Whites, other cities (Los Angeles and Oakland) represented in our study illustrate a more multi-ethnic dimension that has been added to the conversation on race and race relations. This is creating additional pressure on cities in addressing racial tensions and economic development inequities.

- Third, there is a clear correlation between improved economic development status and positive racial attitudes. While better economic security does not create immunity from racism and racist attitudes, survey and focus group respondents endorse the idea that better economic conditions will lead to better race relations.

- Fourth, the promising initiatives described in this report depict but a small number of activities that impact race and economic development in cities across America. For these initiatives, a number of notable considerations stand out. All of these efforts have significant individual or community leadership driving the activities. Direct involvement by the community has provided legitimacy and accountability that can not be achieved with solely private and/or public actions.

- Fifth, the projects must be comprehensive; reach deep into the community; be long-term; be well-funded; and perhaps most important, be a collaboration between the community, nonprofit, private, and public sectors.

One of the most important lessons for the field of philanthropy to glean from this project is that we must all step up to support efforts to address race and economic development. We must support and collaborate with the community, nonprofit, public, and private stakeholders to implement economic development strategies, as well as address many of the factors identified by the respondents as contributing to racial tensions. As the report finds, many foundations are beginning to look inward at their staffs, practices, governance, and philosophy to better understand how race influences us and the communities we serve. Our efforts to dig deeper into understanding race will provide greater lessons and strategies on improving race relations in cities in the future.

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